TOPICS COVERED

Our main focus will be on three of the most debated topics in public finance: Health care reforms, tax reforms and social security reforms. We will study the successes and failures of the existing tax system and social insurance programs. We will explore different ways to reform them and draw international comparison.

OBJECTIVES

- Exploring the latest research findings in public finance.
- Reaching a deeper understanding of public finance debates through facts and arguments raised by economists.
- Reinforcing student skills in research, written, and oral presentation.

COURSE REQUIREMENTS

Class participation (25% of the semester performance): All students are expected to come to class prepared so that we can have meaningful discussions. The preparations are turned in and count as a large part of the participation grade. We generally cover two papers per class. Either we have a discussion or a debate.

Preparation for discussions: Students need to turn in their responses to the discussion questions posted online for the first paper and a half page summary of the second paper.

Preparation for debates: students are assigned to a debate team and need to turn in their debate preparation following the guidelines posted online.
1-2 Papers presentations (20% of the semester performance): Students will present research papers in class (see provisional course schedule). Each presentation will be 10-15 minutes long, and followed by a discussion.

Research paper (40% of the semester performance): Students will write a 10 page research paper (see research subjects list and research paper writing and presentation) and present it in class. The presentation will be 10 minutes long, followed by a discussion.

Final (15% of the semester performance): The test covers the textbook selected chapters as well as the papers presented in class.

You are expected to attend all classes and take notes. Missing lectures would seriously put you at risk of failing this class.

READINGS

Selected chapters from the following textbook (see provisional course schedule):


Research papers (see provisional course schedule).

~ PROVISIONAL COURSE SCHEDULE ~

Week 1:

01/17 SYLLABUS (see Blackboard page for complete references of the papers discussed).

01/19 CHAPTER 15 Health insurance I: Health economics and private health insurance

Week 2:

01/24 CHAPTER 16 Health insurance II: Medicare, Medicaid and health care reform

01/26 Papers presentations and discussions


**Week 3:**

01/31 Papers presentations and debate


02/02 Papers presentations and debate

1- Evolving Beyond Traditional Employer-Sponsored Health Insurance


**Week 4**

02/07 Papers presentations and discussions


2- The Demand for Health Insurance among Uninsured Americans: Results of a Survey Experiment and Implications for Policy, NBER working paper Krueger and Kuziemko, 2011.

02/09 Paper presentations and discussions

1- The Impacts of the Affordable Care Act: How Reasonable are the Projections, Gruber, NBER Working paper, 2011.

2- The Importance of the Meaning and Measurement of “Affordable” in the Affordable Care Act, Burkhauser, Lyons and Simon, NBER Working paper, 2011.

**Week 5**

02/14 CHAPTER 19 The equity implications of taxation: Tax incidence

02/16 CHAPTER 20 Tax inefficiencies and their implications for optimal taxation

**Week 6**

02/21 Lecture: The distorsive effects of taxation on static and intertemporal choices
02/23 Papers presentations and discussions


Week 7

02/28 Papers presentations and discussions


03/01 Papers presentations and discussions


Week 8

Spring break

Week 9

03/13 Papers presentations and debate


03/15 Papers presentations and discussions


Week 10

03/20 Feedback on drafts

03/22 In class peer feedback on draft
Week 11
03/27 CHAP 13 Social Security

03/29 Papers presentations and discussions


2- Pension Policy in EU25 and its Possible Impact on Elderly Poverty, Michael Fuchs; Aaron George Grech; Asghar Zaidi, 2006, Working Paper, Centre for Analysis of Social Exclusion, LSE, CASE Papers

Week 12
04/03 Papers presentations and debate


04/05 CHAPTER 17 Income distribution and welfare programs

Week 13
04/10 Papers presentations and discussions

1- Welfare Programs and the State Economy McDonald, Bruce D; Miller, D Ryan. Journal of Policy Modeling32. 6 (Nov 2010)


04/12 Research presentations and discussions Topics and readings TBA

Week 14
04/17 Research presentations and discussions Topics and readings TBA

04/19 Research presentations and discussions Topics and readings TBA

Week 15
04/24 Research presentations and discussions Topics and readings TBA

04/26 Research presentations and discussions Topics and readings TBA

Week 16
05/01 Research presentations and discussions Topics and readings TBA
Week 17

05/11 Final Exam from 10:30 to 1:15 in Old Mill 221.

~ RESEARCH ~

Students need to choose a topic, write a 10 pages paper and present their research in class.

HOW TO FIND A TOPIC?

Several potential sources:

- Policy debates in the newspapers and magazines
- Policies discussed in the textbook for the course.
- Economic policy journals, web pages of well established research and policy institutions.

SOME POSSIBLE TOPICS (See Blackboard for more details – Suggestions welcome)

- Universal Health Care in Vermont.
- Tax incentives, Obesity and Health care expenditure.
- Should we tax the rich? Is it better to tax the poor?
- Is the US tax system fair?
- Should we tax junk food?
- What tax reform for the US?
- Should we raise the consumption tax?
- Why are drug prices so high in the US?
- Costs and benefits of closing Vermont Yankee.
- Social insurance reforms in Europe...

PROPOSAL (One page - 5% of semester performance- Due date: February 9)

1. **Topic**: Once sentence describing the topic or question that you will address in your paper.
2. **Description**: One paragraph describing in more detail what you will do in the paper, such as develop an economic model to analyze the question, or present evidence from published research to address a question.
3. **Detailed outline**: Sections and subsections
4. **Citation of Main References**: List the complete references (authors, title, source, year) that you will be using as the basis of your research for the term paper.
You need each element of the proposal to be approved before starting to write your paper.

FIRST VERSION (10% of semester performance- Due date: March 13)

The preliminary version of your final paper has to be clearly written and organized. It has to reflect that you have all the material to write your paper. For example, you have read thoroughly and understood the quoted references (if literature review/analysis). You have run all your regressions (if data work). Between your first version and final paper, there might be a few suggested re-organizations, improvements and complements, but no radical changes.

Format:
- 8-10 pages, typed.
- Margins: left, right, top, bottom =1.0”
- Font size: 12 pt
- You need to do the spelling and grammar checks.
- You need to read what you have written several times to make sure it is proper, understandable English.

References
- No plagiarism: If you repeat/copy word by word another paper or its ideas, you need to clearly show that it is a quote with ““ and mention the author’s reference.
- Make sure that you incorporate your references (name and publication date) in the text. Example: “At first, the introduction of a borrowing constraint in infinite horizon models seems to prove the robustness of the traditional results (Judd [1985] and Mankiw [2000]) ... On the contrary, Aiyagari [1995] and Chamley [2001] find that it is optimal to tax capital income in the long run”.
- If you use data, make sure that you clearly present the data set that you are using in the text.
- At the end of the paper, you need to provide a list of references in alphabetical order, including, name, date, title, Journal, number and pages. Example:

References:
After reading your first version, we will meet individually and I will make suggestions to improve your work before your final paper is graded.

FINAL RESEARCH PAPER (25% of semester performance- Due the day it is presented in class)

The research paper typically studies a policy. It needs to include:

- An introduction including a description of the problem/question addressed in the introduction and the outline of the paper.
- An analysis (use the tools developed in the textbook), cost-benefit analysis
- Past and/or anticipated effects (results of theoretical models or empirical studies)
- International comparison in some cases.
- A conclusion.
- Your own genius!
- The outline needs to be clear. Put titles and subtitles in your paper.
- The suggestions I made to improve the draft need to be included in the paper.
- Final paper format: same as draft.

POTENTIAL SOURCES

Government

- The White House
- Council of Economic Advisers
- Economic Report of the President
- Federal Reserve, Board of Governors
- IRS - The US Treasury
- U.S. Department of Labor
- Bureau of Labor Statistics
- Department of Housing and Urban Development

Journals/Handbooks

A list of peer reviewed journal articles is accessible online through ECONLIT at the library.

- National Tax Journal
- Journal of Economic Perspectives (see “recommendations for further reading”)
- Journal of Public Economics
- Handbook of Public Economics
- Etc...
Data

- Economic Time Series Page
- Green Book: Overview of Entitlement Programs

Research Institutes, Working Papers

- The Economist
- Social Systems Research Institute (SSRI), UW
- Brookings Institution, Washington, D.C.
  - Brookings Policy Briefs
  - Brooking Economics Studies
- Urban Institute
  - Research Page See reports and research on dozens of public economics topics
- Urban-Brookings Tax Policy Center
  - This combines some of Brookings and Urban Institute publications
- National Bureau of Economic Research, Research Papers
- World bank
- IMF
- OECD
- Institute for Research on Poverty (IRP)
  - See Publications for Focus (their policy publication), Discussion Papers, or Special Reports

~ POLICIES~

You need to be aware of UVM policies by reading the UVM Rights and Responsibilities of Undergraduate Students. I also have a few specific guidelines.

Absences:
- For unexpected absences, accepted excuses with adequate documentation are:
  Dean’s office excuse or unplanned athletic competition.
- If a student is not present at the date and time of his/her presentation or a test without an accepted excuse, he/she gets a grade of zero.

Classroom Code of Conduct:
- Students need to arrive in class on time.
- To ensure the quality of discussions in class, everyone in the classroom needs to act in a respectful way.

- Any question? Concerns? Worry? Etc: TALK TO ME! 📚