Syllabus – Applied Public Economics (ECON 590)

Spring 2016
3:30-4:50 p.m.
Tues/Thurs in 307 DKH

Instructor: Benjamin M. Marx, Dept. of Economics
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Office: 25 David Kinley Hall, 217-300-1435
Office hours: Thurs 1:30-3:30pm
Course Website: Compass 2g (https://compass2g.illinois.edu/webapps/login/).
Credits: 4. This course counts towards the public field.

Course Description: We will cover research in a variety of topics in public economics. Students will practice critically evaluating others’ research and developing their own research ideas, culminating in a proposal for or draft of an original paper. Students will use economic theory to highlight important questions and will assess the credibility of existing empirical and experimental evidence.

Prerequisites: This course is primarily intended for 2nd- and 3rd-year students in the Economics Ph.D. program, and assumes a background in microeconomics and econometrics at the Ph.D. level.

Objectives: The first objective is to provide a critical overview of the microeconomic literature in public economics. The second objective is to prepare students to conduct original research by gaining familiarity with applied-micro methodologies and developing a viable paper idea.

Requirements (with % of Grade):
1. (40%) One research proposal (5-10 pages, double-spaced). The proposal should provide a brief review of the most relevant literature, identify a question or gap to be addressed, present a theoretical idea and/or data to be used, and provide a detailed discussion of the methods and any preliminary results. Students will present their proposal in class, towards the end of the semester. The topic should fall within the realm of public finance (broadly defined) but need not be a topic from the syllabus. Each student must make an appointment with me by mid-semester to discuss one or more ideas for the paper.
2. (30%) Referee reports on 5 of the assigned readings posted on Compass. You should take a look at each of these readings before that week’s class, but you will choose 5 (with no two in the same week) to review in more detail. Your referee report is a two-page-maximum, double-spaced reaction. These reports must very briefly summarize the important aspects of the paper and then focus on discussing its strengths and weaknesses. You may also discuss ideas/extensions that occurred to you during reading. I will grade these on a check/± basis.
3. (15%) Present one of the required readings. During the first week of class, students should email me their preferred papers (let’s say 1st and 2nd choice) from Section IB onward, and I will use these to set the schedule.
4. (10%) Participation (including discussion and comments given at your classmates’ presentations)
5. (5%) Present your research proposal at the end of the semester.

Special Needs: Contact me by the 2nd class if you will require accommodation for special learning needs. To obtain disability-related academic adjustments and/or auxiliary aids, students with disabilities must contact the course instructor and the Disability Resources and Educational Services (DRES) as soon as possible. To contact DRES you may visit 1207 S. Oak St., Champaign, call 333-4603 (V/TTY), or e-mail a message to disability@uiuc.edu.

Campus Security: Campus general emergency response recommendations can be found at illinois.edu/cms/2251/general_emergency_response_recommendations_8_16_13_final.docx. The floor plan for David Kinley Hall is available at http://police.illinois.edu/emergencyplanning/floorplans/.

Students are also strongly encouraged to attend the department’s Applied Micro Seminar (3:30-5:00 on Mondays after job talks; http://www.economics.illinois.edu/seminars/appliedmicroeconomics/) and the
CBPP seminar (2:00-3:30 on certain Tuesdays: http://www.cbpp.illinois.edu/seminars.html). Students may submit referee reports for papers presented in either of these seminars as a substitute for required readings for the following week.

Important dates:
1/23: Email me your preferences for which readings you want to present
3/1: Deadline for appointment to discuss research proposal
3/10: No class
3/17: No class
3/22 & 3/24: No class (Spring Vacation)
4/26-5/3: Students present own research
5/13, 5pm: Research proposal due

I. Taxation
   IA. Individual Income Taxes
   IB. Transfer Programs
   IC. Taxation/Subsidy of Savings
   ID. Taxation/Subsidy of Charitable Giving

II. Social Insurance
   IIA. Theory
   IIB. Workers’ Compensation and Disability Insurance
   IIC. Unemployment Insurance
   IID. Health Insurance
   IIE. Social Security

III. Public Goods
   IIIA. Who Will Support Public Goods?
   IIIB. How Should We Provide Public Goods?
   IIIC. Education
   IIID. Environmental Regulation
   IIIE. Behavioral Public Economics

Section IV: Student Presentations of Original Research