

ECO398i : Urban and Regional Economics FALL 2015 SYLLABUS

University of Maryland
Department of Economics

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Course Meetings:	MWF 10:00-10:50 or 11:00-11:50	TYD1118	
Office Hours:	Mon 1-4, Thr 9-1030 and by appointment.		

1 Course Description and Objectives

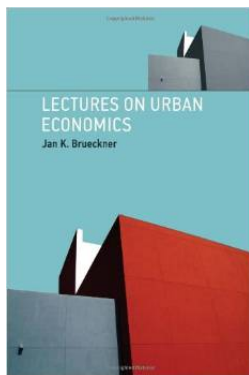
In this course, we will examine how economists view issues of urban and regional economics, focusing initially on the economic forces that lead to the generation of cities and the economic ties within a region. We will develop a framework to discuss economic theories about land use, housing, transportation and general sub-national economic development while examining the empirical research that looks at the results of policies in those realms.

The goal of this course is enable you to become familiar with and utilize economic tools to examine subnational economies where *location* is a critical element of what constitutes a “market” and in forming cultural and economic identity. By the end of the semester you should be able to accurately:

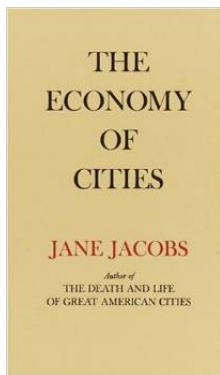
- Understand why and how cities form
- Explain the importance of location and space in economic analysis
- Understand specific economic and social policy issues where location is of critical analytic importance
- Be able to independently analyze and explain economic development in a urban and regional context both from the perspective of individual approaches as well as individual geographies. Note: the course will culminate in the demonstration of your mastery of such tools through your own analysis of some sub-national economies.

Prerequisites for the course are a minimum grade of C- from Economic Statistics (ECON321/MAT400) and Intermediate Microeconomic Analysis (ECON326). If you do not meet these requirements, please speak to the professor or the Economics department advisors ASAP.

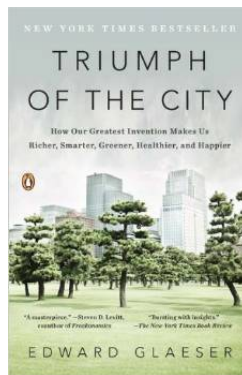
2 Textbooks and Readings



ISBN: 9780262016360



9780394705842



9780143120544

Lectures on Urban Economics by Jan Brueckner is the primary textbook we will be utilizing to learn about urban economics modeling. Chapters are short, but rigorous. I have also assigned two additional books to help you develop an understanding of how economists discuss issues of urban design and regional development. These are *The Economy of Cities* by Jane Jacobs and *Triumph of the City* by Edward Glaeser. Each book is written to be accessible, and should be readily understandable. We will be discussing these books in depth in class as well as looking at the more analytical research papers many of the ideas of the books are founded on.

I will also be assigning other readings from other textbooks, books and articles which will be posted online. Some will be required readings and some will be optional. You are only responsible for required readings and material covered in class.

3 Coursework Expectations & Grades

Grades are based on the following:

Assignment #1	(FRI Oct 2)	10%
Assignment #2	(FRI Nov 6)	10%
Assignment #3	(MON Dec 14)	20%
Midterm #1	(MON Oct 5)	15%
Midterm #2	(FRI Nov 13)	15%
Final Exam		20%
Preparation and Participation		10%

- Assignments

There will be three assignments which will provide you with an opportunity to apply the materials developed in lecture and respond to the readings in a careful, thoughtful way. The first two will consist of “problems” for you to apply the mathematical models developed in class as well as short essays. You may work with one other student and turn in one assignment for the two of you. Separate submissions, however, cannot be “copies” of each other. The third assignment must be done independently and will require you to apply the concepts and theories developed in class to the real world around you, while additionally utilizing outside research. We will spend time in class discussing this assignment in the first 2-3 weeks of class.

Assignments 1 and 2 are due in class on the respective due dates via hard copy only. Late Assignments will be only be accepted until 4:30pm with a 20% penalty and not accepted after that point. Assignment 3 will have a noon deadline via ELMS with no late acceptances.

- Exams

Two midterms and one final, cumulative exam constitute half of the grade in this course. Exam policies can be found below. Exam dates are listed on the syllabus.

- I write my exams such that calculators are not necessary. Students are permitted to bring a non-graphing, non-communicative calculator for exams. Calculators can be checked out of the ECON department main office if desired.
- Exams dates are posted above. Students are expected to take the exams only at the scheduled times, except where university policy permits: illness of the student or of a dependent, religious observance, participation in university activities at the request of university authorities, and in compelling circumstances beyond the students control. Students claiming excused absence must apply in writing and furnish documentary support for their assertion that absence resulted from one of these causes. Generally, except in extreme circumstances, notification must be made to Professor Montgomery before the exam to have an excused absence.
- Where the reason for absence from a scheduled assessment is known well in advance (for example, in cases of religious observance or participation in university activities at the request of university authorities), the student must inform the instructor by the end of the schedule adjustment period (February 6th). Generally this will result in a makeup exam scheduled before the regular date and time or, alternatively if that is not feasible, as soon as possible after the regular date and time.
- In the case of an exam being missed due to illness or emergency, the student must notify me as soon as possible and provide documentation as soon as possible. Generally, travel difficulties are not considered acceptable emergencies except for extreme circumstances.

- Attendance and Participation

It is expected that you will attend every class and be on time. There may be classes which will primarily be lecture and classes in which we will discuss the assigned readings together. You will be graded based on a holistic determination of your contribution to the class based on your participation, preparation to discuss the readings in class and contributions to discussion on ELMS. Missing class does not automatically reduce participation scores, but will require high-quality contributions in attended classes. I will provide notification of your approximate grade sometime halfway through the semester.

4 Class Policies

- It is expected that you will have done the readings before class to help you follow the lecture and to participate in class discussions. Failure to do so will make learning more difficult for you and teaching more difficult for me. That said, there will be a variability to the closeness of which you are to be providing attention to the readings. Some I will ask you to skim and some I will ask you to study in depth. In each class, I will make a point to make it clear which readings your attention should be most focused on in the upcoming two weeks.
- Economic concepts can be quite difficult at times and the nuance sometimes cannot be fully developed in the text. It is my job to help you understand the material. Please feel free to stop me at any point and ask questions in class either to ask for clarification or if you think you may have a good idea for an application for the material. If something is confusing to you, it is VERY likely confusing to others in the class as well.
- Please arrive on time to lecture with your cell phones and other electronic devices turned silent/off. Believe it or not, students looking down at their cell phone in their lap is EXTREMELY distracting for professors. If you need to leave the room for some reason, please do so as quietly and as least disruptive as possible. I reserve the right to remove any student from the classroom who fails to be respectful towards myself or their fellow students. You are absolutely responsible for having read the assigned chapters before class. Non-textbook readings should be brought to class on the day of discussion.
- Laptops or tablets are not generally permitted during lecture. They will be permitted for review of non-textbook assigned materials in class ONLY (in lieu of print-outs) for facilitation of the discussion of the readings. Abuse of this policy can result in reduction of your participation grade. You will never be obligated to bring such a device.
- All grading and grade disputes shall be handled in accordance with department policy found here: http://www.econ.umd.edu/undergraduate/overview/departamental_policies#grading
- If you anticipate missing an exam or assignment because of religious observance or participation in University activities at the request of a University official, you must inform the Professor within the first three weeks of the semester. If you miss an exam or assignment due to illness or family emergency, full documentation will be necessary. You must communicate your situation to the Professor PRIOR to the date of the exam or due date of the assignment. Make-ups will only provided in these circumstances as per the policies laid out in the undergraduate course catalog and the department website above. Students are not permitted to miss more than 25% of the grade in this course due to excused accommodations.
- Academic Honesty

All materials handed to me for evaluation is expected to be your work and your work alone, including assignments. Such material must adhere to the University's Code of Academic Integrity. Please make yourself aware of the consequences of cheating, fabrication, facilitation, and plagiarism. Please also be aware that misrepresentations made to the Professor in an effort to avoid or extend deadlines (lying about illness, submitted a corrupt file) are considered forms of academic dishonesty. Instances of academic dishonesty or cheating on exams will be referred to the Student Honor Council as per University policy. The minimum penalty will be a zero on the assignment or exam in question, and a failing grade in the class is likely.
- Disability Services

If you have approved considerations that are granted for exams or in class through the Disability Support Service's Office, please make arrangements with me during the first week of class.

5 Course Schedule

Starred entries will be discussed in class, but are considered secondary readings.

Part 1 - Why do Cities exist?

1.1 (Aug 30 - Sep 4) - Introduction: Why do Cities Exist?

Brueckner, Chapter 1

Glaeser, "Why Economists Still Like Cities"

Duhigg & Bradsher, "How the US Lost Out on iPhone Work"

1.2 (Sep 9 - Sep 14) - Jane Jacobs

Jacobs, *The Economy of Cities*

Nowlan, "Jane Jacobs Amongst the Economists"

Jacobs, "The Economy of Regions"

1.3 (Sep 16 - Oct 2) - Analyzing Cities and the Urban Models

Capello, Chapters 1-2

Brueckner, Chapters 2-3

Glaeser, Kahn & Rappaport, "Why do the Poor live in Cities"?

Sridhir and Wan, "Firm location choice in cities: Evidence from China, India, and Brazil"

Glaeser, "Urban Colossus: Why is New York America's Largest City"

Gabaix, "Zipf's Law for Cities: An Explanation"

ASSIGNMENT #1 due Friday, October 2nd

MIDTERM #1 Monday, October 5th

Part 2 - Modeling Life in Cities

2.1 - (Oct 7 - Oct 14) Land Use and Zoning

Brueckner, Chapter 4

Glaeser & Gyourko, "The Impact of Zoning on Housing Affordability"

Ihanfeldt, "The effect of land use regulation on housing and land prices"

2.2 - (Oct 14- Oct 23) Transportation

O'Sullivan, Chapter 11

Brueckner, Chapter 5

Duranton & Turner, "The Fundamental Law of Road Congestion: Evidence from US Cities"

Additional Readings, TBA

2.3 - (Oct 26 - Oct 30) Housing Theory

Brueckner, Chapters 6-7

Glaeser, et al., "Why Have Housing Prices Gone Up?"

Sirmans, MacPherson and Neitz, "The Composition of Hedonic Pricing Models"

Glaeser & Luttmer, "The Misallocation of Housing Under Rent Control"

2.4 - (Nov 2 - Nov 13) Housing Policy, Suburbs and Segregation

Brueckner, Chapters 8

Banzhaf and Walsh, "Do People Vote With Their Feet? An Empirical Test of Tiebout's Mechanism"

Baum-Snow, "Did Highways Cause Suburbanization?"

Jackson, *Crabgrass Frontier*, selected chapters

Baum-Snow, "Did Highways Cause Suburbanization?"

Coates, "The Case for Reparations"

Rothstein, "The Making of Ferguson"

ASSIGNMENT #2 due Friday Nov. 6

MIDTERM #2 Friday, Nov. 13

Part 3 - Urban and Regional Development Research

3.1 - (Nov 16 - Nov 25) Glaeser and Moretti

Hustwit (dir.), "Urbanized"

Glaeser, *The Triumph of the City*

Moretti, *The New Geography of Jobs*, selected chapters

Richard Florida & Joel Kotkin essays on the Creative Class

3.2 Nov 30 - Dec 4 Sports and Event based Economic Development

Baede & Matheson, "Financing Professional Sports Facilities"

Siegeid and Zimbalist, "The Economics of Sports Facilities and Their Communities"

Readings on Nationals Park and DC United Stadium TBA

Rose & Spiegel, "The Olympic Effect"

Propheter, "Are Basketball Arenas Catalysts for Economic Development?"

3.3 Dec 7 - Dec 11) Urban and Rural Economic Development Strategies

Neumark & Propheter, "Place-Based Policies"

Allcott & Keniston, "Dutch Disease or Agglomeration?"

Greenstone, Hornbeck & Moretti, "Identifying Agglomeration Spillovers"

Additional Readings TBA

ASSIGNMENT #3 due Monday Dec 14th

FINAL EXAMS

Section 0101 (10am) - Saturday Dec 19 8-10am

Section 0201 (11am) - Wednesday Dec 16 8-10am

Links to pdfs or webpages for any readings not listed in Section 2 (textbooks) can be found on ELMS. A full bibliography for all materials used in class can be found on ELMS as well.