UEP 251: Economics for Planning and Policy Analysis
Spring 2018

Professors
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Teaching Assistants
Matt Amato, matthew.amato@tufts.edu
Sean Hogan, sean.hogan609810@tufts.edu

Class Meetings
Lecture (required): Tuesdays/Thursdays 9-10:15am (Eaton 206)
Lab (optional): Monday 4-5:30 (Tisch Library Data Lab)

Office Hours
Mary, Tuesdays and Thursdays 10:30-11:30am
Eric, Wednesdays 10:00am-12:00pm
Matt TBD
Sean TBD

Course Description
UEP 251 is a required core course for graduate students in the department of Urban and Environmental Policy and Planning. This economics course covers the fundamentals of microeconomics, with a focus on real-world applications relevant to policy and planning. Each topic outlined in the syllabus will be paired with a case study grounded in current events, such as transportation, gender inequalities, and the minimum wage, to emphasize the applied context for understanding economics as a decision-making tool. We will highlight the many limitations of economic analysis, and explore the pros and cons of economics in modern society. The overall goal of this course is for students to become educated consumers of economic information, and the application of economics to the world of policy and planning.

Other Course Information
A proficiency in basic algebra is required to take this class. No knowledge of more advanced mathematics, such as calculus, is needed. All students are expected to maintain a high standard of academic honesty according to the pamphlet “Academic Integrity at Tufts.”
Labs
The optional Monday lab sessions are intended to provide a structured review of the material presented in class, and will be led by the professors. We will review the material covered during the lecture, explore additional examples, as well as have time for Q&A. Attendance is not required, but it is strongly recommended for those students struggling with the concepts or math covered during the lecture.

Course Textbook/Readings
Microeconomics in Context, 3rd Edition, by Goodwin, et al., is the primary textbook for the course and is available online and also as an e-book. A reserve copy is available at the Brown and White houses. All additional non-textbook readings will be available on Trunk.

Student Assessment and Grading Policy
Two exams – Worth 40% of final grade (20% each)
There will be two in-class exams that will take place before spring break and during the final exam period. Although the final exam is not cumulative, some concepts covered during the second half of the course will build upon previously-learned material. For that reason, a firm grasp of all the material will be needed to do well on the final exam.

Six homework sets – Worth 42% of final grade (7% each)
A series of take-home assignments will be due in hardcopy form at the beginning of class on their respective due dates. The answer keys will be posted on Trunk immediately following class, and for this reason late assignments will NOT be accepted. While you are welcomed and encouraged to work in groups on homework assignments, all final answers must represent your own work.

Six quizzes – Worth 18% of final grade (3% each quiz)
Students will take in-class quizzes according to the schedule outlined in the syllabus. Quizzes will be administered at the beginning of class, and there is no makeup available for missed quizzes.

Students with Disabilities
Students with disabilities are assured that the Student Accessibility Services (SAS) office will work with each student individually to create access to all aspects of student life. Tufts is committed to providing equal access and support to all qualified students through the provision of reasonable accommodations so that each student may fully participate in the Tufts experience. If you have a disability that requires reasonable accommodations, please contact the Student Accessibility Services office at accessibility@tufts.edu or 617-627-4539 to make an appointment with an SAS representative to determine appropriate accommodations. Please be aware that accommodations cannot be enacted retroactively, making timeliness a critical aspect for their provision.
## Course Outline: Topics, Readings and Assignments

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Required Readings</th>
<th>Optional Readings</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 18</td>
<td>1: Introduction</td>
<td>Goodwin Chapters 1 and 7</td>
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<tr>
<td>Jan. 23</td>
<td>1: Introduction</td>
<td>Pallotta case study and TED talk</td>
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<td>Jan. 25</td>
<td>2: Inequality</td>
<td>Goodwin Chapter 10</td>
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<td>Feb. 1</td>
<td>3: Markets: Supply and Demand</td>
<td>Goodwin Chapter 3</td>
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<td>Feb. 6</td>
<td>3: Markets: Supply and Demand</td>
<td>MBTA 2014</td>
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<td>HW 1/ Quiz 1</td>
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<tr>
<td>Feb. 8</td>
<td>4: Elasticity</td>
<td>Goodwin Chapter 4</td>
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<td>Feb. 13</td>
<td>4: Elasticity</td>
<td>Pierce and Shoup 2013</td>
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<td>Feb. 15</td>
<td>5: Consumer Theory and Welfare</td>
<td>Goodwin Chapters 5 and 8</td>
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<td>Feb. 20</td>
<td>5: Consumer Theory and Welfare</td>
<td>Sims 2007</td>
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<td>HW 2/ Quiz 2</td>
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<td>Feb. 22</td>
<td>NO CLASS (Thursday schedule)</td>
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<td>Feb. 27</td>
<td>6: Producer Theory and Pricing</td>
<td>Goodwin Chapter 15</td>
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<td>Mar. 6</td>
<td>7: Market Types: Competition to Monopoly</td>
<td>Goodwin Chapters 16-17</td>
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<td>HW 3/ Quiz 3</td>
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<td>Mar. 8</td>
<td>7: Market Types: Competition to Monopoly</td>
<td>Lacireno-Paquet et al 2002</td>
<td>Best Chapter 3</td>
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<td>Mar. 13</td>
<td>New Economy lecture</td>
<td>TBD</td>
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<td>HW 4/ Quiz 4</td>
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<td>Mar. 15</td>
<td>In-class Midterm Exam</td>
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<td>SPRING BREAK</td>
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<td>Mar. 27</td>
<td>8: Government Taxation</td>
<td>Goodwin Chapter 11</td>
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<tr>
<td>Mar. 29</td>
<td>8: Government Taxation</td>
<td>Kuchler et al. 2004</td>
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<td>Apr. 3</td>
<td>9: Environmental Economics</td>
<td>Goodwin Chapters 12-13</td>
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<td>Apr. 5</td>
<td>9: Environmental Economics</td>
<td>TBD</td>
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<td>Apr. 12</td>
<td>10: Applied Topics in Cost-Benefit Analysis</td>
<td>TBD</td>
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<td>Apr. 17</td>
<td>11: Labor Economics</td>
<td>Ehrenberg and Smith Chapter 2</td>
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<td>Apr. 24</td>
<td>12: Urban Economics</td>
<td>Brueckner Chapter 1, Glaeser et al. 2008, Jacobs Chapter 4</td>
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<td>May 1</td>
<td>In-class Final Exam</td>
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V 1/8/18
Bibliography of Non-Textbook Required Readings (available on Trunk)


Brueckner, JK. 2011. Chapter 1 from Lectures on Urban Economics. The MIT Press.


**Topic Learning Objectives**

1: Introduction

- Describe the principles of microeconomics as a policy and planning tool and understand the basic definitions of micro theory
- Describe the strengths and limitations of economics as a social science
- Understand the fundamentals of the neoclassical model, and engage in an informed debate of the pros and cons of the underlying assumptions
- Differentiate between positive and normative economic statements
- Explore the concept of value, neoclassical definitions of value, and alternative concepts of value pluralism
- Understand the basics of writing in poetic form
- Case Study: Nonprofit Business Model

2: Inequality

- Define measures of income and describe post-WWII trends
- Understand and graph inequality using Lorenz curves and Gini coefficients
- Describe the difference between income and wealth as it relates to inequality
- Understand the impact of income redistribution in the context of the ‘big-tradeoff’
- Describe standards of equity to judge whether a society has reached equality goals
- Explore the relationship between money/wealth and happiness
- Understand the economic determinants of inequality at the local level
- The impact of minimum wages on inequality
- Case Study: Racial and Gender Discrimination in the Workplace

3: Markets: Supply and Demand

- Identify the determinants of market supply and demand
- Derive the market supply and demand curves
- Calculate equilibrium price and quantity
- Differentiate between shifts and movements along the curves
- Understand the market concepts of shortage and surplus
- Apply demand and supply principles to real-world scenarios
- Case Study: MBTA Fare Hikes

4: Elasticity

- Understand changes in price and income on equilibrium
- Calculate elasticities of price and income
- Differentiate between types of goods (inferior/normal)
- Apply elasticity concept to real-world scenarios
- Case Study: Economics of Parking
5: Consumer Theory and Welfare

- Understand the basic principles of traditional utility theory
- Use indifference curves and budget constraints to calculate consumption choices
- Describe the impact of changes in price and income on consumption choices
- Use supply and demand curves to calculate consumer and producer surplus
- Compare efficient and non-efficient market outcomes and calculate deadweight losses
- Describe the strengths and limitations of economic measures of social welfare
- Understand the differing goals of efficiency vs equity
- Case Study: Rent Control

6: Producer Theory and Pricing

- Understand the economic measures of cost, revenue, and profits
- Explore the concept of economies of scale and optimal firm size
- Understand how producers set price, and explore various pricing strategies
- Differentiate between the various types of price discrimination
- Case Study: Price Discrimination in College Tuition

7: Markets: Competition to Monopoly

- Understand the range of market types, from perfect competition to monopoly
- Understand the historical reasons why oligopoly came to predominate in the economy
- Describe output and price decisions of firms of different market types
- Describe the welfare consequences of various market types
- Describe short and long run market equilibrium scenarios
- Understand the rationale for privatization of public services
- Case Study: Charter Schools

8: Government Taxation

- Understand the purpose and impact of government taxation
- Understand differences in tax structure and how this impacts equity
- Evaluate the effects of taxes on market outcomes (price/quantity) and welfare (consumer/producer surplus)
- Understand the role of elasticities in maximizing tax revenue and on who ultimately pays the tax
- Case Study: Snack Taxes
9: Environmental Economics

- Evaluate welfare consequences of externalities, environmental damage, and other environmentally attributable market failures
- Describe the role of government to right market failures by the provision of public goods, taxation, regulation, and property rights enforcement
- Understand why markets are inefficient in the provision of public goods
- Summarize the economic model of common property resources, including policy prescriptions
- Differentiate between use and non-use/intrinsic value
- Case Study: Non-Market Valuation

10: Applied Topics in Cost-Benefit Analysis

- Describe the role of cost-benefit analysis in the policy world, its pros and cons as a policy tool
- Understand various evaluation strategies for determining both costs and benefits, and the importance of discounting
- Case Study: Climate Adaptation Planning

11: Labor Economics

- What is the labor market?
- Labor market demand and supply
- What are labor market regulations, and how do these impact labor market supply and demand?
- Understand current problems for workers in the gig or on-demand economy, and the role labor market regulations and institutions could play in addressing them
- Case Study: 1992 NJ minimum wage increase and fast food workers

12: Urban Economics

- Explore the economic rationale for the existence of cities, including economies of scale and agglomeration economies
- Understand the effect of transportation costs and public transportation in the formation and makeup of cities
- Understand the role of economics in spatial inequalities within and around cities
- Explore the economics of various urban topics, including housing and transportation policy
- What makes cities start to grow?
- Case Study: Detroit