

Economics of Public Policy

Contact Information

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Instructor Bio

Marc Goldwein is the Senior Vice President and Senior Policy Director for the Committee for a Responsible Federal Budget, where he guides and conducts research on a wide array of topics related to fiscal policy and the federal budget and works regularly with Members of Congress and their staffs. In 2010, Marc served as Associate Director of the National Commission on Fiscal Responsibility and Reform (The Fiscal Commission), and in 2011 he was a senior budget analyst on the Joint Select Committee on Deficit Reduction (The Super Committee). Marc also teaches economics at Johns Hopkins University, where he was the 2013 recipient of Excellence in Teaching Award.

Course Description

Economic thinking provides an important set of tools for almost every aspect of public policy making. This course aims to offer students a basic understanding of economics and its importance in public policy making. The will begin by providing a broad-based introduction to economics that offers students an understanding of microeconomic and macroeconomic theory including a discussion of when markets can work to achieve policy goals and when “market failures” call for government intervention. The class will then use these economic tools and theories in order to survey several specific policy areas – including health policy, tax policy, and the national debt.

Learning Goals and Objectives

As a part of this course, students will be expected to:

- Develop an understanding of macro- and micro-economic principles
- Be able to apply economic principles to an understanding of a wide variety of public policies
- Learn and understand why and how the government is involved in tax, health, retirement, fiscal, and many other policy areas
- Discuss as part of your class participation how the weekly substance or skills learned applied to the work of their internship.
- *Experience a cultural, historical, policy or other event in the District of Columbia that relates to this course*
- *Be able to communicate persuasively in writing and orally.*
- *Be able to critically examine competing arguments, and use empirical evidence to research and apply theory to practice*

Course Materials and Accessibility

Students will be required to complete a number of readings prior to each class. They will come from:

- N. Gregory Mankiw, “Principles of Economics.” Sixth Edition. *Available used on [Amazon](#).*
- Additional readings, often available online, provided by email.

Grading Policy

Homework #1

15%

Homework #2	15%
In Class Mid-Term	20%
In Class Final	30%
Class Participation	20%

Course Responsibilities and Assignments

- **Participation**: Students are expected to complete readings before the start of each class and serve as active participants and discussants during each class. Participation will compromise one fifth of your final grade.
- **Attendance**: Attendance is expected for each class, and your internship supervisor should be made aware of this. Any class absence will impact your participation grade and make it more difficult to learn the material and excel in homework assignments and exam. However, being an adult is about weighing choices. If you feel the need to miss class in favor of another priority, please let me know in advance.
- **Turning in assignments**: All assignments can be turned in either by email or paper, and must be turned in no later than the beginning of the class in which they are due. Late assignments will be accepted only for partial credit. If circumstance makes turning in an assignment on time impossible, please let me know in advance.
- **Weather emergencies**: In the event of a weather emergency, UCDC follows the federal government's decisions about delays and closures. However, please check your email frequently when there is inclement weather, as I might make a decision to cancel class even if the government remains open.
- **Academic misconduct**: UCDC has a zero-tolerance policy for cheating, plagiarism, and any other form of dishonesty. Students should refer to their home campus Student Code of Conduct for the regulations that apply to them. The burden is on each student to know what behaviors constitute cheating and plagiarism. Ignorance of these behaviors is not an adequate defense.
- **Classroom conduct**: You are adults, and will be treated as adults. I ask only that you treat me and your fellow students with respect. Those who would like to eat during class or use their laptops during class may do so – keeping in mind that a large part of your grade is based on participation. You don't need permission to use the bathroom or leave to get a drink. Out of respect for others, all cell phones should be kept in silent or vibrate. Importantly, everyone in the class is entitled to their own opinions – including their own political opinions. Debate is not only welcome, but encouraged; however, all views should be respected.
- **Sexual harassment**: The University of California is committed to creating and maintaining a community where all individuals who participate in University programs and activities can work and learn together in an atmosphere free of harassment, exploitation, or intimidation. Every member of the community should be aware that the University prohibits sexual harassment and sexual violence, and that such behavior violates both law and University policy. The University will respond promptly and effectively to reports of sexual harassment and sexual violence, and will take appropriate action to prevent, to correct, and when necessary, to discipline behavior that violates this policy on Sexual Harassment and Sexual Violence.

Students who wish to speak confidentially about an incident of sexual misconduct should contact UCDC's Counseling Services at UCDCCounseling@gmail.com. To report sexual misconduct to ask questions about UCDC policies and procedures regarding sexual misconduct, please contact the UCDC Title IX administrator, Josh Brimmeier (202-974-6214 or josh.brimmeier@ucdc.edu). Because the University of California is legally obligated to

investigate reports of sexual misconduct, the confidentiality of reported misconduct cannot be guaranteed.

- Students with disabilities In compliance with the Federal Rehabilitation Act of 1973, as amended (Public Law 93- 112) and the Americans with Disabilities Act of 1990 (Public Law 101-336), University of California policy prohibits unlawful discrimination on the basis of disability in its programs, services, and activities. If you require accommodation for class, please let me know at our first meeting (if not earlier) so the necessary arrangements can be made.

Preliminary Course Syllabus

*Below is a preliminary syllabus of the topics and readings which will be covered each week. **Readings listed below each class are to be done before class.** Reading assignments are subject to change.*

1) Introduction to Economics and Public Policy

- **Read** Mankiw, Principles of Economics. Chapter 1: Ten Principles of Economics

2) Microeconomics 101. Supply, demand, prices, and deadweight loss.

- Mankiw, Principles of Economics. Part II: How Markets Work
 - **Read** carefully all of Chapter 4 (esp the summary page), the first full section of Chapter 5 (The Price Elasticity of Demand and its Determinants), Figures 1-5 in Chapter 5, the Summaries of Chapter 5 and 6.
 - **Skim** remainder of Part II
- **Read** Mankiw, Principles of Economics. Chapter 8: The Costs of Taxation

3) Market Failures. Externalities, public goods, monopolies, and information asymmetry.

- **Read** Mankiw, Principles of Economics. Chapter 10: Externalities
- **Read** Mankiw, Principles of Economics. Chapter 11: Public Goods and Common Resources
- **Read** <http://www.econlib.org/library/Enc/Monopoly.html>
- **Read** http://home.cerge-ei.cz/kalovcova/files/VSE_MI_S2009/lecture12.pdf

4) Short- and Long-Run Macroeconomics. Measuring national income in the short-run and long-run, understanding market failures.

- **HOMEWORK #1 DUE**
- **Skim** Mankiw, Principles of Economics, Chapter 23, **Read** “Components of GDP”
- **Skim** Chapter 25, **Read** “Productivity: Its Role and Its Determinants”, especially the box on the Production Function
- **Skim** Chapter 28
- **Read** Chapter 33 and 34 – only skim “case studies” and “in the news” sections (**assignments may change, check for email**)
- **Skim** Chapter 35, especially the first “The Phillips Curve” section; **read** all boxes

5) Economic Growth & Mid-Term Review

- **Read** <http://qed.econ.queensu.ca/pub/faculty/clintonk/econ223/3%20Solow%20growth%20model.pdf>
- **Read** introduction and conclusion of <http://www.nber.org/papers/w3223.pdf>
- **Read** <http://www.econlib.org/library/Enc/EconomicGrowth.html>

6) **Mid-Term Exam**

7) **Stimulating the Economy.** Fiscal stimulus, monetary stimulus, and the ARRA.

- **Read** Elmendorf and Furman, "If, When, How: A Primer on Fiscal Stimulus." Page 1-9.
http://www.brookings.edu/~media/Files/rc/papers/2008/0110_fiscal_stimulus_elmendorf_furman/0110_fiscal_stimulus_elmendorf_furman.pdf.
- **Read** Committee for a Responsible Federal Budget, "Happy Birthday ARRA: The American Recovery and Reinvestment Act One Year Later." <http://crfb.org/document/happy-birthday-arra-american-recovery-and-reinvestment-act-one-year-later>
- **Read** Mathews, "Did the Stimulus Work: A Review of the Nine Best Studies on the Subject." http://www.washingtonpost.com/blogs/ezra-klein/post/did-the-stimulus-work-a-review-of-the-nine-best-studies-on-the-subject/2011/08/16/gIQAThbibJ_blog.html Click through one of the studies of your choice

8) **Deficits and Debt.** Dangers of debt and ways forward.

- **Read**
<http://www.crfb.org/sites/default/files/President%20Trump%27s%20Historic%20Debt%20Dilemma.pdf>
- **Skim** Congressional Budget Office, "Federal Debt and the Risk of Fiscal Crisis."
http://www.cbo.gov/ftpdocs/116xx/doc11659/07-27_Debt_FiscalCrisis_Brief.pdf
- **More Readings To Be Identified**
- **Bring laptops to class**

9) **Social Security.** Population aging, programmatic insolvency, and options for reform.

- **Read** http://fsp.bc.edu/wp-content/uploads/2011/01/social_security_fix-it_e-book_-_sm2.pdf
- **Read** <http://crfb.org/papers/analysis-2016-social-security-trustees-report> (MAY CHANGE)
- **Read** <http://www.cbpp.org/sites/default/files/atoms/files/7-12-16socsec.pdf> (MAY CHANGE)
- **Bring laptops to class**

10) **Health Policy.** Cost, coverage, market failures, and the PPACA.

- **HOMEWORK #2 DUE**
- **Read** <http://danshaviro.blogspot.com/2009/08/healthcare-reform.html>
- Watch video: <http://www.vox.com/2014/3/28/5559028/obamacares-individual-mandate-in-two-minutes>
- **More Readings To Be Identified**

11) **Tax Policy.** Tax rates, tax expenditures, and tax reform.

- **Read** <http://www.urban.org/UploadedPDF/1001561-Tax-Reform-Lessons-From-History.pdf>
- **Closely Skim** http://www.urban.org/UploadedPDF/1001234_tax_expenditures.pdf
- **Read ONE** "Tax Break-Down" of your choosing from <http://crfb.org/category/blog-issue-areas/tax-break-down> (there may be a question about it on your exam)
- **Read one of the following and closely skim the other (MAY CHANGE):**
 - <https://www.brookings.edu/opinions/understanding-the-republicans-corporate-tax-reform/>
 - <https://taxfoundation.org/house-gop-s-destination-based-cash-flow-tax-explained/>
- **Read one of the following and closely skim the other (MAY CHANGE):**

- <http://www.crfb.org/blogs/how-much-does-house-gop-tax-plan-cost>
- <http://www.crfb.org/blogs/house-gop-sketches-out-details-tax-reform>

12) Review Session

13) Final Exam and Semester Wrap-Up