UPADM-GP 140
The Economics of Public Policy
Fall 2023

Course Information

- Lecture:
    - Section 001: Mondays, GCASL 288, 6:20-8:50PM
    - Section 002: Thursdays, BOBS LL150, 4:55-7:25PM
- Recitations (virtual):
    - Section 003: Tuesdays 7-8PM, Bergen Bodensteiner
    - Section 004: Wednesdays 8-9AM, Domny Hernandez
    - Section 005: Fridays 9:30-10:30AM, Aaron Pope
- Recitations begin on Friday, September 8 (Note, students scheduled in recitation Section 005 are <u>strongly encouraged</u> to switch to 003 or 004).

Instructor Information

- Section 001: Professor John Scianimanico, john.scianimanico@nyu.edu
- Section 002: Professor Alexander Heil, ah5701@nyu.edu

Teaching Assistant Information

- Bergen Bodensteiner, bergenb@nyu.edu
- Donny Hernandez, dh3094@nyu.edu
- Aaron Pope, ap5107@nyu.edu

Prerequisites

- ECON-UA2 Introduction to Microeconomics, or equivalent. This course requires a working knowledge of the material in ECON-UA2. It is your responsibility to review that material in advance of taking this course.

Course Description and Objectives

A required core course for Public Policy majors, this course analyzes the impact of public policy on the allocation of resources and the distribution of income in the economy. Students completing the course will know how to use the tools of microeconomics and empirical analysis to answer these questions:

- When should the government intervene in the economy or markets?
- How might the government intervene? What policy options are available?

- What are the effects of those interventions on economic outcomes and society?
- What are the short and long-term impacts of selected policies?

The assignments and exams assess all the above learning objectives.

Required Readings

- Jonathan Gruber, *Public Finance and Public Policy,* 7th edition, 2022. Using another edition is at your own risk as public policies are frequently revised. An e-book version is available through the NYU library system.
- A microeconomics principles textbook. The course outline below refers to chapters in N. Gregory Mankiw's *Principles of Microeconomics*, but you can use any introductory text, such as the one you used in ECON-UA2.
- A number of required articles and book chapters will be posted on NYU Brightspace and must be completed before class. In most weeks, specific readings for discussion will be assigned along with a set of pre-lecture questions on Brightspace. These should be completed at least one hour before class. You should apply economic reasoning to the issues raised in these readings and jot down your answers to any associated questions before coming to lecture. Your answers to these questions will form the basis of in-class discussion. Note that you can obtain access to the linked New York Times articles by activating an Academic Pass using your NYU email address: http://nytimes.com/passes

Lecture

- Lecture handouts will be posted on Brightspace the day before class. Bring a printed copy so that you can take notes by hand and draw graphs on it during the class. You may also load it onto a tablet with stylus and write with that instead.
- Apart from a tablet with stylus for taking notes and drawing graphs, no other electronic devices are permitted in class. This includes laptops, tablets without a stylus, and phones. Please mute and put away all such devices. There is a growing body of research that shows benefits from taking notes by hand, and detrimental effects on learning for electronic device users and their neighbors.
- Please make every effort to arrive on time. There will be a 10-minute break during each lecture class (timing will vary). If you need to leave early, please tell me before class begins.
- If you miss a class, you should ask a classmate for the missed notes. I do not provide copies of class notes.

Assignments

An assignment is posted on Brightspace after each lecture and must be uploaded to Gradescope (via the link on Brightspace) at least one hour before the start of the next lecture. They are graded pass or fail to promote learning, and grades will be determined based on effort, completion, and accuracy. Please make sure to show your work when submitting assignments; simply providing a numerical answer without showing computations is not sufficient. **No late assignments or emailed assignments will be accepted.** These assignments are intended to provide timely feedback on your progress.

Recitations

- Recitations complement the weekly lectures by going over problems and other technical aspects of theories/concepts that are introduced in lecture. Recitations may also review completed assignments or address other content questions. All recitations are virtual.

- Recitation handouts are posted on Brightspace. You should try the problems on your own before attending. While attendance is not mandatory, you will need to master the content to do well on the exams. The typical student will need to attend.
- The schedule for tutoring office hours is posted on Brightspace. Tutoring hours are an additional resource for questions best addressed one-on-one.

Grades

Grades will be calculated according to the distribution below. There will be no makeup exams or extra credit.

- **Pre-lecture questions and in-class participation (10%):** Participation grades will reflect adequate preparation (completing the readings and the pre-lecture questions), active attendance, and meaningful contribution to class discussion.
- **Assignments (15%):** You will receive credit for up to 9 of the 10 assignments. If you submit all 10 assignments, your worst performance will be ignored. A passing score is considered a 60 percent.
- **Exams:**
    - **Exam 1 (35%):** This will cover material from weeks 1-5.
    - **Exam 2 (40%):** This will focus on material from weeks 7-13, however, you will need to apply concepts learned in earlier weeks.
    - If classes are unexpectedly cancelled on the exam day (e.g. due to weather), the exam will be automatically rescheduled for the next lecture.
    - If you cannot be present for the established exam dates listed below, you should not enroll in the course.

Academic Integrity

Academic integrity is a vital component of Wagner and NYU. All students enrolled in this class are required to read and abide by Wagner's Academic Code. All Wagner students have already read and signed the Wagner Academic Oath. Plagiarism of any form will not be tolerated and students in this class are expected to report violations to me. If any student in this class is unsure about what is expected of you and how to abide by the academic code, you should consult with me.

For this particular course, there are some specific behaviors required to meet the standards of academic integrity.

- **Assignments**: While all students are encouraged to work in groups, the final write up of assignments must be done individually with no sharing of written answers.
- **Exams**: All exams must be the sole work of the individual student.

Violations of these standards may result in all participating students failing the course.

Moses Center for Student Accessibility at NYU

Academic accommodations are available for students with disabilities. Please visit the Moses Center for Student Accessibility (CSA) website or email CSA at (mosescsa@nyu.edu) for information. Students who are requesting academic accommodations are strongly advised to reach out to the Moses Center as early as possible in the semester for assistance. Students approved for accommodations should share their documentation from the Moses Center with me **within the first three weeks of the semester**. Students approved for testing accommodations are responsible for adhering to the Moses Center's strict deadlines for test scheduling (sooner is better as they are heavily booked), and all exams must overlap with the in-class time.

NYU's Calendar Policy on Religious Holidays

NYU's Calendar Policy on Religious Holidays states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. **Within the first three weeks of the semester**, please notify me of religious holidays that might coincide with exams to schedule mutually acceptable alternatives.

Course Outline

The pacing of topics is subject to change.

Week 1

9/11

- Course introduction, review of perfectly competitive markets, welfare economics and policy applications
- Gruber 1
- Review Mankiw 4 (supply and demand), 5 (elasticity), 6 (government policies), 7 (market efficiency), 8 (costs of taxation), Mankiw 9 (international trade)

Week 2

9/18

- Short and long run market dynamics, labor markets, differentials in earnings
- Gruber 2.3
- Review Mankiw 13 (production costs), 14 (firms in competitive markets), 18 (labor markets), 19 (earnings and discrimination)

Week 3

9/25

- Empirical analysis tools, introduction to market failures, imperfect and asymmetric information
- Gruber 3
- Review Mankiw 22.1 (asymmetric information)

Week 4

10/2

- Externalities
- Review Mankiw 10 (externalities)
- Gruber 5

Week 5

10/10 (Tuesday)

Week 4 assignment due 10/10 by 5:30PM

- Public Goods and cost-benefit analysis
- Review Mankiw 11 (public goods), 15 (monopoly)
- Gruber 7.0-7.2, 8

Week 6

10/16

- Exam 1

Week 7

10/23

- Constrained utility maximization, consumer choice and labor-leisure model, in-kind transfer program
- Review Mankiw 21 (consumer choice)
- Gruber 2.1, 17.4 (p504-509)

Week 8

10/30

- Redistributive policies, cash transfers, policies that improve opportunity
- Gruber 2.2, 17

Week 9

11/6

- Tax policy: tax systems, efficiency, and equity
- Gruber 18, 19.0-19.2, 20.1

Week 10

11/13

- Tax policy: labor supply and tax incidence
- Gruber 19.3-19.5, 20.4, 21

Week 11

11/20

- Tax policy: savings, wealth, higher education
- Review Mankiw 21.4c (consumer choice – saving)
- Gruber 11.5, 22, 23.2, 23.3

Week 12

11/27

- Introduction to insurance
- Gruber 12, 15.2

Week 13

12/4

- Social insurance programs
- Selections from Gruber 13-14

Week 14

12/11

- Exam 2