Public Economics
Economics 40540
115 O'Shaughnessy Hall
Mon/Weds: 3:00-4:15

Professor Dan Hungerman
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Department of Economics and Econometrics
Office Hours: 439 Flanner, Wednesday, 10:00-12:00, and by appointment

Course Description:
This course has three goals: (1) to make you familiar with important public-policy issues and programs (2) to show you cutting-edge work by economists on these issues, and (3) to improve your understanding of economic theory and empirical scientific economic research. This course is not a survey course; we will not cover all of the standard public economics topics. Instead we will focus on some of the most important and controversial topics in the field.

Textbook:
Public Finance and Public Policy by Gruber. I may assign additional readings as we go.

Course Events:
There will be a midterm, a final, and a paper.
I will give quizzes, some pre-announced (and possibly some not) to make sure people are up-to-date on the readings and assignments. If you miss class or come to class late and have missed a pop quiz, there will be no makeup.

Class Policies:
Attendance will not be kept, but it is strongly advised that you come to class.
Readings may be assigned; please read them (unless you like pop quizzes).
Cheating will not be tolerated.
I reserve the right to significantly alter a student’s grade (including giving a grade of Failure) in response to serious episodes of low class attendance or poor class participation.
Laptops are allowed in class, although students planning to use email or surf the net in class should read the preceding sentence.

Missing Classes:
If you participate in extra-curricular activities, please let me know early in the semester. If there is a pop quiz the date you miss class, we will try to work something out, but I will be much more sympathetic to this if your absence is communicated to me at the start of the semester. Any missed test should be conveyed, with university validation, in writing at least a week before the test. If a student misses a test without prior notice that student will be given a score of zero unless documentation of highly unusual intervening circumstances are provided. A retest will be given at my discretion, on my terms.

No Class:
There will be no class on Wednesday, November 15.

Names:
I am very bad at learning names. Please make a little “name tent” with your name on it and bring it to class and put it on your desk, so I can see the name with your face.

Grades:
Grades will be based on the midterm (25%), the paper (30%), the final (25%), and on class participation and quizzes (20%). The final will not be cumulative.

The Paper
The first few weeks in class I will ask you to look through articles published in four economics journals: The American Economic Review, The Quarterly Journal of Economics, The Journal of Political Economy, and The Journal of Public Economics. Look at the introductions and abstracts of the papers in these journals. Please select three articles that look interesting to you; they should have something to do with one of the topics listed below. You will turn in the abstracts of the three papers and I will pick one of them to be the topic for the paper you will write.

Your paper will be split into two parts. The first part will be a summary of the article you have chosen: its topic and its research methods (data, statistical process used, etc). In the second part of the paper you will discuss what you liked about the article and what you did not like, and discuss any ideas you have for how the article could be
extended. We will talk about this assignment more in class throughout the semester. There is no length requirement for the paper although it is difficult to imagine a good paper being less than 10 pages.

Preliminary Outline of Topics:

1. Living Wage
   Required Readings: Gruber Chapter 3, especially 59 to 67

2. The Earned Income Tax Credit
   Required Readings: Gruber, 592-600

3. Charitable Giving & Voluntarism: Crowd Out

4. Charitable Giving & Voluntarism: Tax-Price Elasticities

5. Oral Contraception

5. Abortion
   Required Readings: TBA

6. Segregation and Diversity
   Required Readings: TBA

7. Welfare Reform
   Required Readings: TBA

8. Education (if time)
   Required Readings: TBA