

EC330: Urban Economics

John M. Morehouse

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Class Hours: **T & TH 4-5:20**

Class Room: **MCK240A**

Grader: **Shihab Siddiqui**

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Grader Hours: **By Appointment Only**

Special Thanks: Mike Urbancic, for all of the help.

Course Description

Economics is all about people and incentives. Urban economics is about people, incentives, *and* their location choices.

This course will probe a broad array of topics related to phenomena that arise from cities. We will begin with analyzing basic economic principles that describe the existence of cities. We will develop a few formal models that better inform our understanding of why some cities are successful and others are not. We will then move onto cover inter and intra-city issues such as inequality, transportation, migration, and environmental issues. Students will be introduced to cornerstone models, theories, and practices in the field.

Prerequisites/Corequisites

You must have successfully completed **EC201** **prior** to taking EC330. Economic concepts are often presented in mathematical models. This course assumes proficiency in algebra and geometry (ie, working with graphs). Calculus is **not** required.

Course Objectives

The goal of this course is for students to glean insight on models and topics related to urban economics. Successful students will be able to carefully articulate why cities exist, what drives differences in success across cities, and the efficacy of various place-based policies. Additionally,

successful students will demonstrate a thorough understanding of the mathematical (algebraic and graphical) models developed in this course.

Course Books

You are expected to read the entirety of Edward Glaeser's *Triumph of the City* (TotC), which will be available at The Duck Store for a very reasonable price. The content of the book will be the subject of questions on quizzes and exams, and you will be asked to turn in a report on the book at the end of the term.

There is no official textbook for this course. Exam questions will be based primarily off of my lecture notes and TotC. Some of this course will follow *Urban Economics* by Arthur O'Sullivan. The book is not required for this course. The Duck Store is not carrying it for this course (although it is for EC 432). I don't recommend that you purchase the 8th edition of O'Sullivan's *Urban Economics* at The Duck Store. (Note that the high prices there are the fault of the publisher McGraw Hill) Instead, if you'd like to have a version of the textbook as an additional resource purchase a used copy of the 7th edition (or older) on the internet. A copy of the 8th edition is on reserve at the Knight Library.

Intro Quiz

There will be a canvas quiz that opens Thursday after lecture. I will discuss this thoroughly on the first day of class. This quiz is to incentivize you to review some of the key concepts you learned in EC201 that will be crucial for this course. We will go over what will be on the quiz during the second lecture.

Exams

There will be an in-class midterm and a final exam. The final exam will be comprehensive, but it will be more heavily weighted toward material presented in the latter half of the course. No make-up exams will be given. Let me know as soon as possible if you cannot make it to the midterm. If a serious illness or emergency prevents you from being present at an exam contact me before the exam at jmorehou@uoregon.edu.

If you have an **excused** absence from the midterm you may earn the privilege of having the final exam reweighted to 67 % of your grade. Excused absences will only be granted in extraordinary circumstances.

An **unexcused** absence from the midterm will result in scoring a zero on that exam, with devastating effects on your course grade. An unexcused absence from the final exam will likely result in a failing grade for the course.

Book Report

As mentioned above, over the course of the term you are expected to read Edward Glaeser's *Triumph of the City*. You will be asked to write a report based on your reflections on the content

and themes of the book. The specific assignment and a detailed rubric for this written report will be provided early in the term, and the report itself will be due on Canvas on **Sunday, March 8th**.

Grading Policy

There will be a total of 500 points available. The following gives the breakdown of how points will be allocated

- 40% Final exam (1x, 180 points)
- 27% Midterm exam (1x, 135 points)
- 24% Homeworks (4x, 30 points each)
- 4% *Triumph of the Cities* project (1x, 20 points)
- 4% Intro Quiz (1x, 20 points)
- 1% Letter of Introduction (1x, 5 points)

The economics department has uniform (the same across all classes) grading standard. The department takes grade inflation very seriously. In 300 and 400 level classes, roughly 65% of the class will receive A's and B's. Your grade will be determined relative to your peers, so during the course, I will not be able to tell you what your exact letter grade is at any point in time, because it depends on the future performances of the class.

Course Policies

During Class

I understand that the electronic recording of notes will be important for class and so computers will be allowed in class. Please refrain from using computers for anything but activities related to the class. Phones are prohibited as they are rarely useful for anything in the course. Eating and drinking are allowed in class but please refrain from it affecting the course. Try not to eat your lunch in class as the classes are typically active.

Homeworks

There will be 4 problem sets, worth 24% of your grade. They will be collected at lecture on the dates listed on the schedule below. The solutions to each problem set will be posted on the course Canvas site shortly after the lecture in which it is due, and absolutely no problem sets will be accepted for credit after that time.

You are encouraged to work on problem sets with other students, but all answers written on your problem set must be in your own words. Simply copying someone else's work is cheating. If such duplication is detected all problem sets involved will receive a zero, regardless of which student did the work and which did the copying. Keep in mind that all of the problem sets will be graded by the person. Jeopardizing several percent of your course grade—and someone else's as well—is not worth it. Don't copy a problem set or allow your problem set to be copied!

Email

I will endeavor to respond to e-mails within one day of receipt. **Please include "EC330" in the subject line of any email for this class.**

Academic Integrity and Honesty

The University Student Conduct Code (available at conduct.uoregon.edu) defines academic misconduct. Students are prohibited from committing or attempting to commit any act that constitutes academic misconduct. By way of example, students should not give or receive (or attempt to give or receive) unauthorized help on assignments or examinations without explicit permission from the instructor. Students should properly acknowledge and document all sources of information (e.g. quotations, paraphrases, ideas).

If there is any question about whether a particular activity constitutes academic misconduct, it is the student's obligation to clarify the matter with the instructor before engaging in or attempting to engage in the activity. Please contact me with any questions you have about academic misconduct. Additional information about maintaining your academic integrity is available at integrity.uoregon.edu. Information about plagiarism is available at researchguides.uoregon.edu/citing-plagiarism.

– From the Office of the Dean of Students

Accommodations for Disabilities

The University of Oregon is working to create inclusive learning environments. Please notify me if there are any aspects of this course that result in disability-related barriers to your participation. For more information or assistance, contact the Accessible Education Center: 164 Oregon Hall | 541-346-1155 | aec.uoregon.edu.

If you require special accommodations of any kind due to a documented disability please have the Accessible Education Center send me a letter verifying your need and detailing the appropriate accommodations. This is typically done automatically by the AEC at the beginning of a term. If there are new accommodations during a term or any changes to any existing accommodations please keep me advised as soon as possible.

If your accommodations involve any proctoring of exams at the AEC you will be responsible for scheduling those exams with sufficient anticipation with the AEC. Keep in mind that proctored midterms need to be scheduled at least seven days in advance and that proctored final exams need to be scheduled by the 5:00pm of the Friday of week 8 of the course. As you can see on the next page, the exams for this course are already set. I recommend that you make the necessary arrangements with AEC now.

Diversity

The University of Oregon is dedicated to the principles of equal opportunity and freedom from unfair discrimination for all members of the university community and an acceptance of true diversity as an affirmation of individual identity within a welcoming community. This course is committed to upholding these principles by encouraging the exploration, engagement, and expression of distinct perspectives and diverse identities. All of us associated with the course—you included—are expected to value each class member's experiences and contributions and to communicate disagreements respectfully. Please notify me if you feel aspects of the course undermine these principles in any way. You may also notify the Department of Economics at 541- 346-8845. For additional assistance and resources, you are also encouraged to contact the following campus services:

- Office of Equity and Inclusion: 1 Johnson Hall | 541-346-3175 | inclusion.uoregon.edu
- Center on Diversity and Community: 54 Susan Campbell Hall | 541-346-3212 | codac.uoregon.edu
- Bias Education and Response Team: 541-346-1134 | brt@uoregon.edu | dos.uoregon.edu/bias

Schedule

Below is a rough course outline. Remember: TotC = Triumph of the City. Some lecture topics are subject to change. You are, of course, free to read TotC at your own pace.

Week 1 *Introduction + Review*

- Lecture 1 (Jan 7th): Welcome
- Lecture 2 (Jan 9th): EC 201 Review & The 5 axioms of Urban Economics

Action Items

- Review EC201
 - Read Chapter 1 of *ToTC*
 - **Intro Quiz:** EC201 and Algebra Review. Opens Jan 9th, closes Jan 12
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Week 2 *Cities & Firm Clustering*

- Lecture 3 (Jan 14th): City Size
- Lecture 4 (Jan 16th): Firm Clustering & City Growth

Action Items

- Read Chapter 2 & 3 of *ToTC*
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Week 3 *Land Use & Rents*

- Lecture 5 (Jan 21): Rents
- Lecture 6 (Jan 23): Urban Land Use

Action Items

- Read Chapter 4 of *ToTC*
 - HW I due in class on Jan 23
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Week 4 *Neighborhood Choice*

- Lecture 7 (Jan 28): Neighborhood Choice Part I
- Lecture 8 (Jan 30): Neighborhood Choice Part II

Action Items

- Read Chapter 5 of *ToTC*
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Week 5 *Local Labor Markets*

- Lecture 9 (Feb 4): Local Labor Markets Part I
- Lecture 10 (Feb 6): Local Labor Markets Part II

Action Items

- Read Chapter 6 of *ToTC*
 - HW II due in class on Feb 6
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Week 6 Midterm

- Lecture 11 (Feb 11): **Midterm Exam**
- Lecture 12 (Feb 13): Introduction to Place - Based policies

Action Items

- **Midterm Exam**
 - Read Chapter 7 of *ToTC*
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Week 7 Place Based Policies

- Lecture 13 (Feb 18): Minimum Wage
- Lecture 14 (Feb 20): Housing Policy

Action Items

- Read Chapter 8 of *ToTC*
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Week 8 Automobiles

- Lecture 15 (Feb 25): Automobiles Part I
- Lecture 16 (Feb 27): Automobiles Part II

Action Items

- Read Chapter 9 of *ToTC*
 - HW 3 due on Feb 25th in class
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Week 9 Transit and the Environment

- Lecture 17 (Mar 3): Urban transit
- Lecture 18 (Mar 5): The Environmental Consequences of Sorting

Action Items

- Finish *ToTC*
 - **Final project due on canvas by midnight on Sunday March 8th**
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Week 10 Topics in Urban Economics

- Lecture 19 (Mar 10): The Geography of Income Inequality
- Lecture 20 (Mar 12): Final Review

Action Items

- Study for the final
 - HW 4 due in class on Mar 12
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Week 11 Week of Final

- Take the final exam on **TBD**