NYU | ROBERT F. WAGNER GRADUATE SCHOOL OF PUBLIC SERVICE

UPADM-GP 140
Economics of Public Policy
Fall 2023

Course Information

- Lecture:
    - Thursdays, 4:55pm–7:25pm
    - Location: Bobst, Room LL150 Loc: Washington Square
- Recitations, Virtual via Zoom:
    - (003): Tuesdays 7-8pm
    - (004): Wednesdays 8-9am
    - (005): Fridays 9:30-10:30am

Instructor Information

- Alexander Heil, PhD
- ah5701@nyu.edu
- 347-616-9039
- Office hours by appointment

Teaching Assistant Information

Domny Hernandez	Bergen Bodensteiner,	TBD
dh3094@nyu.edu	bergenb@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

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.
- 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. I am providing an electronic version of the Mankiw text on Brightspace.
- Several required articles and book chapters may be posted on NYU Brightspace. In most weeks, specific readings for discussion will be assigned along with a set of discussion questions. You should apply economic reasoning to the issues raised in these readings and jot down your answers to the associated questions before coming to lecture. Your answers to these questions will form the basis of some in-class discussion. Notethat you can obtain access to any linked New York Times articles by activating an Academic Pass using your NYU email address: http://nytimes.com/passes

Lecture

- PowerPoint slides will be available on Brightspace prior to each week's lecture. Please review these slides before coming to class.
- Assigned readings must be completed **before** coming to lecture.
- Please make every effort to be on time for the in-class lecture. We will take a 10-minute break during each lecture class (timing will vary). If you need to leave early, please tell me before class begins.

Assignments

An assignment will be posted on the NYU Brightspace site after most lectures (see outline below). Completed assignments need to be submitted electronically, as a **PDF file attachment**. Specific directions on how and where to submit the assignments will be provided on the course website.

These assignments are intended to provide timely feedback on your progress. Answer keys are posted after they are due. In general, late assignments will be assigned a 10% penalty for every day the assignment is late. But in the case of the weekly assignments, late submission will not be allowed. If you need to submit an assignment late, then you will have to use that assignment as your one dropped assignment.

Please make sure to show your work when submitting assignments. Simply providing a numerical answer without documentation of computations is not sufficient, *therefore it would only be considered for partial credit.*

Recitations

- Recitation problems will be posted on the NYU Classes site several days before class.
- Recitations reinforce the current week's material primarily by going over these problems. You should try them on your own before attending recitation. While attendance is not mandatory, you will need to master the content of these recitations to successfully pass the exams and complete the course; the typical student will need to attend. Recitations may also review completed assignments or address other content questions, as needed.
- Recitations complement the weekly lectures. While lectures focus on economic concepts and theories, the recitations address some of the more technical aspects of economics. Since exams consist of both theoretical/conceptual and more technical questions, a student's learning experience is optimized by actively participating both in lectures and recitations.

Grades

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

- **Participation (15%)**: Participation consists of two components: in-class participation and the presentation of an "economic highlight" relevant to the course content.
  - **In-class participation (5%):** If you attend regularly and contribute meaningfully to class discussions, participation will be incorporated into your final grade. You can only contribute in a meaningful way if you have completed all assigned readings and discussion questions before lecture.
  - **Economic Highlight Presentation (5%)**: You will choose a topic and deliver a presentation not exceeding two minutes in length, accompanied by one PowerPoint slide. The presentation needs to be recorded and submitted on our course website [either as a combined file or twoseparate files]. Zoom works well for this purpose.
  - **Response to other student's Economic Highlight Presentation (5%)**: You will review the presentations submitted by other students on our course website and respond to one presentation. The response can be in the form of a written comment or audio file. Please be specific and offer some relevant constructive comments that could add to a discussion.
- **Assignments (25%)**: You will receive credit for up to 10 of the 11 assignments. If you submit all 11 assignments, your worst performance will be ignored.
- **Midterm exam (30%)**: The midterm will cover material from weeks 1-5 (tentative).
- **Final exam (30%)**: The final exam will focus on material from weeks 7-14 (tentative), however, youwill need to apply concepts learned in earlier weeks.

Policy on Use of Large Language Models (ChatGPT etc)

The use of large language models such as ChatGPT is still being reviewed and defined by NYU. In

the meantime, the following guiding principles are useful in assessing your interaction with these tools.

1. Anything you could learn in this class, you can only learn by doing the assignment, not by having it done for you. ChatGPT and related tools can be used in ways that reduce what you learn to nearly nothing.
2. Ethical uses of these tools are possible, but they are course-specific, and require acknowledgement. If you have a question about whether and how you can use these tools, ask your instructor.
3. The shared norms of NYU, and of academic communities generally, requires that you do your own work. If you use these tools in your work, you need to cite them. If you don't, you are violating those norms.

Please ask me if you have any questions about LLMs.

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 ofacademic integrity.

- **Assignments**: While all students are encouraged to collaborate in groups for homework assignments, 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.

Henry and Lucy Moses Center for Students with Disabilities at NYU

Academic accommodations are available for students with disabilities. Please visit the Moses Center for Students with Disabilities (CSD) website or call or email CSD at (212-998-4980 or mosescsd@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.

Outline

The pacing of topics is subject to change.

Week 1 (Lesson 1)
9/7
- 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 (Lesson 2)
9/14
- Review of welfare economics and policy applications (continued), short and long run market supply, labor markets
- Gruber 2.3
- Review Mankiw 13 (production costs), 14 (firms in competitive markets), 18 (labor markets), 19 (earnings and discrimination)
- **ASSIGNMENT 1 DUE**

Week 3 (Lesson 3)
9/21
- Empirical analysis tools, introduction to market failures, imperfect and asymmetric information
- Gruber 3
- Review Mankiw 22.1 (asymmetric information)
- **ASSIGNMENT 2 DUE**

Week 4 (Lesson 4)
9/28
- Externalities
- Gruber 5, 6
- Review Mankiw 10 (externalities)
- **ASSIGNMENT 3 DUE**

Week 5 (Lesson 5)
10/5
- Public goods and cost-benefit analysis
- Gruber 7, 8
- Review Mankiw 11 (public goods), 15 (monopoly)
- **ASSIGNMENT 4 DUE**

Week 6 (Lesson 6)
10/12

- **Midterm Exam**
- No recitation this week.

Week 7
10/19

- Constrained utility maximization, consumer choice
- Gruber 2.1
- Review Mankiw 21 (consumer choice)
- **ASSIGNMENT 5 DUE**

Week 8 (Lesson 7)
10/26

- Redistributive policies, in-kind and cash transfers
- Gruber 2.2, 17
- **ASSIGNMENT 6 DUE**

Week 9 (Lesson 8)
11/2

- Introduction to tax policy, tax incidence and efficiency
- Gruber 18, 19, 20.1, 20.4
- **ASSIGNMENT 7 DUE**
- **ECONOMIC HIGHLIGHT PRESENTATION DUE**

Week 10 (Lesson 9)
11/9

- Taxes and labor supply
- Gruber 21
- **ASSIGNMENT 8 DUE**

Week 11 (Lesson 10)
11/16

- Taxes on Savings & Wealth, Education
- Gruber 22, 23.2, 23.3, 11
- Review Mankiw 21.4c (consumer choice – saving)
- **ASSIGNMENT 9 DUE**
- **RESPONSE TO OTHER STUDENT'S PRESENTATION DUE**

Week 12 (Lesson 11)
11/30

- Introduction to insurance
- Gruber 12
- **ASSIGNMENT 10 DUE**

Week 13 (Lesson 12)
12/7
- Health Insurance
- Gruber 15.1-15.2, 16.1, 16.3, 16.6
- **ASSIGNMENT 11 DUE**

Week 14 (Lesson 13)
12/14
- Social insurance programs
- Selections from Gruber 13-16

Week 15
12/18;
6:00-7:50pm
- **Final Exam**