

## **Economics 662: Public Economics**

**Instructor:** Jillian Carr

### **Objectives:**

1. Students will gain a working knowledge of various types of government programs.
2. Students will understand the application of reduced form methods for studying public policy.
3. Students will assemble a portfolio of potential study topics related to public economics.
4. Students will gain experience in presenting and discussing research.

### **Class Format:**

1. Lecture-ish (for introductions to large topics)
2. Discussions of specific programs and papers
3. Mock seminars

**Grading:** grades for the course will be based on the following:

- Weekly proposals for research projects: 25%
- Student-led discussions (presenter and participant): 35%
- Practice seminar: 25%
- Final exam: 15%

### **Student-Led Discussions:**

Over the course of the semester, each student will have to give an in-class presentation on a government program. The objective of these presentations is for students to gather information and obtain expert-level knowledge of a program in which they are interested. For their presentation, students are expected to

1. Give an overview of the administration of the program. They should address funding, operational functionality, history, relevant economic concepts, luminary literature, and anything else they deem of interest. This part addresses the “why?” and “how?” questions related to programs.
2. Lead a discussion on a paper related to the program. The idea here is to ask “does it work?” and “does it have any other effects?” I’m providing a list of programs and papers.

I will make myself available to help students prepare for these presentations. Also, students will be able to have some say in the program on which they present. I’ll have a mechanism for allocating them fairly.

There will be a list of topics to choose from, but students may also suggest additional topics. The list I provide will be US-centric, but international suggestions are welcome. The suggested papers are curated to help achieve objective 2, so if you are interested in choosing another program, I will work with you to select an ideal paper. Each student will meet with me to discuss this part of the course early in the semester.

### **Mock Seminar:**

Giving a good seminar is an art, and we are going to practice it. Each student will give a 25 minute practice seminar. The goal is to really consider how to construct an engaging seminar, how to field difficult questions, and how to “manage” a room. These are important skills. Your practice seminar will be on the paper of your choosing, so I recommend that you choose wisely. I’m also happy to help you choose and consult on this process.

### **Weekly Proposals:**

Each week (handed in at Thursday’s class) you will turn in a research proposal related to public policy. The proposal will contain the following details: the question(s) you aim to answer, a potential dataset (you don’t need to have it in hand, just know that it exists), and an identification strategy. Any other pertinent details can also be included. Bullet points are fine and a literature review is unnecessary. By the end of the course, you will have 8, which will help jumpstart your independent research.

**Schedule:** subject to change based on enrollment and student interests

1/10 – 1/17: Intro and program discussions (by me)

1/11 – 1/13: students will meet with me outside of class to discuss interests and potential topics

1/19 – 2/9: Student-led program discussions

2/14 – 2/28: Mock seminars

3/2: Final exam

**Topics List: Here are some suggestions. Feel free to suggest other programs that interest you.**

**Methods References:**

Solon, Gary, Steven J. Haider, and Jeffrey M. Wooldridge. "What are we weighting for?." *Journal of Human resources* 50.2 (2015): 301-316.

Bertrand, Marianne, Esther Duflo, and Sendhil Mullainathan. "How Much Should We Trust Differences-in-Differences Estimates?." *Quarterly journal of economics* 119.1 (2004): 249-275.

Imbens, Guido W., and Thomas Lemieux. "Regression discontinuity designs: A guide to practice." *Journal of econometrics* 142.2 (2008): 615-635.

Ludwig, Jens, Jeffrey R. Kling, and Sendhil Mullainathan. "Mechanism experiments and policy evaluations." *The Journal of Economic Perspectives* 25.3 (2011): 17-38.

**Health:**

**Medicare**

Finkelstein, Amy, and Robin McKnight. "What did Medicare do? The initial impact of Medicare on mortality and out of pocket medical spending." *Journal of public economics* 92.7 (2008): 1644-1668.

**Medicaid**

Baicker, Katherine, et al. "The impact of Medicaid on labor market activity and program participation: evidence from the Oregon Health Insurance Experiment." *The American economic review* 104.5 (2014): 322-328.

Finkelstein, Amy, et al. "The Oregon Health Insurance Experiment: Evidence from the First Year." *The Quarterly journal of economics* 127.3 (2012): 1057-1106.

**Affordable Care Act:**

Abramowitz, Joelle. "Saying, 'I Don't': The Effect of the Affordable Care Act Young Adult Provision on Marriage." *Journal of Human Resources* (2015).

**Fetal Origins Hypothesis:**

Hoynes, Hilary, Diane Whitmore Schanzenbach, and Douglas Almond. "Long-Run Impacts of Childhood Access to the Safety Net." *The American Economic Review* 106.4 (2016): 903-934.

Currie, Janet, and Reed Walker. "Traffic congestion and infant health: Evidence from E-ZPass." *American Economic Journal: Applied Economics* 3.1 (2011): 65-90.

Hoynes, Hilary, Doug Miller, and David Simon. "Income, the earned income tax credit, and infant health." *American Economic Journal: Economic Policy* 7.1 (2015): 172-211.

**Fertility control:**

Lindo, Jason M., and Analisa Packham. *How Much Can Expanding Access to Long-Acting Reversible Contraceptives Reduce Teen Birth Rates?*. No. w21275. National Bureau of Economic Research, 2015.

Bailey, Martha J. "More power to the pill: the impact of contraceptive freedom on women's life cycle labor supply." *The Quarterly Journal of Economics* (2006): 289-320.

## **Housing:**

### **Section 8 – Jacob and Ludwig 2012**

Jacob, Brian A., and Jens Ludwig. "The effects of housing assistance on labor supply: Evidence from a voucher lottery." *The American Economic Review* 102.1 (2012): 272-304.

Jacob, Brian A., Max Kapustin, and Jens Ludwig. "The impact of housing assistance on child outcomes: Evidence from a randomized housing lottery." *The Quarterly Journal of Economics* 130.1 (2015): 465-506.

Jacob, Brian A., Jens Ludwig, and Douglas L. Miller. "The effects of housing and neighborhood conditions on child mortality." *Journal of health economics* 32.1 (2013): 195-206.

### **Public Housing (including Hope VI)**

Jacob, Brian A. "Public housing, housing vouchers, and student achievement: Evidence from public housing demolitions in Chicago." *The American Economic Review* 94.1 (2004): 233-258.

Oreopoulos, Philip. "The long-run consequences of living in a poor neighborhood." *The quarterly journal of economics* (2003): 1533-1575.

### **Low Income Housing Tax Credit**

Baum-Snow, Nathaniel, and Justin Marion. "The effects of low income housing tax credit developments on neighborhoods." *Journal of Public Economics* 93.5 (2009): 654-666.

### **Moving to Opportunity**

Sanbonmatsu, Lisa, et al. "Neighborhoods and academic achievement results from the Moving to Opportunity experiment." *Journal of Human resources* 41.4 (2006): 649-691.

Ludwig, Jens, Greg J. Duncan, and Paul Hirschfield. "Urban Poverty and Juvenile Crime: Evidence from a Randomized Housing-Mobility Experiment." *Quarterly Journal of Economics* (2001): 655-679.

Fortson, Jane G., and Lisa Sanbonmatsu. "Child health and neighborhood conditions results from a randomized housing voucher experiment." *Journal of Human Resources* 45.4 (2010): 840-864.

## **Food Aid:**

### **Food Stamps: SNAP and WIC**

Hoynes, Hilary W., and Diane Whitmore Schanzenbach. "Consumption responses to in-kind transfers: Evidence from the introduction of the food stamp program." *American Economic Journal: Applied Economics* 1.4 (2009): 109-139.

Bitler, Marianne P., and Janet Currie. "Does WIC work? The effects of WIC on pregnancy and birth outcomes." *Journal of Policy Analysis and Management* 24.1 (2005): 73-91.

Hoynes, Hilary, Marianne Page, and Ann Huff Stevens. "Can targeted transfers improve birth outcomes?: Evidence from the introduction of the WIC program." *Journal of Public Economics* 95.7 (2011): 813-827.

Cunha, Jesse M. "Testing paternalism: Cash versus in-kind transfers." *American Economic Journal. Applied Economics* 6.2 (2014): 195.

Hoynes, Hilary Williamson, and Diane Whitmore Schanzenbach. "Work incentives and the food stamp program." *Journal of Public Economics* 96.1 (2012): 151-162.

#### School meal programs:

Schanzenbach, Diane Whitmore, and Mary Zaki. *Expanding the school breakfast program: Impacts on children's consumption, nutrition and health*. No. w20308. National Bureau of Economic Research, 2014.

Figlio, David N., and Joshua Winicki. "Food for thought: the effects of school accountability plans on school nutrition." *Journal of public Economics* 89.2 (2005): 381-394.

#### Cash Transfers:

##### "Welfare": TANF (and AFDC)

Grogger, Jeffrey. "The behavioral effects of welfare time limits." *The American economic review* 92.2 (2002): 385-389.

Ribar, David C., Marilyn Edelhoch, and Qiduan Liu. "Watching the Clocks The Role of Food Stamp Recertification and TANF Time Limits in Caseload Dynamics." *Journal of Human Resources* 43.1 (2008): 208-238.

Michalopoulos, Charles, Philip K. Robins, and David Card. "When financial work incentives pay for themselves: evidence from a randomized social experiment for welfare recipients." *Journal of Public Economics* 89.1 (2005): 5-29.

Riddell, Chris, and W. Craig Riddell. "The pitfalls of work requirements in welfare-to-work policies: Experimental evidence on human capital accumulation in the Self-Sufficiency Project." *Journal of Public Economics* 117 (2014): 39-49.

##### Earned Income Tax Credit

Dahl, Gordon B., and Lance Lochner. "The impact of family income on child achievement: Evidence from the earned income tax credit." *The American Economic Review* 102.5 (2012): 1927-1956.

Hoynes, Hilary, Doug Miller, and David Simon. "Income, the earned income tax credit, and infant health." *American Economic Journal: Economic Policy* 7.1 (2015): 172-211.

#### Social Security and Disability Insurance

Deshpande, Manasi. "Does Welfare Inhibit Success? The Long-Term Effects of Removing Low-Income Youth from Disability Insurance." *American Economic Review*.

Evans, William N., and Timothy J. Moore. "The short-term mortality consequences of income receipt." *Journal of Public Economics* 95.11 (2011): 1410-1424.

Maestas, Nicole, Kathleen J. Mullen, and Alexander Strand. "Does disability insurance receipt discourage work? Using examiner assignment to estimate causal effects of SSDI receipt." *The American Economic Review* 103.5 (2013): 1797-1829.

French, Eric, and Jae Song. "The effect of disability insurance receipt on labor supply." *American Economic Journal: Economic Policy* 6.2 (2014): 291-337.

### Unemployment Insurance

Lalive, Rafael. "Unemployment benefits, unemployment duration, and post-unemployment jobs: A regression discontinuity approach." *The American economic review* 97.2 (2007): 108-112.

### **Public Safety:**

#### Incarceration/incapacitation

Anderson, D. Mark. "In school and out of trouble? The minimum dropout age and juvenile crime." *Review of Economics and Statistics* 96.2 (2014): 318-331.

Jacob, Brian A., and Lars Lefgren. "Are idle hands the devil's workshop? Incapacitation, concentration, and juvenile crime." *The American Economic Review* 93.5 (2003): 1560-1577.

Dahl, Gordon, and Stefano DellaVigna. "Does movie violence increase violent crime?." *The Quarterly Journal of Economics* (2009): 677-734.

Owens, Emily G. "More Time, Less Crime? Estimating the Incapacitative Effect of Sentence Enhancements." *Journal of Law and Economics* 52.3 (2009): 6.

Aizer, Anna, and Joseph J. Doyle. "Juvenile Incarceration, Human Capital and Future Crime: Evidence from Randomly-Assigned Judges." *The Quarterly Journal of Economics* (2015): qjv003.

#### Deterrence

Agan, Amanda Y. "Sex offender registries: Fear without function?." *Journal of Law and Economics* 54.1 (2011): 207-239.

Hansen, Benjamin. "Punishment and Deterrence: Evidence from Drunk Driving." *The American Economic Review* 105.4 (2015): 1581-1617.

Drago, Francesco, Roberto Galbiati, and Pietro Vertova. "The deterrent effects of prison: Evidence from a natural experiment." *Journal of Political Economy* 117.2 (2009): 257-280.

Doleac, Jennifer L. "The Effects of DNA Databases on Crime." *American Economic Journal: Applied Economics*.

### Seat belts, helmets and cell phones:

Anderson, D. Mark, and Sina Sandholt. "Booster Seats and Traffic Fatalities among Children." (2016). Working paper.

Carpenter, Christopher S., and Mark Stehr. "The effects of mandatory seatbelt laws on seatbelt use, motor vehicle fatalities, and crash-related injuries among youths." *Journal of Health Economics* 27.3 (2008): 642-662.

Carpenter, Christopher S., and Mark Stehr. "Intended and unintended consequences of youth bicycle helmet laws." *Journal of Law and Economics* 54.2 (2011): 305-324.

Dee, Thomas S. "Motorcycle helmets and traffic safety." *Journal of Health Economics* 28.2 (2009): 398-412.

Dee, Thomas S., David C. Grabowski, and Michael A. Morrissey. "Graduated driver licensing and teen traffic fatalities." *Journal of Health Economics* 24.3 (2005): 571-589.

### Substance Regulations

Dobkin, Carlos, and Nancy Nicosia. "The war on drugs: methamphetamine, public health, and crime." *The American economic review* 99.1 (2009): 324-349.

Carpenter, Christopher, and Carlos Dobkin. "The minimum legal drinking age and crime." *Review of Economics and Statistics* 97.2 (2015): 521-524.

Anderson, D. Mark, Benjamin Hansen, and Daniel I. Rees. "Medical marijuana laws, traffic fatalities, and alcohol consumption." *Journal of Law and Economics* 56.2 (2013): 333-369.