Syllabus for Economics 835 - Public Expenditure
Fall 2012 - Stacy Dickert-Conlin
Office: 25D Marshall Adams Hall
Office Phone: 353-7275
Email: dickerte@msu.edu
100 Berkey Hall
Web Page address: www.angel.msu.edu (see Lessons tab)
Office Hours: Wednesdays 1-3, or by appointment

General Information
In this course we will focus on the expenditure side of public economics. The emphasis will be on market failure and the role of the government in correcting these market failures, the effects of major existing and proposed expenditure programs, and the theory of political processes.

Reading Assignments
The reading list is too long to be covered in this course, but it provides some of the important citations in the areas we will cover. I will identify key readings as the semester progresses. The course web site lists web site has links to many of the articles and the MSU library webpage (http://er.lib.msu.edu/) indicates which journals are available online. You are expected to do the readings before the class in which we will discuss them.

The following sources may be useful resources:

Undergraduate textbooks:
  www.sciencedirect.com/science/handbooks/15734420


Grading System
Problem sets (15% total)
Two exams (25% each)
  Midterm: Thursday, October 18th
  Final: Friday December 14, 7:45-9:45 a.m
Referee Report (10%)
Paper (25%)

Referee Report: I will hand out a copy of a working paper (or two?) and ask each student to submit a referee report reviewing that paper. More details will be provided.

Paper: The main objective of the paper should be to discuss the issues in a public finance topic that have been raised thus far in the literatures on your topic; to indicate what questions, if any, seem adequately resolved; and, most importantly, which questions are still open. Each paper should
include a section that outlines a research project that could, in principle, be undertaken. Address the feasibility of your proposed project, by investigating possible data. Note that it is not required that you actually conduct the project proposed but that you outline how you might conduct it. I expect each of you to meet with me to discuss possible topics and I'll be happy to meet with you at other stages of the process. More details are available online.

Please email me the material by 3PM on the following Fridays. Schedule of due dates:
- September 14: List of 3 topics of interest
- October 5: One paragraph proposal
- October 26: List of References
- November 2: Detailed outline
- Friday December 7: Final Paper

**Seminar Meetings**

Seminars play an important role in raising current “hot” topics and permitting students to see some of the best scholars in the field. All students are encouraged to attend, even if you do not feel that you have the training to understand all of the discussion. See the department [webpage](#) for a list of all seminars in the department. The Applied Economics Seminar typically meets on Fridays from 1:30-3 PM. Economic Theory meets from 10:30-12 on Fridays and Econometrics meets on Thursdays from 3:30-5.

There is also an Empirical Micro Lunch that meets Mondays semi-regularly. This is a very informal setting without papers where students and faculty discuss works in progress or topics of general interest. The Theory brown bag seminar meets Mondays from 3:30-4:30.

**Reading List**

I. Public Goods

   A. Theory


   Andreoni, James, "Privately Provided Public Goods in a Large Economy: The Limits of Altruism," *Journal

B. Charitable Donations


C. Experimental Studies


D. Organ/Blood Donations


II. Externalities

A. Theory


B. Empirical


III. Public Choice


V. Local Public Finance – Jurisdictional Competition


VI. Public Assistance

A. Overview


B. To Whom to Redistribute Income


C. How to Redistribute: Cash vs. In-Kind


D. Family Structure Incentives


E. Labor Supply Incentives


F. Caseloads


**TECHNICAL REPORT: EXPLAINING THE DECLINE IN WELFARE RECEIPT, 1993-1996** May 9, 1997 A Report by the Council of Economic Advisers


G. Well-Being


Figlio, David, Sarah Hamersma, Jeffrey Roth. “Does prenatal WIC participation improve birth outcomes?

H. Migration


VIII. Tax Expenditures


A. Participation


B. Labor Supply


C. Family Structure


IX. Social Insurance

A. Sources of Market Failure


X. Health Provision and Insurance

A. Overview


Poterba, James, "Government Intervention in the Markets for Education and Health Care: How and Why?" In V. Fuchs, ed., Individual and Social Responsibility: 227-307

B. Labor Markets


C. Medicaid and Outcomes

D. Medicaid and Crowd Out


XI. Social Security

A. Introduction

Feldstein, Martin and Jeffrey Liebman. “Social Security” Handbook of Public Economics, available as NBER working paper 8451.

Martin Feldstein “Rethinking Social Insurance” NBER Working paper W11250


B. Family Structure


C. Savings


D. Labor Supply


E. Redistribution

