

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

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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 ECON3070 and ECON 3818

Relevant math techniques and economic concepts will be briefly reviewed when necessary, but you are responsible for the math 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 Presentation (5%)
- Picture Project (20%)
- Midterm Exam (20%)
- Final Exam (20%)

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| 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 always encourage you to work with other people in the class. In fact, the problem sets can be submitted 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 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, 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 one-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. Presentations should take about 30 minutes. I will provide a detailed assignment sheet within the first few days.

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

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. "Costs of Remoteness: Evidence from German Division and Reunification." American Economic Review 98.5 (2008): 1766-1777.

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?" Review of Economic Studies 73.3 (2006): 545-576.

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

Land Rent and Land Use Patterns (June 14 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): 163.

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.

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.

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: 303-867-1111, 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