USP 615 ECONOMICS OF POLICY ANALYSIS – WINTER 2018

Professor: Jenny H. Liu, Ph.D. (jenny.liu@pdx.edu)
Office: URB 370F
OH: W 2pm – 3pm and by appointment
Class Time: R 1pm – 3:40pm @ URB225
Course Website: http://d2l.pdx.edu

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 (D2L). 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

Course Objective
This course is designed to expose doctoral 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.

Grading & Exams

<table>
<thead>
<tr>
<th></th>
<th>Date</th>
<th>Time</th>
<th>Option #1</th>
<th>Option #2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm Exam</td>
<td>02/22 (R)</td>
<td>2:00pm – 3:40pm</td>
<td>15%</td>
<td>25%</td>
</tr>
<tr>
<td>Final Exam (take home)</td>
<td>03/23 (F)</td>
<td>By noon</td>
<td>20%</td>
<td>35%</td>
</tr>
<tr>
<td>Class Presentations (2)</td>
<td></td>
<td></td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Class Participation</td>
<td></td>
<td></td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Policy Paper</td>
<td>03/23 (F)</td>
<td>By noon</td>
<td>25%</td>
<td>--</td>
</tr>
</tbody>
</table>

Your grade will be based on your performance on the exams, class presentations, class participation and policy paper (optional). Exam dates are indicated in the above table. Other due dates are listed in the course calendar below. Makeup exams will NOT be given unless there are extenuating circumstances and arranged well in advance with the instructor.
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 Presentations
Two presentations on public policy topics of your choice are required. You should be prepared to present for 10-15 minutes and to lead a discussion session for about 10 minutes. The 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 element. Your presentations will be evaluated on content, organization and communication.

- **Presenter:** One week before the scheduled presentation, you should provide at least 2 pertinent articles from economics and evaluative literature along with discussion questions. Please post the articles and questions to the discussion board on D2L.
- **Rest of class:** In order to constructively engage in discussion, you are required to read the posted papers, and prepare a list of at least 3 main lessons learned and 3 discussion questions (or responses to questions from the presenter) on the topic.

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 (Dropbox on D2L) by **March 1** (Week 8) 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 in person before submitting your outline.
**USP 615 Course Calendar** (* indicates optional readings)

### Week 1 (01/11) & Week 2 (01/18) & Week 3 (01/25) – Introduction & Microeconomic Foundations
- Friedman – Chap 3: “Utility Maximization, Efficiency, and Equity”
- Bellinger – Chap 3: “A review of markets and rational behavior”

### Week 4 (02/01) & Week 5 (02/08) & Week 6 (02/15) – Tools for Economic Policy Analysis
- **Application – Minimum wage & employment**
- **Cost-Benefit Analysis**
  - Boardman et al. – Chap 1: “Introduction to Cost-Benefit Analysis”
- **Economic Impact Analysis**
  - Bellinger – Chap 11: “Economic impact analysis”

### Week 7 (02/22) – Taxation: Incidence and Efficiency
- **Midterm Exam (02/22) @ 3:00pm – 4:30pm**
  - Gruber – Chap 19: “The Equity Implications of Taxation: Tax Incidence”
  - Gruber – Chap 20: “Tax Inefficiencies and Their Implications for Optimal Taxation”
## Week 8 (03/01) – Application: Externalities & solutions

### 03/01 Presentations: #7 & #8

### 03/01 Paper Outline (optional) due


## Week 9 (03/08) & Week 10 (03/15) – Application: Social insurance & redistribution

### 03/08 Presentations: #9 & #10

### 03/15 Presentations: #11 & #12

### Social Insurance


### Health Insurance

  http://www.whitehouse.gov/sites/default/files/docs/healthcostreport_final_noembargo_v2.pdf
- Friedman – Chap 7: “Uncertainty and Public Policy”

## Final Exam – Take-home exam due by 03/23 F @ noon

**Due: Optional Policy Paper (due 03/23 F @ noon)**
POLICIES

Affirmative Action
Portland State University supports equal opportunity in admissions, education, employment, housing, and use of facilities by prohibiting discrimination in those areas based on age, color, disability, marital status, national origin, race, religion or creed, sex or gender, gender identity or gender expression, sexual orientation, veteran status, or any other basis in law. This policy implements state and federal laws. Inquiries about it should be directed to the Office of Equity and Compliance, 1600 SW 4th Avenue, Suite 830, Portland, OR 97201, 503-725-5919, send email to Equity and Compliance staff.

Academic Misconduct Policy
You are expected to display academic integrity and honesty. Cheating, fraud or plagiarism will be dealt with according to the Portland State Student Code of Conduct (http://www.pdx.edu/dos/codeofconduct), which could lead to failing the course or expulsion from the University.

Accommodations
PSU values diversity and inclusion; we are committed to fostering mutual respect and full participation for all students. My goal is to create a learning environment that is equitable, useable, inclusive, and welcoming. If any aspects of instruction or course design result in barriers to your inclusion or learning, please notify me. The Disability Resource Center (DRC) provides reasonable accommodations for students who encounter barriers in the learning environment.

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. The DRC is located in 116 Smith Memorial Student Union, 503-725-4150, drc@pdx.edu, https://www.pdx.edu/drc.

- If you already have accommodations, please contact me to make sure that I have received a faculty notification letter and discuss your accommodations.
- Students who need accommodations for tests and quizzes are expected to schedule their tests to overlap with the time the class is taking the test.
- For information about emergency preparedness, please go to the Fire and Life Safety webpage (https://www.pdx.edu/environmental-health-safety/fire-and-life-safety) for information.

Safe Learning Environment
As an instructor, one of my responsibilities is to help create a safe learning environment for my students and for the campus as a whole. Please be aware that as a faculty member, I have the responsibility to report any instances of sexual harassment, sexual violence and/or other forms of prohibited discrimination. If you would rather share information about sexual harassment, sexual violence or discrimination to a confidential employee who does not have this reporting responsibility, you can find a list of those individuals or contact a confidential advocate at 503-725-5672. For more information about Title IX please complete the required student module Creating a Safe Campus in your D2L.

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