

Economics for Public Decision-Making
PPPA 6003, Sections 10
Fall 2022 Syllabus

Time and Location

Wednesdays, 11:10am-1:00pm
1776 G, Room C-115

Instructor

Instructor: Professor Mary Sullivan
Email: msull@gwu.edu

Office hours:

Tuesdays (virtual): 3:30-5:30pm in 20 minute time slots (<https://msull.youcanbook.me>)
I am available for in-person meetings on Thursdays from 3:00-5:00pm. Stop by room 601M, MPA Building (appointment not necessary).
Virtual meetings other times by appointment

Instructional Assistant

Samantha Pabley
Email: stpabley@gwmail.gwu.edu
Office hours (virtual): Mondays 6:00-8:00pm, (<https://stpabley.youcanbook.me/>)
In-person or virtual meetings at other times by appointment

Course Description

This course provides an introduction to microeconomics, emphasizing its applications to public management and policy analysis. Decision-making in the public sector involves fundamentally different—and often more complicated—considerations than decision-making in the private sector. This course is designed to help current and prospective professional administrators, managers, and practitioners in the public and nonprofit sectors address real-world issues and problems from an economic perspective. No prior experience with economics or mathematics is necessary, although a familiarity with basic graphing, computation, and algebra is assumed. Central questions include: What is the economic justification for government? How should concerns about efficiency and equity be balanced? What policies should we undertake to improve well-being? How can public managers improve the efficiency and effectiveness of organizations?

Learning Objectives

Through lectures, discussions, readings, assignments, and exams, students will develop knowledge and skills that will enable them to:

- Firmly grasp fundamental microeconomic theories and concepts.
- Apply microeconomic principles to real-world public sector problems.
- Conduct graphical and algebraic quantitative analyses.
- Articulate and evaluate opposing economic arguments on a current policy problem.
- Incorporate economic concepts and tools into their own writing, thinking, and work.

Course Requirements

Class Participation (10%)

- The class sessions will be more interesting to all of us, and you are sure to learn more, if you participate in class. You can ask questions or bring up topics in class. There are no dumb questions. Rest assured that if you are uncertain about something, others in the class will probably have similar questions. If you need to miss class, be sure to get notes from one of your classmates.

Problem Sets (15%)

- There will be 10 problem sets due throughout the semester. While you must turn in your own solutions, you are encouraged to work with your classmates.
- You will need to turn in solutions electronically in pdf form, so you may want to download a scanning app on your phone (e.g., iScanner, Adobe Scan) if you don't have a scanner.
- Solutions will be posted on Blackboard after grading. Please check them carefully.
- Problem sets are due by 9am on the due date.

Midterm Exam (20%)

- The midterm will be taken in class. It will cover all of the course material up to that point.
- I will consider the midterm a no-fault exam—that is, if you do better on the final than on the midterm, I will replace your midterm grade with your final grade when I calculate your overall grade for the course. If you do worse on the final, your midterm grade will stand.
- You may use an old-school calculator for the exam and scratch paper. Please do not use your phone calculator.

Policy Brief (25%)

- This is your chance to apply what you've learned to a policy problem. You will choose a policy issue from a list that I will provide and write a short (4-page) paper that will require a limited amount of outside research in addition to your knowledge of microeconomic concepts.

Final Exam (30%)

- The final will be open-book and held during finals week. As the course is cumulative, the final will cover all of the course material.

Grades & Expectations

- A (Excellent): Exceptional work for a graduate student. Shows a strong command of the material.
- A- (Very Good): Very strong work for a graduate student. Shows signs of a strong understanding of appropriate analytical approaches and meets professional standards.
- B+ (Good): Sound work for a graduate student. This grade indicates the student has fully accomplished the basic course objectives.
- B (Adequate): Competent work for a graduate student with some evident weaknesses. Demonstrates competency in the key course objectives but the understanding or application of some important issues is less than complete.
- B- (Inadequate): Weak work for a graduate student. Understanding of key issues is incomplete. A cumulative GPA of B- will lead to academic probation.
- Grades of below B- indicate extremely weak performance and insufficient grasp of the material.

Required Texts

Mankiw, Gregory N. *Principles of Microeconomics*, 8th edition (USA: Thomson South-Western, 2018).

- I strongly encourage you to buy the 8th edition (NOT the 7th edition or 9th edition). However, if you choose to get a different edition, you are responsible for ensuring that you have covered all of the required readings and problem set problems that correspond to the 8th edition.
- You do not need the “access code” for online content or any other supplemental materials.

Wheelan, Charles. *Naked Economics: Undressing the Dismal Science* (New York: W.W. Norton & Co., 2019).

- Simply the best econ book ever. Note that we will use the 2019 edition of the book. Please try to get this version, if possible!

All other readings and occasional podcasts will be posted online, most often organized as “Case Studies” that include a set of articles about a real-world example from a variety of sources and perspectives.

Technology

This class will take place in-person, unless unforeseen personal circumstances or university rules require me to teach online. However, office hours or other meetings may take place virtually and assignments will be turned in online. Therefore, please ensure that you have the required technology to fully participate in the course. Ideally, you should be able to:

- Use your device to connect to Blackboard for most course materials
- Use a webcam and Zoom for office hours and group meetings
- Use a scanner or scanner app on your phone to upload assignments (e.g., iScanner App)

- Seek technological help when necessary. If you have any problems with the software in this course, please use the Help link on the main menu in our course on Blackboard. You can also call the [Division of Information Technology](#) or the [Columbian College IT Help Desk](#).

Class Schedule & Outline

Week 1 (Aug. 31)

- Overview of Economics: Why the dismal science may be worthwhile...
- Introductions, course info & understanding today's economy
 - Case Study: Tariffs, Trade & the Economy
 - Mankiw, Ch. 1 & 3 plus Ch. 2 (section 2-1e)
 - Wheelan, Foreward & Introduction & Ch. 12

~~~~~ Unit I: The Power of Markets ~~~~~

### Week 2 (Sept. 7)

- How Markets Work: Who feeds D.C.?
  - Case Study: Corn Production and Consumption
    - Mankiw, Ch. 2 appendix & 4
    - Wheelan, Ch. 1 & 9
    - **Problem Set #1 due 9am**

### Week 3 (Sept. 14)

- Consumers & Demand: Shopaholics Unite!
  - Case Study: Metro Fares
    - Mankiw, Ch. 5
    - **Problem Set #2 due 9am**

### Week 4 (Sept. 21)

- Firms & Supply: What Average Joe's Hot Dog Stand & Pepsi Co. have in common
  - Case Study: Airline Costs & Competition
    - Mankiw Ch. 13 & 14
    - Wheelan, Ch. 2
    - **Problem Set #3 due 9am**

### Week 5 (Sept. 28)

- Why Markets Work: Efficiency—not just for washing machines
  - Case Study: Cost-Benefit Analysis
    - Mankiw, Ch. 7
    - **Problem Set #4 due 9am**

~~~~~ Unit II: The Role of Government ~~~~~

Week 6 (Oct. 5)

- Government Interference in Efficient Markets: What's so bad about taxes (aside from having to pay them)?
 - Case Study: Minimum Wage
 - Mankiw, Ch. 6 & 8
 - Wheelan, Ch. 4
 - **Problem Set #5 due 9am**

Week 7 (Oct. 12) – Midterm

- Optional Problem Set #5.5 (not turned in) covers Week 6 material that will be on exam.
- **Midterm exam in-person during class**

Week 8 (Oct. 19)

- Market Failure: Monopoly & Oligopoly—gaining a new appreciation for board games.
 - Case Study: Antitrust
 - Mankiw, Ch. 15 & 17
 - Dixit & Skeath, “Simultaneous-Move Games with Pure Strategies I: Discrete Strategies,” Ch. 4 of *Games of Strategy*.
 - **Policy brief assignment available online**

Week 9 (Oct. 26)

- Market Failure: Externalities and Public Goods—what's mine is yours
 - Case Study: Environmental Economics
 - Mankiw, Ch. 10 & 11
 - Wheelan, Ch. 3
 - **Problem Set #6 due 9am**

Week 10 (Nov. 2)

- Market Failure: Imperfect Information—what you don't know CAN hurt you
 - Case Study: TBA
 - Mankiw, Ch. 22
 - Wheelan, Ch. 5
 - Stiglitz & Walsh, “Imperfect Information in the Product Market,” Ch. 15 of *Principles of Microeconomics*.
 - **Problem Set #7 due 9am**

Week 11 (Nov. 9)

- The Role of Government in Promoting Equity: It's not the size of the pie, but how you slice it
 - Case Study: Income Inequality and Poverty
 - Mankiw, Ch. 19-20
 - Wheelan, Ch. 6
 - **Problem Set #8 due 9am**

Week 12 (Nov. 16)

- Revisiting Equity in Economics
 - Case Study: Race & Gender Equity in Economics
 - **Policy Brief due 9am**

No class Nov. 23 – Happy Thanksgiving!

~~~~~ Unit III: The Economics of Human Behavior ~~~~~

Week 13 (Nov. 30)

- Managerial Economics: How to get someone to do what you want them to
  - Case Study: Behavioral Economics
    - Dixit & Skeath, "Games with Sequential Moves," Ch. 3 of *Games of Strategy*.
    - **Problem Set #9 due 9am**

Week 14 (Dec. 7)

- Choice Architecture, Nudges, & Public Administration
  - Case Study: Nudge
    - Wheelan, Ch. 8
    - **Problem Set #10 due 9am**

**Final Exam: The open-book take-home exam will be available electronically at 9am Sunday, Dec. 11<sup>th</sup> and due at 9am on Monday the 12<sup>th</sup>.**

**Class Policies & Information**

- **Course Selection:** This course is intended to be a non-technical introduction to microeconomics. If you majored in economics as an undergraduate or have had substantial training in the subject already, you should consider taking PPPA 6014 (Microeconomics for Public Policy II) instead. If you would like to talk further about which course is appropriate, feel free to contact me.
- **Attendance:** Attendance in class sessions is a fundamental student responsibility and essential for success. If you have to miss class, ask a classmate for notes. With the exception

of the day of the midterm, you not need to let me know if you need to miss class and if you feel sick, please stay home!

- **Blackboard:** The course website is accessible with your GW email address through GW's Blackboard academic software at <http://blackboard.gwu.edu>. The most important link for this class is the "Course Content" on the main menu. There you will find all non-textbook readings, problem sets, and solutions organized by week. Zoom links for office hours can also be found on the main menu.
- **Turning Things In:** Problem sets, the policy brief, and the final should be uploaded as a single pdf document on Blackboard by the due date. Since you will need to draw graphs (and hand drawing is MUCH easier than computer drawing), you will likely need to scan your work. I recommend downloading iScanner, Adobe Scan, or a similar app for your phone if you do not have a scanner.
- **Deadlines:** This syllabus provides all relevant due dates for assignments. It is your responsibility to ensure that you upload them in time. Please let me know ahead of time if you will need an extension. Late problem sets and exams will not be accepted. Late policy briefs will be marked down for each day they are late.
- **Collaboration:** You are welcome to work together on the problem sets, but you must write up and turn in your own set of solutions. The policy brief and both exams must be done completely on your own!
- **Class Recordings:** I will record all the classes using Echo360. Each recording will be available 24 hours after the class. Students are encouraged to use recorded class sessions, for private personal use in connection with their academic program of study. Electronic course materials and recorded class sessions should not be shared or used for non-course related purposes.
- **Credit Hours:** Over 15 weeks, students will spend about 2 hours per week on direct instruction. Required readings, problem sets, exam review, and the policy brief are expected to take up about 6 hours of independent work per week. Over the course of the semester, students will spend at least 120 hours on this class.
- **Inclusive Classroom:** It is my intent that students from all backgrounds and perspectives be well-served by this course, that students' learning needs be addressed both in and out of class, and that the diversity that students bring to this class be viewed as a resource, strength, and benefit. I strive to create an inclusive classroom and present materials and activities that are respectful of diversity including race, ethnicity, gender, sexuality, disability, age, socioeconomic status, culture, and political affiliation. Your suggestions are encouraged and appreciated.
- **Etiquette:** Free expression is an integral part of graduate education, at the same time, learning works best when we have empathy and respect for others. I strive to create an environment where everyone feels comfortable expressing their views and exchanging ideas, while remaining respectful and inclusive. Please ensure that all of your interactions are professional, respectful, and courteous at all times.

- **Extra Help:** Please be sure to contact me or Sami, the TA for our class, if you are struggling with course materials. Please keep in mind that a B- is a failing grade in TSPPA. I encourage you join office hours or schedule an appointment early in the semester if you are having trouble. Also, please first contact Sami for all questions related to the problem sets. If she can't answer your question, she will pass it along to me.
- **Peer Tutoring:** Sign up for the peer educator program at any point to work one-on-one with a star MPA student who took this course last year. If you receive a B or lower on the midterm or repeatedly get "check minuses" on problem sets, you are strongly urged to contact Gregory Nelson ([ganelson@email.gwu.edu](mailto:ganelson@email.gwu.edu)) to sign up.
- **Feedback:** I welcome your feedback on my teaching and the course in general. If you happen to come across any interesting articles or other materials that may be useful for future classes, please send them my way!

### University Policies & Information

- **Academic Honesty:** Academic integrity is an essential part of the educational process, and all members of the GW community take these matters very seriously. As the instructor of record for this course, my role is to provide clear expectations and uphold them in all assessments. Violations of academic integrity occur when students fail to cite research sources properly, engage in unauthorized collaboration, falsify data, and otherwise violate the [Code of Academic Integrity](#). If you have any questions about whether or not particular academic practices or resources are permitted, you should ask me for clarification. If you are reported for an academic integrity violation, you should contact the Office of Student Rights and Responsibilities (SRR) to learn more about your rights and options in the process. Consequences can range from failure of assignment to expulsion from the university and may include a transcript notation. For more information, please refer to the SRR website [Academic Integrity | Student Conduct | The George Washington University \(gwu.edu\)](#), email [rights@gwu.edu](mailto:rights@gwu.edu), or call 202-994-6757.
- **Use of Electronic Course Materials:** Students may only use electronic course materials and class recordings for private personal use in connection with their academic program of study. These materials should not be shared or used for non-course related purposes unless express permission has been granted by the instructor. Students who impermissibly share any electronic course materials are subject to discipline under the Student Code of Conduct.
- **Religious Holidays:** In accordance with University policy, students should notify faculty during the first week of the semester of their intention to be absent from class on their day(s) of religious observance. For details and policy, see "Religious Holidays" at [provost.gwu.edu/policies-procedures-and-guidelines](http://provost.gwu.edu/policies-procedures-and-guidelines)
- **Academic Commons:** Academic Commons provides tutoring and other academic support resources to students in many courses. Students can schedule virtual one-on-one appointments or attend virtual drop-in sessions. Students may schedule an appointment, review the tutoring schedule, or access other academic support resources at <http://academiccommons.gwu.edu/>.



- **Writing Center:** GW's Writing Center cultivates confident writers in the University community by facilitating collaborative, critical, and inclusive conversations at all stages of the writing process. Working alongside peer mentors, writers develop strategies to write independently in academic and public settings. Appointments can be booked online. See [gwu.mywconline](http://gwu.mywconline).
- **Disability Support Services:** If you need extra time on exams or assignments due to a disability, let me know in the first week of class. In order to receive accommodations on the basis of disability, you'll need to provide proper documentation to the [Office of Disability Support Services](#) or 202-994-8250.
- **Counseling and Psychological Services:** GW's Colonial Health Center offers counseling and psychological services, supporting mental health and personal development by collaborating directly with students to overcome challenges and difficulties that may interfere with academic, emotional, and personal success. <https://healthcenter.gwu.edu/counseling-and-psychological-services> or 202-994-5300.
- **Safety and Security:** In an emergency call GWPD 202-994-6111 or 911. For situation-specific actions, review the Emergency Response Handbook at [safety.gwu.edu/emergency-response-handbook](http://safety.gwu.edu/emergency-response-handbook). In an active violence situation: Get Out, Hide Out, or Take Out. See [go.gwu.edu/shooterpret](http://go.gwu.edu/shooterpret). Stay informed: [safety.gwu.edu/stay-informed](http://safety.gwu.edu/stay-informed).