**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.

**Texts.** Bellinger, *The Economic Analysis of Public Policy*, either edition is fine, and T.R. Reid, *The Healing of America*. You can probably get used copies of some or all of these books online, which is fine by me. What is most important is that you get the books quickly, so you have them when you need them. All readings are identified on the schedule, below.

**Prerequisite.** ECON 2302, 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*.

Both attendance and punctuality factor in to your professionalism grade, discussed below. Students who are counted absent for more than four class meetings should not expect to receive an acceptable professionalism grade. Students who are counted absent for more than six class meetings will receive a zero for their “reading and attendance” grade. Students who are counted absent for more than eight class meetings will fail the class. Adjustments for excused absences will be made only when there are at least three such absences (such as for extended illness), and then only with appropriate documentation. That is, the policy assumes a student will miss two classes for illness.

**Begraded.** The way your final average is calculated depends on whether your professionalism is considered “acceptable” or “unacceptable,” as discussed below.

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As long as you have no more than six absences, your reading and attendance grade is based on your average on a sequence of short quizzes given at the beginning of class. I drop your lowest quiz, so you can miss one without penalty. I also allow you to miss one question on every quiz and still earn 100%. My intent is that you will do well on these quizzes if you do the reading once through.

The grading scale is as follows: A = 90+; B = 80-89.99; C = 70-79.99; D = 60-69.99; F = 0-59.99. Thus, if your professionalism is acceptable, I weight your better tests more heavily and kind of allow you to earn a “bonus point.” The tests are part multiple choice, part short answer, and part graphing.

**Professionalism.** Good professionalism is easy to spot. It 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 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, and to contribute to a positive class atmosphere. Students who do so should expect to have their professionalism considered “acceptable.” However, please note that professionalism—which is extremely valuable in the workplace—is an “and,” not an “or.” It only takes one thing, such as disruptive behavior, consistent inattentiveness, chronic absence or lateness, or regular lack of preparation to earn a reputation as unprofessional. Accordingly, I assess professionalism the same way: unprofessional behavior in one or two areas may suffice for your professionalism to be considered “unacceptable.”

In addition, Career Services and the College of Business Administration will host several events this semester that will help you develop the professional, interpersonal, and leadership “soft skills” that can be so useful on the job and in life. I encourage you to attend as many as you can, especially the Alumni Career Panel, which will be held on the first floor of the Business Building at 3:30 pm on Wednesday, Mar. 6, with a cookout following.

**Making Up.** Let’s not go down this road unless we really need to. Missed tests will be excused only for major events such as death or serious illness (yours or family) with appropriate documentation. Documentation for illness must be from a physician, not a nurse or the health center. The test dates are firm so you can set your schedule around them. If you miss one test for an acceptable reason, I will replace its grade with the average of your other test scores. If you miss a second test for an acceptable reason, I will give you an essay-style make-up test. There are no make-ups for reading quizzes, but I do drop the lowest one.

**E-Mail Policy.** E-Mail is an acceptable form of communication for all class matters. I will sometimes send messages out through the Blackboard system to your SHSU e-mail address, and will assume that you get them within two days.

**Behavior Policies.** Unless required to accommodate a disability, and except for calculators, all electronic equipment is prohibited in this class, including headphones, cell phones of all types, and laptop computers. Cell phones should be turned off and stowed out of sight at the beginning of class.
Also, all food and drink other than water and breath mints is prohibited in this class, consistent with the policy of the college, in order to keep the rooms in nice condition. If you violate my electronics policy or food/drink policy more than twice, I reserve the right to dock your final grade by one point for each violation. Before I do that, I will first send you an e-mail asking to speak with you about the problem.

Finally, except in the case of a health issue or disability, I anticipate that you will only rarely need to leave class temporarily. Leaving and returning to class is distracting for your classmates, and should only be done when you have a genuine need. If I encounter repeated problems with this issue, I reserve the right to lock the door five minutes into class, to prevent re-entry.

**Bonus Tracks.** For university policies regarding students with disabilities, student absences on religious holy days, and academic honesty, see [www.shsu.edu/syllabus](http://www.shsu.edu/syllabus).

**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, which each take two to five classes to cover. The topics, readings, and title of each day’s discussion are identified on the schedule below. The readings by Talbott, Daniel and Minot, Davidson, and “Knot Yet” will be distributed in class.

**Unit 1: The Functioning of Markets**

Jan. 16: The Efficiency Standard of Market Functioning

Jan. 23: Housing Competition in Housing Markets Bellinger, Ch. 3, 4*

Jan. 28: Housing Bubbles: When Competition Isn’t Enough Talbott, Ch. 2, 7

Jan. 30: The Amazing Triangle of Economic Knowledge

Feb. 4: Health Care Health Production and Health Care Demand Reid, Prologue, Ch. 1

Feb. 6: Health Insurance and Managed Care Reid, Ch. 2, 3

Feb. 11: Competition in the Provision of Health Services

Feb. 13: Comparative Health Systems Reid, Ch. 5, 6, 7

Feb. 18 Health Care Reform and the ACA Reid, Ch. 13

**Feb. 20: Test 1 and Test 1 Afterparty**

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

Feb. 25: The Inexhaustible Sea Daniel and Minot

Feb. 27: Goods without Markets Bellinger, Ch. 6, 10

Mar. 4: Valuing Goods without Markets

Mar. 6: Evaluating Alternative Goods without Markets

Mar. 18: Environment The Exhaustible Sea

Mar. 20: Pollution as an Externality Bellinger, Ch. 13

Mar. 25: Pollution Control Venkatesh, Ch. 1, 2

Mar. 27: Crime Crime Prevention as a Public Good

Apr. 1: Crime and Punishment

**Apr. 3: Test 2 and Test 2 Afterparty**
Unit 3: Equity

Apr. 8: Efficiency and Equity: Making It in America Davidson
Apr. 10: Ethics and Equity Bellinger, Ch. 2, 4†
Apr. 15: Poverty Measuring Poverty and Inequality Bellinger, Ch. 14
Apr. 17: and Inequality Poverty and Human Capital Bellinger, Ch. 15
Apr. 22: Alleviating Poverty Bellinger, Ch. 15
Apr. 24: Earnings, Marriage, and Children Knot Yet
Apr. 29: Health (Again) The Ethical Case for Health Care Reform Reid, Ch. 12
May 1: Cost-Effectiveness, Efficiency, and Equity in the NHS Reid, Appendix

May 8, 9:30-11:30 am: Test 3

Notes for the Book Readings:

1. The chapters are listed for the first edition. The second edition switches chapters 2 and 3.
2. In Chapter 2, you can stop when you get to the section “A Graphical Representation of Income...”
3. In Chapter 3, you can stop when you get to the section “Rational Consumer Choice.”
4. * When you read Chapter 4 for Unit 1, focus on the section “Market Imperfections and Inefficiency.”
5. † When you read Chapter 4 for Unit 3, focus on the everything leading up to “Market Imperfections and Inefficiency.” Don’t worry about the graphs introduced in the “Edgeworth Box” discussion.
6. In Chapter 6, you can skip the sections on “Choosing the Ideal Scale of a Project.” Also, the “Weighted Net Benefits” section will pertain more to Unit 3.
7. You should read all of Chapters 10, 13, and 15.
8. In Chapter 14, you can gloss over the graphs using indifference curves and budget lines.