

Syllabus

Urban Economics

Prof. W. Walker Hanlon

Spring 2017, Tuesday/Thursday 1:30-2:50pm, Julius Romo Rabinowitz A12

Revised 2/7/2017

DETAILS:

Class schedule: TBA

My email: whanlon@princeton.edu

My office: Rabinowitz 294

Office hours: Tuesday 3-4pm, Wednesday 3-4pm

OVERVIEW:

Cities play a central role in the economy. But why do they exist? Why do people and firms pay so much money in order to crowd closely together? What forces shape their structure, size, and long-run success? The goal of this course is to answer some of these questions by analyzing cities as economic systems using both theoretical and empirical tools. The theory side of the course covers a standard set of urban models describing both the structure of cities and how they interact as part of larger national economies. The empirical side of the course draws on recent academic papers to introduce some of the econometric tools used to study cities.

GRADING:

1. Homeworks (30% of grade - 10% each)
2. Midterm (30% of grade)
3. Final (40% of grade)

HOMEWORKS

There will be four homework assignments during the course. Only your three best homework grades will count towards the course grade. This means that you can skip one homework in case some emergency arises, etc. Use this freebie carefully – if you decide not to turn a homework in and then an emergency arises, I will not make an exception for the second missing homework.

Homeworks must be turned in electronically via email above. If you want to write-out your homework by hand, then you need to scan it to turn it in. Homework must be received by midnight and late homework will not be accepted.

READINGS

Each week we will have a short reading that will come with some questions. The readings are required. We will discuss the weekly reading at the beginning of class or in the precept sections.

The class will also build on a number of recent academic papers or books which will be available on the course website. These are not required reading, but they may be useful for understanding some material.

COURSE MATERIALS

This course will not use a textbook. If you do want a reference, the text that comes closest to covering the material in the course is Jan Brueckner's *Lectures on Urban Economics*.

Two other small and inexpensive books will also be repeatedly cited in the course and I highly recommend them to people interested in the topic: (1) *The Economy of Cities* by Jane Jacobs and (2) *Regional Advantage* by Annalee Saxenian. Also, two other great books on urban economics not discussed directly in this course are *The Death and Life of Great American Cities* by Jane Jacobs and *Triumph of the City* by Edward Glaeser.

CONTACTING ME

The best way to contact me with questions is to come to office hours. If you have a question but you can't make it to office hours, you can send me an email.

COURSE OUTLINE

1. Introduction: Why do cities exist?
2. Agglomeration – Natural amenities, increasing returns, input-output linkages, labor market pooling, human capital spillovers, technological spillovers, testing agglomeration theories, the impact of competition and corporate culture
3. Sources of population – natural increase vs. migration, health in cities, theories of migration, migrant impacts on local labor markets, dynamic learning in cities
4. Monocentric city model and applications
5. System of cities model and applications
6. Public policy and urban structure
7. Rosen-Roback model and applications (taxation, etc.)

8. Local public goods, municipal competition and Tiebout sorting
9. Housing markets
10. Other topics as time permits