

ECON 3512: PUBLIC FINANCE

Temple University
Fall 2021

Professor	Dr. Rhiannon Jerch
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Class Location	Ritter Hall 103
Class Times	Mon/Wed/Fri 9:00-9:50am
Office Hours	Mon/Wed 10-11:30am or by appointment
Final Exam	Wednesday, December 15 th , 8-10am

Course Description.

The main goals of this course are to develop an understanding of why and how the government may intervene in the economy, and to study the effect of government expenditure programs and taxation systems on the welfare and behavior of citizens. This course will include an analysis of the theoretical bases that guide government intervention in the economy; the discussion of a range of issues in public finance with a focus on current policy debates; and the presentation of empirical methods used in economics to evaluate the effect of public policies.

This course intends to familiarize students with the field of public economics, covered at the intermediate undergraduate level. I will cover, both, theory and applications. We will use standard mathematical symbols and formulas, although this course will not require calculus.

Course Objectives.

Upon completion of this course, students will be able to:

- Understand the economics behind many of the social policy issues that are discussed in the media
- Understand the general economic reasons for government intervention: economic efficiency, public goods, externalities
- Understand the economic rationale for specific policy interventions
- Predict the indirect effects of government intervention, including changes in people's behavior, and tax incidence
- Use of basic economic tools for the analysis of social policy, including cost-benefit analysis

Textbook.

Lectures and discussion will mostly follow Jonathan Gruber, *Public Finance and Public Policy* 5th edition. All other readings will be posted on the website or distributed in class. The book is available at the Penn bookstore or may be purchased online. There will be two copies of the 5th edition on reserve at Charles Library. You may use another edition of the textbook, but you are responsible for checking for consistency across editions. Some material and problem set numbers may have changed.

Technology.

You will need a computer, microphone, and reliable wifi access for the online portions of this course. If you anticipate having difficulty accessing these resources, submit a request outlining your needs using the Student Emergency Aid Fund form available here: (<https://deanofstudents.temple.edu/news/student-emergency-aid-fund>). The University will endeavor to meet your needs and provide you with the technology and support that you need to successfully participate in the class.

Prerequisites.

- Macro Principles or equivalent: ECON 1101 or ECON 1901 or Math 1042; or MATH 1951 or MATH 2043-3080 or MATH 1041&1042 (transfer waiver Y)
- Micro Principles or equivalent: ECON 1102 or ECON 1902

Contacting Me & Email Policy.

You can expect me to respond to emails within 24 hours after you send it. **Please include the course name and number (“ECON 3512”) in the subject of all emails** and please **include your full name at the end of the email**. If I do not know who the email is from or what course it relates to, I will not answer the email. Emails should be restricted to short questions that can be answered in a sentence or two. For questions related to course content that require a more thoughtful response, please come to my online office hours or set up a time to meet with me online.

I will always be available during my office hours. If you would like to meet with me outside of office hours, please send me an email and we can set up a separate time to meet.

Canvas.

Class announcements, homework, lecture slides, and supplemental reading assignments will be posted on the course website on Canvas. It is your responsibility to check the site regularly – at least every day the class is held. All important announcements will be posted there.

Grading Criteria.

- Problem Sets: 25% (5 (out of 6 total) x 5% each). Due at the beginning of class *in hard copy form*. You may turn in problem sets early if you plan to miss class on the due date, however, you must turn in problem sets by 9:05am on their due date to receive credit. **Homework sent over email will not be accepted.** Homework will be graded as “check+”/“check”/“check—”/“no credit” which, respectively corresponds to: “attempted all problems with most correct” / “attempted all problems with some correct” / “little effort with some problems correct” / “not turned in or very little effort”. I will distribute 6 problem sets. Late assignments will not be accepted, however **students will be allowed to skip one assignment without penalty** – this includes assignments that cannot be turned in on time due to illness. For students who complete all assignments, I will drop their lowest grade. **I encourage students to work in small groups** to discuss problem sets. Every student is, however, responsible for their own write-up, and must turn in an individual version of the homework (no copies). Even if you and your friend came up with an answer together, you are expected to take a moment to write up this answer by yourself, and to justify that answer and explain the reasoning in your own words.
- Prelims: 40% (2 x 20% each)
- Final Exam: 35%. The final focuses on material from the last third of class, but will be cumulative.
- Class Participation: (5%). I hope that you will come to class – either in-person or online - , participate in discussion, and attend office hours. *Class participation can only help a student’s grade, not hurt it.* There are three ways to receive participation points: (i) regularly contribute to class discussion either in person or

online; (ii) regularly contribute to the Canvas Discussion Board; (iii) regularly attend office hours. I will post questions to the Canvas Discussion board each week (sometimes multiple times per week). To receive credit your response is due by Friday at 5pm of the week the Discussion question was posted.

Lecture Slides and Notetaking.

I highly recommend taking notes during lecture. I will use projected slides as well as the blackboard (e.g., a document camera) during lecture. Lecture slides will be posted on Canvas before class (usually the day before the lecture). However, I will not always post lecture material written on the blackboard/document cam or communicated verbally in class. Lecture slides do not contain all the class material, and, hence, can be a poor substitute for class attendance and notes.

Problem Set Deadlines.

Due dates will be specified for each of the problem sets, as they are assigned. You can expect a problem set to be due once every 2 weeks, excluding weeks with a midterm. You are expected to turn in your homework by the deadline. You should make arrangements to turn in your work *early* if you expect a conflict to arise at the time the homework is due.

Exam Taking & Materials.

Exams will be administered in class. Exam questions may cover everything discussed in class, in the problem sets, or on the Canvas discussion board, as well as everything in the relevant chapters of the textbook (we will not cover all the chapters of the book; relevant chapters of the textbook are listed in the tentative lecture schedule at the end of the syllabus), and supplemental documents I may distribute. Problem set questions, as well as questions I will ask in class to guide our discussion, are designed to be representative of what you may expect during the exams.

Valid excuses for missing an exam:

- 3 exams scheduled within one calendar day (for final exams ONLY!)
- Observance of a university-recognized religious holiday
- An illness/health emergency
- A death in your family
- Documented disabilities that allow you to take the exam under other circumstances

Examples of reasons that are *not* valid for missing an exam are:

- Job internships/interviews
- Beginning fall or spring break early or returning after a scheduled exam
- End of semester early flights
- Take home exams in other classes

Students are responsible for making sure, at the beginning of the term, that they can take the exams. Registering for a course means that you certify that you will be available for the exam (unless one of the explicitly stated exceptions above arises).

Missed exams and incomplete grades.

No makeup midterms or finals will be given for any reason (excused or unexcused). If a student misses a midterm exam and submits a valid excuse, your final exam grade will be used as a replacement for the missed midterm grade, on top of counting as the final exam grade. That is, if you miss a midterm because of one of the valid excuses listed above, the final will make up 55% of your grade for the course. If a student misses the

final exam and submits a valid excuse, the share of the grade assigned to the final will be redistributed across the midterms. That is, if you miss the final because of one of the valid excuses listed above, the midterms will collectively account for 75% of your grade. If you miss a midterm or the final without one of the valid excuses listed above, you will get a 0 on that midterm or final.

Grade Appeal Policy.

Students that disagree with their exam grade may submit a written request of a *full* exam grade review within the first 48 hours of receiving their graded exam. This request should consist of a written letter and should be emailed to me. The grade review will consist of a careful reassessment of all graded questions and may result in no change, or an overall higher or lower grade than the original contested grade.

Classroom etiquette.

I value your presence in my class, and I want your classmates to feel the same way. Due to the pandemic, I am requesting that you NOT eat/drink during class. Please silence your cell phones and other electronic devices during class. If you need to respond to a text message or make a phone call, please leave the classroom before doing so.

Students Requiring Disability Resources

Student responsibility primarily rests on informing faculty at the beginning of the semester and in providing authorized documentation through designated administrative channels. Any student who has a need for accommodations based on the impact of a documented disability or medical condition should contact Disability Resources and Services (DRS) in 100 Ritter Annex (drs@temple.edu; 215-204-1280) to request accommodations and learn more about the resources available to you. If you have a DRS accommodation letter to share with me, or you would like to discuss your accommodations, please contact me as soon as practical. I will work with you and with DRS to coordinate reasonable accommodations for all students with documented disabilities. All discussions related to your accommodations will be confidential.

Academic Integrity.

I do not tolerate academic misconduct. I will not hesitate to assign failing grades to students who do not fully comply with the University's academic misconduct policy. If you find yourself contemplating cheating, plagiarism, or other forms of academic misconduct, please come see me first. Help is available if you are struggling. I want everyone in the class to try their best and to do their own work. Please be advised that I reserve the right to utilize anti-plagiarism resources such as *TurnItIn* when grading assignments.

Week	Dates	Topics to Cover	Materials to Discuss
1	Aug 23, 25, 27	Course intro, micro theory review	G Ch 1, Ch 2.1-2.2
2	Aug 30, Sep 1, 3	Welfare Economics & Public Goods	G Ch 2.3; G Ch 7
3	Sep 8, 10	Public Goods	G Ch 7
4	Sep 13, 15, 17	Externalities	G Ch 5
5	Sep 20, 22, 24	Externalities, Review, Midterm 1 (Sep 24)	G Ch 6
6	Sept 27, 29, Oct 1	Education, Income Distribution, Cash/In-Kind	G Ch 11, Ch 17
7	Oct 4, 6, 8	Cash/In-Kind, Moral Hazard, Insurance	G Ch 17, 12.1-12.1
8	Oct 11, 13, 15	Health Insurance, Social Insurance (SS)	G Ch 12.3, 12.5, 13, 14.1-14.3
9	Oct 18, 20, 22	Social Insurance (UI, DI, WC), Taxation	G Ch 14.1-14.3
10	Oct 25, 27, 29	Taxation Policy, Incidence, Optimal Tax	G Ch 18, 19
11	Nov 1, 3, 5	Behavioral Responses, Taxation & Labor Supply	G Ch 19, 20
12	Nov 8, 10, 12	Review, Midterm 2 (Nov 12)	G Ch 21
13	Nov 15, 17, 19	Income Tax History & Political Economy	G Ch 9
	Nov 22, 24, 26	----- Thanksgiving Break -----	
14	Nov 29; Dec 1, 3	State & Local Policy	G Ch 22
15	Dec 6	Review for Final	
	TBD	Final Exam	