

Public Economics

Econ 475

Vital Statistics

Instructor: Frank McIntyre
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Class Time: 9:30-10:45 TTh

Class Location : 111 TMCB

Instructor Office Hours: M 9-10 AM
T 3-4 PM
Or email me a time
150 FOB

Purpose

Public Economics is the study of the interaction of government and economic activity, primarily at a micro level. So, for example, typical topics covered in a public economics course are things like the Social Security system, welfare, education, crime, discrimination, and the income tax code. Special attention is given to understanding and measuring (or attempting to measure) the incentive effects of such programs on individual and firm behavior.

There is no good textbook for the 400-level version of this class; what exists are typically geared to students with a 110 background and little exposure to topics of market complexities like asymmetric information, uncertainty, public goods or externalities. With the typical preparation of 380, 382 and 388, many BYU students find the standard textbooks a bit tedious. So, this course will replace the textbook with a *great deal* of outside reading.

The structure of this course will be as follows: I have a list of about 25-35 academic articles that will be available through blackboard or electronic course reserve. They cover most of the principal areas of a standard public economics course to one degree or another. The course will largely consist of dissecting, discussing and digesting these articles. Aside from a dozen or so lectures by me, there will be 2 assigned papers for each class period which you will be expected to have read carefully by the time you come to class. We will discuss the paper in a manner similar to a standard academic seminar: outline the paper, discuss why the paper is interesting and important, review the relevant theory, introduce the data, and analyze the results. This is meant to be an interactive discussion with participation—questions and comments—from all class members. After the first few lectures, members of the class will lead the discussion instead of me--- which will likely require a substantial amount of preparation on the part of the presenter. This presentation will be graded. Each presentation will be about 30-35 minutes, giving time for two presentations per class period. You should plan on meeting with me in the week before you present.

This class will require time and energy, but it will not require busy work. I expect that you will get out of the class an amount proportional to what you and your fellow students put in.

Textbook

There is no textbook, just lots of reading. The papers will in some cases be 50 pages or more. You will be reading a lot of them.

Prerequisites

Prerequisites are essential and if they have not been completed, please drop the course. You must have completed 380. You must have completed or be enrolled in 388. 382 is recommended but if you are paying attention we will cover pretty much what you need to know in class.

Grading

Your grade will be based on the following:

Component	Weight
Class Participation and Presentation	20%
Reading Responses, Exams and Problem Sets	20%
Final Exam	60%

You will be responsible for turning in a response to each paper **at the start of the class** wherein the paper is presented. I have attached a list of questions you may wish to answer in your response. The class participation portion of your grade requires asking questions or offering comments on material presented. Your attendance will be part of this grade.

If you can't make the final (Friday the 20th, 7-10 AM), drop the class and take it next year (the class will undoubtedly improve with age). Late work will be punished in harsh and arbitrary ways. Your only safe harbor is to turn it on time. Anything else is an invitation for disaster. You are encouraged to talk about the papers before class but each assignment should be submitted independently based on your own thinking. Exams will occur in class every two to three weeks.

Also, the department hosts a number of seminars, usually on Thursdays from 11-12. You may turn in responses to these talks to replace papers you fail to do for the class.

University Policy

The university has policies on the Honor Code, plagiarism, discrimination, harassment, and accommodating those with disabilities. This class will adhere to those policies and students need to be familiar with them as they are presented in the current class schedule. To learn more about expected student outcomes for the economics degree go to <http://learningoutcomes.byu.edu>.

Topics

Government and Markets:

Approximate Number of Papers

Environmental Regulation	2
Corruption and Public Choice	3
Crime	3
Discrimination	2
	11

Taxation:

Taxation	3
Evasion	2
Altruism and Charitable Giving	3
	8

Expenditure:

Social Security	2
Health	6
Education	5
Welfare (EITC, Incentive Effects, TANF, Training)	3
	16

Miscellaneous

Religion	1
Household	1
Urban Sprawl	1
Sports and Casinos	2
Sweden	1
	6

Please note that we will not actually get to all the papers. Which ones we do depends on which papers people choose to present. Expect to read around 36 papers, although the number may drop as low as 30.

Questions to answer in analysis

1. What is the question? Why is it interesting? Is there a more interesting question on the topic? Does the paper answer the question(s) it asks?
2. What is the economic model? What insight does it provide?
3. What data, if any, are used? How could the data be better?
4. What estimation technique, if any, is used? Is this technique effective for answering the question? What are the limitations? How does the underlying economic model or behavior influence the statistical work?
5. What conclusion can be drawn from the paper? What further research would be useful to do?