

Government Intervention Design

You are a team of experts working to advise Congress as to what to do about one of these situations. Congress has asked for a short (3 slide) presentation that describes a preferred national policy strategy focused on intervention.

1. Spend around 10 minutes discussing the problem and thinking about potential policy solutions to recommend to Congress.
2. Spend around 10 minutes drafting out your policy strategy.
Concept and Rationale - What is the rationale for intervention, what is it designed to do?
Scale - please describe the scale of intervention
Scope - please describe how the intervention will alter supply and demand for housing, and who it is targeted towards
Institutions and Actors - please describe which institutions and actors must be involved in the intervention. While some institutions and actors may implicitly be involved, you should describe them explicitly.
3. Spend around 10 minutes designing your presentation which should consist of the following:
Slide 1 should describe the problem, and should raise the main questions which experts identified that would help to define the problem.
Slide 2 should present a visual schematic of the housing system and institutional actors involved in your proposed intervention (similar to the one which we have previously viewed in class).
Slide 3 should describe desired policy goals and measurable indicators of policy efficacy (success).

Scenario 1



The country is in the process of recovering from a major recession. At the worst point in that recession, 50 percent of mortgages were in default. At present, the national homeownership rate is around 43 percent. Banks remain wary of making loans, although there is increased demand for housing within cities. The Department of Labor has already established a special homeownership incentive, offering mortgage guarantees for workers under the age of 35, however, many of these workers continue to struggle to find housing they can afford, particularly in cities.