

Syllabus

Urban Economics: The Economics of Cities

Econ 4242 - 100

Summer 2015

Instructor: Dustin Frye

Office Location: Econ 307

Office Hours: MWF 9:30 - 10:50 am and by appointment

Email Address: Dustin.Frye@Colorado.edu

This is the best way to contact me outside of office hours. Please allow me 24 hours to respond.

Class Meeting: Monday - Friday 11 am - 12:35 pm in Econ 119

Class Website: Desire2Learn

Course Description

This course explores the nature and development of urban areas, beginning with an examination of the theory of why cities grow and how individuals and firms choose their locations, before covering patterns of land use, suburbanization, transportation, education, crime, and housing and their influence the growth of cities.

Prerequisites

Economics Prerequisites: ECON 3070 and ECON 3818

Relevant math techniques and economic concepts will be briefly reviewed when necessary, but you are responsible for the math and econ requirements of this course.

Required Textbook/Materials

Urban Economics, by O'Sullivan, 8th Edition, McGraw-Hill Irwin (The 7th edition also works). I recommend reviewing the previous days notes and reading the relevant chapters in the textbook before each lecture.

Grading Structure¹

Homework (10%)
News Articles and Podcasts (5%)
Journal Article Summaries (10%)
Group Presentations (15%)
Picture Project (20%)
Midterm Exam (20%)
Final Exam (20%)

¹ I reserve the right to curve the grades for any individual assignments or the course overall if need be.

Your Score	Your Grade	Your Score	Your Grade
95%-100%	A	73%-76%	C
90%-94%	A-	69%-72%	C-
87%-89%	B+	64%-68%	D+
83%-86%	B	60%-63%	D
80%-82%	B-	<60%	F
77%-79%	C+		

What Goes Into Your Grade

Homework

Over the term I will assign a couple problem sets (2-3) that hopefully give you an opportunity to practice and improve your understanding of the material. Assignments may consist of short answer questions, graphical or mathematical problems or short essays. I also encourage you to work with other people in the class. In fact, the problem sets can be submitted for groups with up to four members.

News, Articles and Podcasts

Part of this course is connecting the theory that we will be learning in the classroom to changes to current urban areas. A couple times this semester we will be reading news articles, academic papers, or listening to podcasts. These articles/podcasts will typically be accompanied by a written assignment that allows you to reflect on how this material relates to the material we are discussing in class. These should be completed individually.

Journal Article Summaries

Part of the material covered in the course comes from recent published academic papers. One of the objectives of this course is to introduce you to how economic knowledge is created and distributed (research). To encourage you to read these papers, you will write four summaries of these articles. These will be no longer than one page in length (12 point font, double-spaced). In the summary you will (1) identify the author's question, (2) the data sources they use, (3) the methodology used to answer the question, (4) the major results, and (5) a related extension question for further research. You must turn in your summary at the beginning of class on the day we discuss the paper in order to receive credit. Summaries will be graded on a five-point scale, one point for successfully answering each question. I will provide a good example of one by the end of the first week. The papers will be available through Desire2Learn. These should be completed individually.

Group Presentations

Starting with the material after chapter 6 of the book, you will be required to do a more in depth analysis of an academic paper. You will work in a group of up to four people to create a detailed analysis of one of these papers, present your analysis to the class, and lead the discussion. These presentations should take about 30 minutes. I will provide a detailed assignment sheet within the first few days of class and give an example presentation. We will form groups and choose papers by the end of the first week. The papers that are available for group presentations are in bold text in the course outline.

Urban Photo Project

My favorite part of urban economics is that the topics we are going to cover in this course are visible around us everyday. The purpose of this project is to look for those topics around you and interpret them using the tools learned in this course. The project requires you to take several photos (5 per person) and write accompanying text that interprets the photograph using the economic concepts we discuss in class. This is going to be a group project, with up to 4 people per group. Each photo in the group needs to highlight a different topic from the course. I will provide a more in depth set of directions, including a list of potential topics, at the end of the first week.

Midterm Exams

The midterm is scheduled for Thursday June 18th in class.

The format of the exams will be short answer questions, graphical or mathematical problems or short essays, similar to the homework assignments. Please bring a #2 pencil and a calculator to every exam. Any material covered in lecture and/or in the assigned readings is fair game for the exams.

Final Exam

The final exam is scheduled for July 3rd in class. The exam date is set by the university and cannot be altered. If you have plans to leave early you should not take this class.

Attendance

I will be taking attendance at random six times throughout the semester. You are only present if you are in class at the beginning of class and stay until the end. You are allowed to have two absences without consequence. For each additional absence (3 or more) I will deduct 3% from your final grade in the course. For example, if you are absent four of the six times I take attendance, your maximum possible grade is a 94% or said another way if you earned an 85% in the course, your final grade would be a 79%. Individuals that are present all six times get a 3% bonus on your final grade in the course. If I catch you signing in for another student you will immediately incur three absences.

Late Work Policy

Assignments are due at the beginning of class, not at the end or later that day. You are welcome to make up any assignment late but each day the assignment is late it reduces the potential score by 50%. Assignments turned in after the beginning of class are considered one day late. In order to submit an assignment you must be present at the beginning of class and stay through the entire class.

Calculators

Neither graphing calculators nor cell phone calculators will be allowed during exams!!!

Do not ask me to use either type on an exam; I will not make an exception and the answer will be a definitive “No.” Please be sure to obtain an acceptable calculator type (any type of calculator other than a graphing calculator or cell phone calculator) to use for exams.

Tentative Schedule

Introduction to Urban Economics (June 1)

O'Sullivan: Ch. 1

Glaeser, Edward L. "Are cities dying?" *The Journal of Economic Perspectives* (1998): 139-160.

Market Forces in the Development of Cities (June 2 - June 10)

1. Why Do Cities Exist?

O'Sullivan: Ch. 2

Quigley, John M. "Urban diversity and economic growth." *The Journal of Economic Perspectives* (1998): 127-138.

2. Why Do Firms Cluster?

O'Sullivan: Ch. 3

Arzaghi, Mohammad, and J. Vernon Henderson. "Networking off madison avenue." *The Review of Economic Studies* 75.4 (2008): 1011-1038.

Redding, Stephen J., and Daniel M. Sturm. "The Costs of Remoteness: Evidence from German Division and Reunification." *American Economic Review* 98.5 (2008): 1766-97.

Ellison, Glenn, Edward L. Glaeser, and William R. Kerr. "What Causes Industry Agglomeration? Evidence from Coagglomeration Patterns." *American Economic Review* 100.3 (2010): 1195-1213.

3. City Size

O'Sullivan: Ch. 4

Au, Chun-Chung, and J. Vernon Henderson. "Are Chinese cities too small?." *The Review of Economic Studies* 73.3 (2006): 549-576.

Rappaport, Jordan. "Moving to nice weather." *Regional Science and Urban Economics* 37.3 (2007): 375-398.

4. Urban Growth

O'Sullivan: Ch. 5

Henderson, J. Vernon, Adam Storeygard, and David N. Weil. "Measuring economic growth from outer space." *American Economic Review* 102.2 (2012): 994-1028.

Kline, Patrick, and Enrico Moretti. "Local Economic Development, Agglomeration Economies, and the Big Push: 100 Years of Evidence from the Tennessee Valley Authority." *The Quarterly Journal of Economics* 129.1 (2014): 275-331.

Moretti, Enrico. "Estimating the social return to higher education: evidence from longitudinal and repeated cross-sectional data." *Journal of Econometrics* 121.1 (2004): 175-212.

Land Rent and Land Use Patterns (June 11 - June 17)

1. Urban Land Rent

O'Sullivan: Ch. 6

Davis, Morris A., and Michael G. Palumbo. "The price of residential land in large US cities." *Journal of Urban Economics* 63.1 (2008): 352-384.

2. Urban Land Use

O'Sullivan: Ch. 7

Burchfield, Marcy, et al. "Causes of sprawl: A portrait from space." *The Quarterly Journal of Economics* (2006): 587-633.

Glaeser, Edward L., et al. "Decentralized Employment and the Transformation of the American City [with Comments]." *Brookings-Wharton Papers on Urban Affairs* (2001): 1-63.

3. Neighborhood Choice

O'Sullivan: Ch. 8

DiPasquale, Denise, and Edward L. Glaeser. "Incentives and social capital: are homeowners better citizens?." *Journal of Urban Economics* 45.2 (1999): 354-384.

Boustan, Leah Platt. "Was Postwar Suburbanization "White Flight"? Evidence from the Black Migration." *The Quarterly Journal of Economics* 125.1 (2010): 417-443.

Midterm Exam (June 18)

Topics in Urban Economics (June 22 - July 1) NOTE: NO CLASS June 19th & June 26th.

1. Zoning and Growth Controls

O'Sullivan: Ch. 9

Glaeser, Edward L., Joseph Gyourko, and Raven Saks. "Why Is Manhattan So Expensive? Regulation and the Rise in Housing Prices." *Journal of Law and Economics* 48.2 (2005): 3.

Glaeser, Edward L., and Bryce A. Ward. "The causes and consequences of land use regulation: Evidence from Greater Boston." *Journal of Urban Economics* 65.3 (2009): 265-278.

2. Autos and Highways

O'Sullivan: Ch. 10

Baum-Snow, Nathaniel. "Did highways cause suburbanization?." *The Quarterly Journal of Economics* (2007): 775-805.

Duranton, Gilles, and Matthew A. Turner. "The fundamental law of road congestion: Evidence from US cities." *The American Economic Review* (2011): 2616-2652.

3. Urban Transit

O'Sullivan: Ch. 11

Baum-Snow, Nathaniel, Matthew E. Kahn, and Richard Voith. "Effects of Urban Rail Transit Expansions: Evidence from Sixteen Cities, 1970-2000 [with Comment]." *Brookings-Wharton Papers on Urban Affairs* (2005): 147-206.

4. Education

O'Sullivan: Ch. 12

Black, Sandra E. "Do better schools matter? Parental valuation of elementary education." *Quarterly Journal of Economics* (1999): 577-599.

Andersson, Roland, John M. Quigley, and Mats Wilhelmsson. "Urbanization, productivity, and innovation: Evidence from investment in higher education." *Journal of Urban Economics* 66.1 (2009): 2-15.

5. Crime

O'Sullivan: Ch. 13

Cullen, Julie Berry, and Steven D. Levitt. "Crime, urban flight, and the consequences for cities." *Review of Economics and Statistics* 81.2 (1999): 159-169.

6. Housing & Housing Policy

O'Sullivan: Ch. 14-15

Saiz, Albert. "The geographic determinants of housing supply." *The Quarterly Journal of Economics* 125.3 (2010): 1253-1296.

7. Urbanization in Developing Countries

Brueckner, J., and S. Lall. "Cities in Developing Countries: Fueled by Rural-Urban Migration, Lacking in Tenure Security, and Short of Affordable Housing." *Handbook of Regional and Urban Economics* 5 (2015).

Nunn, Nathan, and Diego Puga. "Ruggedness: The blessing of bad geography in Africa." *Review of Economics and Statistics* 94.1 (2012): 20-36.

Michaels, Guy, Ferdinand Rauch, and Stephen J. Redding. "Urbanization and Structural Transformation." *The Quarterly Journal of Economics* 127.2 (2012): 535-586.

Final Project Due & Final Exam Review (July 2)

Final Exam (July 3)

Other Stuff

Students with Disabilities

If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services in a timely manner so that your needs may be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Willard 322, and www.colorado.edu/disabilityservices. Disability Services' letters for students with disabilities indicate legally mandated reasonable accommodations. The syllabus statements and answers to Frequently Asked Questions can be found at www.colorado.edu/disabilityservices.

Religious Observance Policy

Campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly deal with all students who, because of religious obligations, have conflicts with scheduled exams, assignments, or required attendance. If you have a conflict, please contact me at the beginning of the term so we can make proper arrangements.

Classroom Behavior Policy

Students and faculty each have responsibility for maintaining an appropriate learning environment. Students who fail to adhere to such behavioral standards may be subject to discipline. Faculty has the professional responsibility to treat all students with understanding, dignity and respect, to guide classroom discussion and to set reasonable limits on the manner in which they and their students express opinions.

Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, culture, religion, politics, sexual orientation, gender variance, and nationalities. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records. See policies at <http://www.colorado.edu/policies/classbehavior.html> and at http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_cod.

Honor Code

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council (honor@colorado.edu; 303-725-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Other information on the Honor Code can be found at <http://www.colorado.edu/policies/honor.html> and at <http://www.colorado.edu/academics/honorcode/>.

Discrimination & Harassment Policy

The University of Colorado Policy on Sexual Harassment applies to all students, staff and faculty. Sexual harassment is unwelcome sexual attention. It can involve intimidation, threats, coercion, or promises or create an environment that is hostile or offensive. Harassment may occur between members of the same or opposite gender and between any combinations of members in the campus community: students, faculty, staff, and administrators. Harassment can occur anywhere on campus, including the classroom, the workplace, or a residence hall. Any student, staff or faculty member who believes s/he has been sexually harassed should contact the Office of Discrimination and Harassment (ODH) at 303-492-2127 or the Office of Judicial Affairs at 303-492-5550. Information about the ODH and the campus resources available to assist individuals who believe they have been sexually harassed can be obtained at: <http://www.colorado.edu/odh/>.