

**Urban Economics (Econ 50-03)**  
**Spring 2002**  
**Macalester College**  
**M-W-F 2:20-3:20, Carnegie 304**

**Professor:** Sarah West  
**Office:** Carnegie 310-G  
**Office Hours:** M: 3:30-5:00 PM, Tu: 9:30-10:30 AM, W: 5:00-6:00 PM, and by appointment  
**Phone:** 651-696-6482  
**E-mail:** wests@macalester.edu  
**Homepage:** <http://www.macalester.edu/~wests>

**Course Description and Objectives:**

This course uses economic analysis to explore questions pertaining to the development, characteristics, and problems of urban areas. It begins by examining why cities exist, where they tend to develop, and why some experience more economic growth than others. Then, it focuses on patterns of development within cities by examining household and firm location choices, variation in land and housing prices, suburbanization, and sprawl. Finally, it analyzes urban issues such as poverty, housing, segregation, congestion, pollution, education, and crime.

**Texts (Required):**

O'Sullivan, Arthur. *Urban Economics*, 4<sup>th</sup> edition (Boston: Irwin/McGraw Hill, 2000).

Wassmer, Robert W, editor. *Readings in Urban Economics: Issues and Public Policy* (Malden, MA: Blackwell Publishers, 2000).

Additional readings will be put on reserve in the library or will be available through the course website.

**Course Policies and Tips for Success:**

The class itinerary is included in this syllabus. Please check it now for any conflicting religious holidays. If you have a conflict, you must see me at least one week in advance to get an excused absence. The only other excuse for a missed exam is a verifiable medical emergency. No make-up exams will be given that are not scheduled at least one week before the scheduled exam time. In the event of an excused missed exam, the other exam grade will serve as the grade of the missed exam. I do not accept late homework or late papers. Homework and journal article summaries are collected at the beginning of the class period.

A substantial amount of course content will be presented in class; attending class pays off. I urge you to work together on your homework, but each of you must write up your own assignment. Homeworks are generally long, so starting them early and working on a section each day is a good idea. Read actively and write down questions. Visit me to make sure that you are clear on ideas presented in class. Check your email at least twice per week.

**Prerequisite:** Principles of Economics.

**Academic Honesty:** Please refer to the *Student Handbook* for the college's statement on academic honesty.

**Grading:**

Homework (5 at 4% each):	20%
Article Summaries:	10%
Research Paper and Presentation:	25%
Midterm Exam:	20%
Final Exam:	25%

**Homework:**

There will be five homework assignments that consist of problem solving and short essays, and will count for 20% of the final grade.

**Article Summaries:**

A short written summary of the readings marked with an (\*) will be due at the beginning of the class period in which the reading is to be discussed. The summaries will be graded on a pass/fail basis, and 10% of the final grade is based on them. Exams will draw on material from these summaries. Guidelines for these summaries will be handed out separately.

**Papers and Presentation:**

Each student will complete a research paper on an economic issue that is relevant to urban economics. This project is to be done in five stages. The five stages, percentages of final grade allocated to each stage (for a total of 25%), and due dates are:

	<u>% of Grade</u>	<u>Due Date</u>
1. Project Proposal (1-2 pages)	2.5%	February 13
2. Literature Review (3-4 pages)	2.5%	March 15
3. Theory Model (2-3 pages)	2.5%	April 5
4. Final Paper (12-15 pages) (including empirical evidence)	15%	May 6
5. Presentation (6-8 minutes)	2.5%	In class

All written submissions should be double-spaced and of 10 to 12 point font, have one-inch margins, and include a bibliography. Sources should be fully and properly referenced. Failure to properly reference sources may result in a failing grade for the course. Please include page numbers. Print papers double-sided on recycled paper or on used paper, or, even better, hand in an electronic version.

**For the final paper, each spelling error after the fifth error will result in one drop of a grade (from B to B-, for example).** A simple way to find typos and errors is to read your paper aloud.

You should supplement material from the course readings with information from government agencies and journals such as the *Journal of Economic Perspectives* and the *Journal of Urban Economics*. To find articles that relate to your topic, you may use a variety of databases, but you **must** also use Econlit, a Firstsearch database available in the Macalester library.

Additional guidelines for the paper stages will be handed out separately.

### Tentative Course Schedule and Readings

		Due
<b>Week 1 : January 28-February 1</b>		<b>The Development of Cities</b>
<b>M</b>	O'Sullivan, Chap. 1, Wassmer, Chap. 1	
<b>W</b>	Why do Cities Exist? O'Sullivan, Chap. 2	
<b>F</b>	Agglomeration Economies, O'Sullivan, Chap. 2, continued.	
<b>Week 2: Feb. 4-8</b>		<b>The Development of Cities, Urban Growth</b>
<b>M</b>	Where do Cities Develop? O'Sullivan, Chap. 3	
<b>W</b>	How Many Cities? O'Sullivan, Chap. 5	
<b>F</b>	Urban Economic Growth, O'Sullivan, Chap. 6	<b>Homework 1</b>
<b>Week 3: Feb. 11-15</b>		<b>Urban Growth, Land Use</b>
<b>M</b>	Friedman, Dorian, "The Draw of Downtown," Chap. 2 in Wassmer; <i>The Economist</i> , "The State of the Cities," Chap. 3 in Wassmer; and Glaeser, Edward, "Are Cities Dying?" <i>Journal of Economic Perspectives</i> (Spring 1998) Vol. 12, No. 2; pp. 139-160, (*) <b>On electronic reserve.</b>	
<b>W</b>	O'Sullivan, Chap. 7	<b>Proposal</b>
<b>F</b>	O'Sullivan, Chap. 8	
<b>Week 4: Feb. 18-22</b>		<b>Urban Sprawl</b>
<b>M</b>	O'Sullivan, Chap. 10; Egan, Timothy, "Dreams of Fields: The New Politics of Urban Sprawl," Wassmer, Chap. 6; and Will, George, "Al Gore has a New Worry," Wassmer, Chap. 7.	
<b>W</b>	Fulton, et al. "Who Sprawls Most? How Growth Patterns Differ Across the U.S." (*) <b>On the course homepage.</b>	
<b>F</b>	O'Sullivan, Chap 11; and Anderson, Soren, "The Effect of Open Space on Single-Family, Residential Home Property Values" (*)	
<b>Week 5: Feb. 25-March 1</b>		<b>Segregation and Poverty</b>
<b>M</b>	O'Sullivan, Chap. 12; Meckler, Laura, "Big U.S. Cities Carry Welfare Burden," Wassmer, Chap. 17; Freedberg, Louis, "Race Panel Divided Over Poverty," Wassmer, Chap. 18.	<b>Homework 2</b>
<b>W</b>	Sections I and II of "Examining the Relationship Between Housing, Education, and Persistent Segregation," The Institute on Race and Poverty. (*) <a href="http://www1.umn.edu/irp/publications/contents.htm">http://www1.umn.edu/irp/publications/contents.htm</a>	
<b>F</b>	Woodwell, Jamie, and Susan Rosenblum, "No Easy Way Out," Wassmer, Chap. 19. Sections III, IV and conclusion of "Examining the Relationship Between Housing, Education, and Persistent Segregation," The Institute on Race and Poverty. <a href="http://www1.umn.edu/irp/publications/contents.htm">http://www1.umn.edu/irp/publications/contents.htm</a>	

<b>Week 6: March 4-8</b>		<b>Exam, Anti-Poverty Policies</b>	
<b>M</b>	Review.		
<b>W</b>	<b>Exam.</b>		
<b>F</b>	O'Sullivan, Chap. 13		
<b>Week 7: March 11-15</b>		<b>Anti-Poverty Policies</b>	
<b>M</b>	Jacobsen, Joyce, "Policy application: Welfare Reform." <b>On electronic reserve.</b>		
<b>W</b>	Blank, Rebecca, "Fighting Poverty: Lessons from Recent U.S. History," <i>Journal of Economic Perspectives</i> , Spring 2000. (*) <b>On the course homepage.</b>		
<b>F</b>	TBA.		<b>Literature Review</b>
<b>Week 8: March 18-22</b>		<b>Housing</b>	
<b>M</b>	O'Sullivan, Chap. 14		
<b>W</b>	O'Sullivan, Chap. 15; Gwynne. S.C., "Miracle in New Orleans," Wassmer Chap. 25; Gabriel, Stuart, "Urban Housing Policy in the 1990s," Wassmer, Chap. 27.		<b>Homework 3</b>
<b>F</b>	Arnott, Richard, "Time for Revisionism on Rent Control?" <i>Journal of Economic Perspectives</i> Winter (1995), (*) <b>On electronic reserve.</b>		
<b>Week 9: March 25-29</b>		<b>SPRING BREAK!!!!!!!!!!!!!!</b>	
<b>Week 10: April 1-5</b>		<b>Local Government</b>	
<b>M</b>	O'Sullivan, Chap. 16		
<b>W</b>	O'Sullivan, Chap. 17		
<b>F</b>	O'Sullivan, Chap. 18		<b>Theory</b>
<b>Week 11: April 8-12</b>		<b>Transportation, Pollution, and Mass Transit</b>	
<b>M</b>	O'Sullivan, Chap. 19 "Shifting Gears: New Directions for Cars and Clean Air," by Winston Harrington and Margaret Walls, from the book <i>The RFF Reader in Environmental and Resource Management</i> (*) <b>On regular reserve in the library.</b>		
<b>W</b>	"Alternative Market-Based Incentives," from <i>Public Finance Solutions to Vehicle Emissions Problems in California</i> , Don Fullerton and Sarah West (*) <b>On the course homepage.</b>		
<b>F</b>	O'Sullivan, Chap. 20, and read about the Hiawatha Light Rail Project at <a href="http://www.dot.state.mn.us/metro/LRT/">http://www.dot.state.mn.us/metro/LRT/</a>		<b>Homework 4</b>

<b>Week 12: April 15-19</b>		<b>Education</b>
<b>M</b>	O'Sullivan, Chap. 21	
<b>W</b>	Picus, Lawrence, "Current Issues in Public Urban Education," Wassmer Chap 23.	
<b>F</b>	Levine, Arthur, "Why I am Reluctantly Backing Vouchers," Wassmer Chap. 22; Sawhill, Isabel, "Vouchers for Elementary and Secondary Education," (*) <b>On the course homepage.</b>	
<b>Week 13: April 22-26</b>		<b>Crime</b>
<b>M</b>	O'Sullivan, Chap. 22	<b>Optional Draft Homework 5</b>
	Anderson, David, "The Mystery of the Falling Crime Rate," Wassmer, Chap. 28.	
<b>W</b>	Freeman, Richard B. "Why do so Many Young American Men Commit Crimes and What Might we do About It?" <i>Journal of Economic Perspectives</i> , Winter 1996. <b>On electronic reserve.</b>	
<b>F</b>	Hennepin County Office of Planning and Development "African American Men Project: Final Report." (*) <b>Available on the course homepage.</b>	
<b>Week 14: April 29-May 3</b>		<b>Presentations</b>
<b>M</b>	Student presentations.	
<b>W</b>	Student presentations.	
<b>F</b>	Student presentations.	
<b>Week 15: May 6</b>		<b>Summary and Review</b>
<b>M</b>	Last day of class...Summary and Review	<b>Final Paper</b>

**FINAL EXAM: Friday, May 10, 1:30 PM- 3:30 PM**