

## USP 615 ECONOMICS OF POLICY ANALYSIS – WINTER 2022 v3

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**Professor:** Jenny H. Liu, Ph.D. (she/her)

**Email:** [jenny.liu@pdx.edu](mailto:jenny.liu@pdx.edu)

**Scheduled Class Time:** W 4pm – 6:30pm @ Broadway 219 or Zoom (Hybrid)

**Course Website:** <http://canvas.pdx.edu>

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### Required Textbook

You are not required to purchase a textbook for the course. Assigned reading materials and lecture notes will be posted on the course website (Canvas). Because contemporary events may be incorporated in this course, not all reading materials will be available at the commencement of the course.

### Recommended Textbooks

Mankiw. **Principles of Microeconomics**. Cengage, any recent edition. – Particularly recommended for students without prior economics background

Friedman. **The Microeconomics of Public Policy Analysis**. Princeton University Press, 2002.

Bellinger. **The Economic Analysis of Public Policy**. Routledge, 2007.

CORE. **Economy, Society and Public Policy**. CORE, 2019. ([link](#))

### Course Objective

This course is designed to expose graduate students to economic theory and analysis as they are applied to public policy issues, including resource scarcity, consumer theory, welfare economics, efficiency, equity, market failure and cost-benefit analysis. You will learn to identify the relevant economic applications to your area(s) of policy interest, to comprehend the economic principles and arguments that bear on these issues, and to evaluate these issues utilizing economic tools and criteria. These objectives are achieved by developing microeconomic modeling skills in the context of a wide variety of public policy issues.

### Course Format

Tentatively, we will plan to meet either in person or on Zoom every Wednesday 4:00 to 6:00pm. This meeting time will include a combination of lectures, group discussions and individual or group work during this time. This may be supplemented with 30-60 minutes of additional recorded lectures/videos.

Office hours will be held on Wednesdays 3:00pm-3:50pm on Zoom **by appointment only**.

### Grading & Exams

	Due Date	Option #1	Option #2
Exam #1	02/16 (W) @11:59pm	15%	20%
Exam #2	03/16 (W) @6pm	15%	25%
Class Presentation and Responses		25%	30%
Class Participation		10%	10%
Weekly Reading Reflections		15%	15%
Policy Paper	03/17 (R) @noon	20%	--

Your grade will be based on your performance on the exams, class presentations, class participation and policy paper (optional). Exam due dates are indicated in the above table, and will be submitted online. Other due dates are listed in the course calendar below.

### Class Participation

Each student is required to attend and participate in class through listening, adequately preparing for class, providing quality contributions and actively participating in discussions.

### Class Presentation and Responses

Each student is required to conduct a presentation on the economic analysis/evaluation of a public policy topic of your choice. The **pre-recorded 10-minute** presentation should include background information on the policy issue, discussion of applicable economic principles or arguments, and propose a general evaluation plan to evaluate the outcomes of the policy elements. Your presentations will be evaluated on content, organization and communication.

- **Presenter:** On the week of your scheduled presentation, you should provide a brief outline of your presentation topic (about two paragraphs), at least **two** pertinent articles from economics and evaluative literature along with discussion questions. Please post the articles, outline and discussion questions/prompts to the discussion board on Canvas by Wednesday 4pm the week of your scheduled presentation. Each presenter should read through the responses and discussions posted by the rest of the class to prepare for a discussion in the following class meeting.
- **Rest of class:** You are required to view all posted presentations and papers. In response, you are required to post a reflection in response to **one presentation each week** (except in the week that your presentation occurs) with a reference to at least **one** (or more) of the presented papers to the discussion board on Canvas, by Wednesday 4pm the week following the presentation. The length of the reflection is expected to be at least 1 page (or around 500 words).

### **Weekly Reading Reflections**

Weekly reading reflections should be turned in (on Canvas Discussion) before class each week, except in W1, W7, W10 and Finals Week. These reflections should be approximately 1-2 pages long (complete sentences please!), and include a critical and thoughtful reflection of the week's readings:

- Summarize and analyze:
  - Concisely summarize each reading
  - What are the main points of the readings? What are the main economic principles?
  - Describe any key assumptions or theories
- Evaluate and critique
  - What are the strengths and weakness of the arguments or methods?
  - What are the gaps?
  - Are there any alternative evaluation approaches or additional considerations? How is equity or social justice addressed (or not)?
- Connect (extra credit!)
  - Find current events or issues or papers that apply the same economic principles or are evaluations of similar public policies. Summarize, analyze, evaluate and critique.

### **Policy Paper (Option #1)**

If you choose grading Option #1, you are required to turn in a 12-15 page paper (Times New Roman 12-point font; single-spaced; 1-inch borders) on a public policy issue utilizing economic principles and analysis. The topic may be an extension of your class presentation, but must include substantial analysis and/or evaluation of the issue. You are required to submit a 2 page outline of your paper (Assignments on Canvas) by **March 2** (Week 9) if you choose this option, addressing the topic, importance of the topic, key issues, data/information, methodology and bibliography. Please consult with me either via email or via Zoom before submitting your outline.

**USP 615 Course Calendar v1** (\* indicates optional readings)

**Week 1 (01/05) & Week 2 (01/12) – Module #1: Introduction**

- Friedman – Chap 3: “Utility Maximization, Efficiency, and Equity”
- Bellinger – Chap 3: “A review of markets and rational behavior”
- Planet Money (2017) – Episode 522: The Invention of ‘The Economy’
  
- Economy, Society and Public Policy – Chap 1: “Capitalism and democracy: affluence, inequality and the environment”
- Kurz, C. J., Li, G., & Vine, D. J. (2018). Are Millennials Different? (No. 2018-080). Board of Governors of the Federal Reserve System (US).
- Klein, N. J., & Smart, M. J. (2017). Millennials and car ownership: Less money, fewer cars. *Transport Policy*, 53, 20-29.

**Week 3 (01/19) & Week 4 (01/26) & Week 5 (02/02) – Module #2: Economic Foundations**

**01/26 Presentations: #1 - #5**

**02/02 Presentations: #6 - #10**

- Doyle Jr, J. J., & Samphantharak, K. (2008). \$2.00 Gas! Studying the effects of a gas tax moratorium. *Journal of public economics*, 92(3-4), 869-884.
- Gruber – Chap 19 & 20 (Taxation)
  
- Chetty, R., Hendren, N., Jones, M. R., & Porter, S. R. (2020). Race and economic opportunity in the United States: An intergenerational perspective. *The Quarterly Journal of Economics*, 135(2), 711-783.
- The Lancet (2020). The plight of essential workers during the COVID-19 pandemic. *Lancet (London, England)*, 395(10237), 1587.
  
- Cancian, M., & Meyer, D. R. (2004). Alternative measures of economic success among TANF participants: Avoiding poverty, hardship, and dependence on public assistance. *Journal of Policy Analysis and Management*, 23(3), 531-548.
- Hamilton, D., Darity Jr, W., Price, A. E., Sridharan, V., & Tippett, R. (2015). Umbrellas don't make it rain: Why studying and working hard isn't enough for Black Americans. *New York: The New School*.

**Week 6 (02/09) & Week 7 (02/16) – Module #3: Tools for Economic Policy Analysis (Part 1)**

**02/09 Presentations: #11 - #15**

**Exam #1 due 02/16**

**Empirical Tools and Applications – Minimum wage & employment**

- Finkelstein et al. (2012). The Oregon health insurance experiment: evidence from the first year. *The Quarterly journal of economics*, 127(3), 1057-1106.
- Card, D., & Krueger, B. (1994). Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania. *American Economic Review*, 84(4), 772-793.
- Doucouliagos, H., & Stanley, T. D. (2009). Publication Selection Bias in Minimum-Wage Research? A Meta-Regression Analysis. *British Journal of Industrial Relations*, 47(2), 406-428.
- \*Diaz, J. J., & Handa, S. (2006). An Assessment of Propensity Score Matching as a Nonexperimental Impact Estimator Evidence from Mexico's PROGRESA Program. *Journal of human resources*, 41(2), 319-345.

**Week 8 (02/23) & Week 9 (03/02) & Week 10 (03/09) –  
Module #4: Tools for Economic Policy Analysis (Part 2)**

**02/23 Presentations: #16 - #20; 03/02 Presentations: #21 - #25  
03/02 Paper Outline (optional) due**

**Cost-Benefit Analysis**

- Boardman et al. – Chap 1: “Introduction to Cost-Benefit Analysis”
- Hahn, R. W., & Tetlock, P. C. (2008). Has economic analysis improved regulatory decisions?. *The Journal of Economic Perspectives*, 22(1), 67-84.
- Revesz, R. L. (2020). The Trump Administration’s Attacks on Regulatory Benefits. *Review of Environmental Economics and Policy*.
- \*U.S. Environmental Protection Agency. (2000a). Guidelines for Preparing Economic Analyses. Report 240-R-00-003. Washington, DC: Office of the Administrator, USEPA.  
<http://yosemite1.epa.gov/ee/epa/eed.nsf/pages/guidelines>.
- Viscusi, W. K., & Gayer, T. (2002). Safety at any price?. *Regulation*, 25(3).
- King, C. L., Phaneuf, D. J., & Zhao, J. (2012). From Exxon to BP: has some number become better than no number?. *The Journal of Economic Perspectives*, 26(4), 3-26.
- Evans, M. F., & Taylor, L. O. (2020). Using revealed preference methods to estimate the value of reduced mortality risk: Best practice recommendations for the hedonic wage model. *Review of Environmental Economics and Policy*, 14(2), 282-301.
- \*Smith, R. D. (2003). Construction of the contingent valuation market in health care: a critical assessment. *Health economics*, 12(8), 609-628.
- \*Viscusi, W. K. (2021). Economic Lessons for COVID-19 Pandemic Policies. *Forthcoming Southern Economic Journal, Vanderbilt Law Research Paper*, (21-04).

**Economic Impact Analysis**

- Bellinger – Chap 11: “Economic impact analysis”
- Taks, M., Kesenne, S., Chalip, L., & Green, C. B. (2011). Economic impact analysis versus cost benefit analysis: The case of a medium-sized sport event. *International Journal of Sport Finance*, 6(3), 187.
- \*Zeckhauser, R. J., & Wagner, G. (2019). The Implications of Uncertainty and Ignorance for Solar Geoengineering. *Governance of the Deployment of Solar Geoengineering*, 107.
- \*Weisbrod & Weisbrod (1997). Measuring Economic Impacts Of Projects And Programs. Economic Development Research Group.

**Exam #2 – Due by 03/16 W @ 6pm**

**Due: Optional Policy Paper (due 03/17 R @ noon)**

## **COURSE POLICIES**

Building an inclusive learning environment requires us to work together to listen (reading carefully and reflecting in the online environment), and make room for all to have a say (asking questions and interacting in an encouraging way); to support each other to find our voice; and to recognize and anticipate a wide range of perspectives, backgrounds, experiences, identities, and ways of being in the world.

I hope that we can begin from a place of mutual respect and gentle personalism – taking each other where we are at each day, offering the benefit of the doubt, and being aware that the workings of power and privilege impact different communities and individuals in different ways. These are difficult times and we are all experiencing the Coronavirus pandemic and its impacts in different ways - please be gentle with one another and do not make assumptions about what anyone is going through. We can all promote safe and inclusive learning by listening deeply (including reading carefully and reflecting) and being ready to learn from those around us.

In an online learning environment, it is important to work to write clearly, thoughtfully, and respectfully (take your time and consider the impact of your words). Please learn and use the correct pronouns for your classmates, please do not make assumptions. I will work to support you in learning how to engage online in respectful and encouraging ways; begin from the knowledge that behind each comment and profile is a person who deserves to be treated with respect and care. The quality, thoughtfulness, and clarity of your posts will be considered in assessment.

### **Academic Misconduct Policy**

You are expected to display academic integrity and honesty. Academic dishonesty will not be tolerated. The PSU Student Code of Conduct defines academic dishonesty as follows:

(1) Academic dishonesty. Academic dishonesty is the act of knowingly or intentionally seeking to claim credit for the work or effort of another person or participation in such acts. This includes, but is not limited to: (a) cheating, (b) fraud, (c) plagiarism, such as word for word copying, using borrowed words or phrases from original text into new patterns without attribution, or paraphrasing another writer's ideas; (d) The buying or selling of all or any portion of course assignments and research papers; (e) Performing academic assignments (including tests and examinations) for other persons; (f) Unauthorized disclosure or receipt of academic information; (g) Falsification of research data; and (h) Unauthorized collaboration.

(<http://www.pdx.edu/dos/psu-student-code-conduct>)

Students are responsible for knowing both in-class behavior and rules governing use of materials in academic work. Plagiarism includes both other students' work and Wikipedia (or anything from the internet) that is not properly cited. Any student found plagiarizing work or violating any part of PSU's academic integrity policy will receive a failing grade for the course.

### **Access and Inclusion for Students with Disabilities**

PSU values diversity and inclusion; My goal is to create a learning environment that is accessible, equitable, inclusive, and welcoming. I am committed to fostering mutual respect and full participation for all students. If any aspects of instruction or course design result in barriers to your inclusion or learning, please notify me. Additionally, the Disability Resource Center (DRC) provides reasonable accommodations for students who encounter barriers in the learning environment. The DRC works with students who have physical, learning, cognitive, mental health, sensory, and other disabilities.

If you have, or think you may have, a disability that may affect your work in this class and feel you need accommodations, contact the Disability Resource Center to schedule an appointment and initiate a conversation about reasonable accommodations. If you already have accommodations, please contact me to make sure that I have received your faculty notification letter from the DRC so we can discuss your accommodations.

The DRC is located in 116 Smith Memorial Student Union, Suite 116. You can also contact the DRC at 503-725-4150 or, [drc@pdx.edu](mailto:drc@pdx.edu). Visit the DRC online at <https://www.pdx.edu/disability-resource-center>.

### Title IX Support and Resources

[Title IX violations](#) and sexual misconduct under [PSU's Prohibited Discrimination and Harassment policy \(Interim\)](#) include gender/sex discrimination, sexual harassment, sexual assault or any other form of gender based violence. We all strive to build a community that treats others respectfully and with civility; however, we want to be sure that you are prepared if incidents occur.

Portland State is committed to providing an environment free of all forms of prohibited discrimination and sexual harassment (sexual assault, domestic and dating violence, and gender or sex-based harassment and stalking). If you have experienced any form of gender or sex-based discrimination or sexual harassment, know that help and support are available. Information about PSU's support services on campus, including confidential services and reporting options, can be found on PSU's Sexual Misconduct Prevention and Response website at:

<http://www.pdx.edu/sexual-assault/get-help> or you may call a confidential IPV Advocate at 503-725-5672 or schedule Online at <https://psuwrc.youcanbook.me>. You may report any incident of discrimination or discriminatory harassment, including sexual harassment, to:

- PSU's Title IX Coordinator: Julie Caron by calling 503-725-4410, via email at [titleixcoordinator@pdx.edu](mailto:titleixcoordinator@pdx.edu) or in person at Richard and Maureen Neuberger Center (RMNC), 1600 SW 4th Ave, Suite 830
- Deputy Title IX Coordinator: Yesenia Gutierrez by calling 503-725-4413, via email at [yesenia.gutierrez.gdi@pdx.edu](mailto:yesenia.gutierrez.gdi@pdx.edu) or in person at RMNC, 1600 SW 4th Ave, Suite 830

Please be aware that all PSU faculty members and instructors are required to report information of an incident that may constitute prohibited discrimination, including sexual harassment and sexual violence. This means that if you tell me about a situation of sexual harassment or sexual violence that may have violated university policy or student code of conduct, I have to share the information with my supervisor, the University's Title IX Coordinator or the Office of the Dean of Student Life. However, the Title IX Coordinators will keep the information confidential and refer you to a confidential advocate. For more information about Title IX please complete the required student module *Creating a Safe Campus* in Canvas.

### Calendar/Schedule

Course calendar is tentative and is subject to change as the instructor deems appropriate. Please check online for any updates.

### Classroom Requirements for All Students and Faculty Due to Covid-19

The University has established rules and policies to make the return to the classroom as safe as possible. It is required for everyone to follow all the Return to Campus rules and policies. To participate in this class, PSU requires students to comply with the following.

#### Masks Required at all Times in Classroom

- [Wear a mask or face covering indoors](#) at all times. Your mask or face covering must be properly worn (fully covering nose and mouth and tight fitting). Mesh masks, face shields, or face covering that incorporates a valve designed to facilitate easy exhalation are not acceptable. **Because a mask must be worn in the classroom, there should be no eating or drinking in the classroom.** If you have a medical condition or a disability that prevents you from wearing a mask or cloth face covering, you must obtain an accommodation from the [Disability Resource Center \(DRC\)](#) to be exempt from this requirement.
- CDC, State, and County guidance does not limit class size for in-person instruction or require physical distancing.

#### Vaccination

- Be vaccinated against COVID-19 and complete the [COVID-19 vaccination attestation](#) form. Those students with medical or nonmedical exemptions or who will not be on campus at all must complete the process described on "COVID-19 Vaccine Exemption Request Form" to establish those exemptions.

**Health Check, Illness, Exposure or Positive Test for COVID-19**

- Complete the [required self-check for COVID-19 symptoms before coming to campus each day](#).
- If you are feeling sick or have been exposed to COVID-19, do not come to campus. Call SHAC to discuss your symptoms and situation (503.725.2800). They will advise you on testing, quarantine, and when you can return to campus.
- If you test positive for COVID-19, [report your result to SHAC](#) and do not come to campus. SHAC will advise you on quarantine, notification of close contacts and when you can return to campus.
- Please notify me, (i.e. your instructor), should you need to miss a class period for any of these reasons so that we can discuss strategies to support your learning during this time.
- If I become ill or need to quarantine during the term, either I or the school director will notify you via PSU email about my absence and how course instruction will continue.

**Failure to Comply with Any of these Rules**

As the instructor of this course, the University has given me the authority to require your compliance with these policies. If you do not comply with these requirements, I may ask you to leave the classroom or I may need to cancel the class session entirely.

In addition, failure to comply with these requirements may result in a referral to the Office of the Dean of Student Life to consider charges under PSU's Code of Conduct. A student found to have violated a university rule (or rules) through the due process of student conduct might face disciplinary and educational sanctions (or consequences). For a complete list of sanctions, see Section 14 of the [Student Code of Conduct & Responsibility](#)

**Guidance May Change**

Please note that the University rules, policies, and guidance may change at any time at the direction of the CDC, State, or County requirements. Please review the University's main [COVID-19 Response](#) webpage and look for emails from the University on these topics.