

Darren Grant—please call me Mr. Grant  
ECON 364, Economics of Public Policy  
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11:00-12:20 M, W, Fall 2010  
Office Hours: 10-11 am & 2-3:30 pm M/W,  
by appointment or whenever the door is open  
<http://www.shsu.edu/~dpg006>

**Course Objectives.** In this course we apply basic economic principles to current issues of general interest, such as crime, social spending, family structure, education, health care, immigration, politics, environmental policy, risk and safety, poverty, and tax policy. Micro principles taught you how to think about firm and market behavior in economic terms. In this class I want you to learn how to think about social issues in economic terms. The course schedule below identifies the economic themes and the specific public policy topics that we cover in this class.

**Text.** Talbott, *Sell Now!*, and a reader available at the bookstore that contains one or two chapters from each of six textbooks. This reader is the only way to get the appropriate level of coverage of every topic in the course. Textbooks on the Economics of Social Issues or the Economics of Public Policy do not assume previous knowledge of microeconomics, as we do.

**Prerequisite.** ECO 233, Principles of Microeconomics, or equivalent. We will rely on our knowledge of micro consistently throughout the course, so please drop if you have not had microeconomics principles. Macro principles is helpful but not vital—this course will emphasize microeconomic issues.

**Attendance and Punctuality.** Please plan on being in class regularly, and being on time. This class features a lot of discussion, so your participation benefits us all.

Lateness by even a few students every day can be quite disruptive. I take attendance at the beginning of class, so late students will be counted absent. (I also reserve the right to lock the door at the beginning of class, and open it once after about ten minutes for latecomers. I don't like to do either of these, but I cannot let lateness disrupt class for everyone else who is on time.)

Both attendance and punctuality factor in to your professionalism grade, discussed below. Students who are counted absent for 1/3 or more of all class meetings (at least ten classes) should expect to receive a very low professionalism grade. Students that are counted absent for 1/2 or more of all class meetings (at least fifteen classes) will also be docked one letter grade.

**Begraded.** Your final average is calculated as follows:

3 Tests	30% each	90% total
Professionalism (see below)	10%	<u>10% total</u>
		100% total

The tests are mostly multiple choice questions, along with some short answer and graphing. To give you some room for error, each test has 108 points, but you are only graded out of 100. The grading scale is as follows: A = 90-100; B = 80-89.99; C = 70-79.99; D = 60-69.99; F = 0-59.99.

**Professionalism.** Professionalism is about exhibiting a courteous, conscientious, businesslike manner appropriate to an upper-division class in the College of Business. This includes coming to class regularly, and being on time; being prepared for class every day; having a single, well-organized notebook for class notes and materials; participating in class; maintaining proper classroom decorum; and doing all assigned work, graded or ungraded, conscientiously.

In particular, I expect students to attend at least nine of every ten classes, to be consistently punctual, to offer answers to questions asked in class, to read all assigned outside (non-textbook) readings prior to the class in which they are discussed (there will be short quizzes over these readings), and to contribute to a positive class atmosphere. You should expect at least a B for class participation if you do all these things.

I expect that most or all of you will exhibit a high degree of professionalism in class. But, just to be clear, professionalism—which is extremely valuable in the workplace—is an “and,” not an “or.” That is, it only takes one thing—disorganization, or chronic lateness, or regular lack of preparation for class—to earn a reputation for being unprofessional in the workplace. Accordingly, I grade professionalism in this class in the same way: you need not exhibit unprofessional behavior in all areas to receive a low professionalism grade.

**Making Up.** Let’s not go down this road unless we really, really need to. Valid excuses are the biggies, only: death in the family, illness with doctor’s excuse, and the like. Under those circumstances, I reserve the right to either drop the missed test or to give a essay-style make-up test.

**Cell Phones.** All beepers, pagers and cell phones must either be turned off prior to class starting or placed in silent mode. Violators must move to Elbonia.

**Cheating.** We at Sam Houston expect you to conduct your studies with integrity. Please see SHSU’s “Academic Policy Statement 810213,” available on Sam Houston’s Web Site, for a discussion of what constitutes academic misconduct, including cheating and plagiarism, and for a discussion of the procedures utilized in adjudicating such cases. If I catch you cheating, my minimum penalty for cheating is a grade of 0 on that assignment.

**ADA Compliance.** It is my obligation and my pleasure to provide reasonable accommodation to students with disabilities, so as not to discriminate on the basis of that disability. Student responsibility primarily rests with informing me at the beginning of the semester and in providing authorized documentation through designated administrative channels. Disabled students may request help with academically related problems stemming from individual disabilities from their instructors, department/division chairs, or by contacting the chair of the Committee for Continuing Assistance for Disabled Students by visiting the Director of the Counseling Center in the Lee Drain Building or by calling (936) 294-1720.

**Student Absences on Religious Holidays.** Section 51.911(b) of the Texas Education Code requires institution of higher education to excuse a student from attending classes or examinations for the observance of a religious holy day, including travel for that purpose. A student excused under this subsection may not be penalized for that absence and shall be allowed to take an examination or complete an assignment from which the student is excused within a reasonable time after the absence. Refer to the Academic Calendar for the deadline date for notification by students to the faculty members of the student's intent to be absent on religious holy days.

**Plan for the Course.** The course is organized thematically into three units, based on the underlying economic principles emphasized therein. Within each unit are two topics, each of which takes three to five class periods to cover. The topics, readings, and title of each day's discussion are identified on the schedule below.

*Unit 1: The Functioning of Markets*

Aug. 25: Introduction	The Functioning of Markets	
Aug. 30: Health Care	Health Production and Health Care Demand	Henderson, Ch. 4
Sept. 1:	Health Insurance and Managed Care	Phelps, Ch. 11
Sept. 8:	Competition in the Provision of Health Services	
Sept. 13:	Comparative Health Systems	Henderson, Ch. 15
Sept. 15:	Health Care Reform	handout
Sept. 20: Housing	Competition in Housing Markets	Talbott, Ch. 1
Sept. 22:	Housing Bubbles	Talbott, Ch. 2, 3
Sept. 27:	Moral Hazard in House Financing	Talbott, Ch. 4, 8
Sept. 29: Test 1		

*Unit 2: Goods without Markets: Common Property Resources, Externalities, and Public Goods*

Oct. 4: Introduction	Goods without Markets	
Oct. 6: Environment	Pollution as an Externality	Gruber, Ch. 5
Oct. 11:	Pollution Control	
Oct. 13:	Acid Rain, Global Warming, and More	Gruber, Ch. 6
Oct. 18:	Common Property Resources	handouts
Oct. 20: Crime	Crime Prevention as a Public Good	Brux, Ch. 2
Oct. 25:	Crime and Punishment	
Oct. 27:	Drugs and Drug Legalization	
Nov. 1:	Gang Leader for a Day	handout
Nov. 3: Test 2		

*Unit 3: Equity*

Nov. 8: Introduction	Efficiency and Equity: A Comparison	
Nov. 10: Poverty	Measuring Poverty	Hyclak, Ch. 15
Nov. 15:	Causes of Poverty within the U.S.	
Nov. 17:	Alleviating Poverty in the U.S.	
Nov. 22:	Growth and Poverty around the World	
Nov. 29:	Material World	
Dec. 1: Discrimination	Theories of Discrimination	Ehrenberg, Ch. 12
Dec. 6:	Measuring Discrimination	
Dec. 8:	Addressing Discrimination	
Dec. 15: Test 3, 11:00 am - 1:00 pm		