Econ 320 – Urban Economics
Fall 2018

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Office Hours: via zoom, Tuesday 9 – 10 am, Tuesday 2:30 – 3:30 pm, Wednesday 4:30 – 6:30 pm, Thursday 11 am – 12:30 pm & by appointment
Additional office hours will likely be added as student availability and needs are assessed

Course Description:
This course analyzes the economic role and functioning of cities and examines urban issues such as real estate markets, transportation, economic development, and crime.
This course fulfills the theory requirement of the Urban Studies Minor (see http://www.luc.edu/curl/).
Prerequisites: Sophomore standing, minimum grade of "C-" in ECON 201 and 202.

Course Overview:
This course is a critical study of the economic role and functioning of cities. The effect of changes in the economic base of the cities on the location and distribution of economic activity is studied. Particular attention is given to the role of land prices, population, housing, income, employment, spillovers, transportation, and local public finance and expenditure. Students should be prepared for extensive mathematical problem solving and graphical analysis. This is a writing intensive course.

Course Objectives and Learning Outcomes
Students will understand the economic forces that shape urban agglomerations. They will be able to think critically about the economic forces that make a city grow and contract over time. Students will understand the economic and ethical trade-offs of various urban economic policies.
The students will be able to
- explain the model of spatial equilibrium across cities in a region and within a city
- understand and apply the axioms of urban economics to the characteristics of a chosen city
- analyze the role of the labor market, amenities, and other factors on spatial equilibrium in general and in particular for a chosen city
- understand the role of market failure in city economies and assess possible solutions

Required Materials
Additional weekly course readings, videos, and/or audio files will be posted on Sakai. Lecture PowerPoint presentations, notes, and/or outlines will be posted on Sakai.

Recommended: Glaeser, Edward, Triumph of the City -- though not required, this book is recommended and you should be able to find a cheap used copy -- you are likely to find it useful when working on your papers
Suggested Supplementary Resources:
Writing Center: [http://www.luc.edu/writing/](http://www.luc.edu/writing/) The Writing Center offers one on one help with the writing process. Use the links on the writing center web page to schedule an appointment.
The Purdue Online Writing Lab: [https://owl.english.purdue.edu/](https://owl.english.purdue.edu/)
Lincoln Institute of Land Policy: [http://www.lincolninst.edu/](http://www.lincolninst.edu/)
Sakai: To access the course website, go to [https://sakai.luc.edu/](https://sakai.luc.edu/) and use your universal id to logon.

Course Requirements and Grading Criteria
- Because [online courses require a high level of participant discipline](http://www.luc.edu/writing/), adherence to the following guidelines is critical to success in this course.
- Participants are expected to complete readings and assignments on time.
- It is the participant’s responsibility to contact the instructor with any questions about course content or assignments.
- Participants should plan to log into Sakai several times a week to check for updates and instructor feedback. Expect to spend approximately 5 hours a week on readings and assignments and 1 additional hour for each online synchronized discussion session that will be scheduled at mutually convenient times during the semester.
- While I do accept late assignments throughout the course (see specific assignments for late submission policies), the final must be completed by the date assigned for the final exam.
- I request that participants reply to course-related emails in a timely manner (within three days). This includes requests from the instructor and from fellow classmates. A timely response is a courtesy important in online teaching and learning.
- Students should be prepared for extensive mathematical problem solving and graphical analysis.
- Student participation in synchronized discussions is imperative. Students are expected to prepare for the discussion by reading the relevant material and to submit feedback from these discussions during the relevant meeting. Participation points are based on that feedback.
- Exams must be taken on the date scheduled.
- Missed Exams: See Quinlan School policy on Make-up Exams below.
- Final grades are computed as the weighted average of the components using the weights shown in the Methods of Evaluation section of the syllabus. Note that Sakai reports an unweighted average. That is NOT an accurate measure of your weighted average and therefore, not a good measure of your grade during the semester.
- Students must provide instructions from SSWD for any necessary accommodations. If at all possible, please do so before the end of the 2nd week of classes.
- Writing Intensive Component: This course is a writing intensive (WI) course. Students are expected to submit well written and carefully documented papers and any required revisions on time. The extension and late paper policy is explained in the writing intensive section below. You will have frequent written assignments comprising 50% of your total grade for this course. You will receive feedback on your writing and will also have some opportunities to revise your written work. All writing should be submitted in .doc format through the Sakai assignment portal. Emailed papers will not be accepted. Please see below for details of the requirements for written assignments and grading.
- Exam questions: Exam questions will be in the form of problems, graphical analysis, and short answer. The questions on the problem sets will help you see both what material the exams will focus on and what sort of problems and analysis questions will be on the exams.

- Exam dates: Mid-term exam: Due Sunday, October 14, 11:00 p.m.
  Final Exam: Due Wednesday, December 12, 11:00 p.m.
Methods of Evaluation:

Grades are based on:

- Writing Intensive papers 50% (see below for details)
- Weekly assignments & problem sets 15%
- Participate in discussions during sync sessions 5%
- Mid-term Exam 15%
- Final Exam 15%

The grading scale for the course is:

- A: 100-93%, A+: 92-90, B+: 89-87, B: 86-83, B-: 82-80, C+: 79-77, C: 76-73, C-: 72-70
- D+: 69-67, D: 66-60, F: 59 and below

There are no extra credit assignment opportunities.

Attendance

Class attendance (completion of online modules) is mandatory and essential to the value of the learning experience. Students are expected to complete all online module sessions in order to pass the course. Missing more than 20% of scheduled classes severely jeopardizes the student’s ability to pass the course.

In the event unavoidable emergencies or conflicts prevent you from completing modules, you must notify the instructor and request options for covering missed material. Most of the subjects in a course are sequential. Therefore, it is important to understand the material covered in the missed module before the next class.

Make-Up Examinations/Assignments

Loyola University academic policy provides that tests or examinations may be given during the semester or summer sessions as often as deemed advisable by the instructor. Because Quinlan faculty believe examinations represent a critical component of student learning, required examinations should be taken during the scheduled period. The scheduled period for exams will be a 24-48 hour period during which the exam will be available on Sakai. You will be able to either access the test and complete it online in a specific amount of time (eg. A 1 hour time limit) or you will be able to access the test for the entire exam period and complete and return it by the end of the exam period (take-home exam style). Make-up examinations are discouraged. Exceptions may be granted only by the faculty member or department chair, and only for unavoidable circumstances (illness verified by a signed physician’s note, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, or religious observance). A make-up final examination may be scheduled only with the permission of the appropriate Quinlan Assistant or Associate Dean.

If a make-up examination must be given, it is the responsibility of the faculty member to prepare, schedule, and proctor the exam. Limited assistance in proctoring make-up exams may be available through a designated Quinlan administrative assistant. For a student with a documented special testing need, please consult University policy concerning use of the testing center in Sullivan Center at Lake Shore Campus.

Academic Integrity

All members of the Quinlan School shall refrain from academic dishonesty and misconduct in all forms, including plagiarism, cheating, misrepresentation, fabrication, and falsehood...Plagiarism or cheating on the part of the student in individual or group academic work or in examination behavior will result minimally in the
instructor assigning the grade of “F” (value of zero) for the assignment or examination. In addition, all instances of academic dishonesty must be reported to the chairperson of the department involved.

For further information about expectations for academic integrity and sanctions for violations, consult the complete Quinlan School of Business Honor Code and Statement of Academic Integrity on the Quinlan website: http://www.luc.edu/media/lucedu/quinlanschoolofbusiness/pdfs/Honor-Code-Quinlan-July2012.pdf

Writing Intensive Papers:
During the first week of class, you are to pick a U.S. municipality that interests you. This may be the city or town where you live or one that interests you for another reason. Before you choose your city, you need to confirm that you can find adequate information about that city. Each student will be required to have a unique city and the instructor will approve your city.

In order to have your city approved, please email me (mcummi@luc.edu) to confirm that your city is available. In case your first choice city is already claimed, it might be wise to email a list of several cities in your preferred order. Again, you should choose your city and email your choice to me by September 2.

You will write 7 separate papers describing and analyzing your city in the context of the economic models developed in class. A complete description for each paper is included on the assignment access portal in Sakai as is a rubric for each paper type.

The topics are:

1. Introduction to your city (1% for paper & 1% for peer feedback) – every city has a story; this is an opportunity to tell that story (think about the stories of Buffalo and Chicago in the readings for the first week) you should also describe the characteristics of the space and the population – 2 page peer-reviewed paper – this is a non-technical paper – this paper will be reviewed by a classmate so please exclude your name from the copy you submit on Sakai due 9/9, peer feedback due 9/12

2. Industry clusters in your city (3%) – description of the main industries in your city – see clustermapping.us for useful data – 2 page paper – due 9/23

3. Outline for theory application (3%) – submit an outline for the 4th paper – see description below – due 9/30

4. Theory application 1 (5%) – Agglomeration economies in your city – now use the agglomeration economies model to explain the clusters that you identified in the prior paper – look for the presence of input sharing, labor pooling, and knowledge spillovers – you will have the opportunity to re-submit this paper if a need for substantial change is indicated 2 – 3 pages – due 10/7

5. Theory application 2 (7%) – Employment – description of the labor market in your city and application of the labor market model – you should include discussion of relevant supply and demand characteristics (the shifters in the labor market) in your city, possibly including discussions of the role of human capital, export and local employment, the creative class... - 2-3 pages – due 10/21

6. Literature Review of market failure topic (10%) – This paper may focus on one of several topics that examine an urban market failure: external costs or benefits or public goods, non-competitive markets, etc. You may want to address education and public education, crime, automobiles and public transportation, or another instance of market failure. This paper will, for one of these topics, summarize at least 3 relevant academic articles (These will probably not be specific to your city. Rather, they are focused on the topic you choose.) and briefly relate them to each other and what we have learned in class – 2 - 3 page paper – due 11/4

7. Theory application 3 (10%) – Market Failure in the Urban Setting – This paper will describe an area of market failure in your city. Optimally, this should be on the topic researched for your literature review. – 3 - 4 page essay – due 11/18
8. Policy Memo (10%) – This memo-style paper will suggest changes that local policymakers might implement in order to improve growth, quality of life, and/or efficiency in the city. This policy memo should rely on research developed in your two topical papers (#6 and 7). 2 – 3 page policy memo (A policy memo will focus on one particular current issue relating to the topic in your city. The memo should describe the issue and suggest possible solutions that are based on the economic models developed in class.) – due 12/2

Each paper’s page minimum is shown on the list of topics; the minimum excludes references and graphs and/or charts. While you may write more than the page guidelines, I reserve the right to stop reading after 200% of the suggested length (i.e. I will only read two pages of a one page paper -- one important skill in writing is knowing how to limit the scope of your paper). Papers should be double spaced, 12 point font, and normal margins. Put all graphs and tables in an appendix. Document your paper rigorously. You can use MLA, APA, or Chicago reference style. **URLs for internet sources must be included** regardless of format (see optional form for each style). If you would like to use a style book, the bookstore stocks manuals. You can use the Internet, however, carefully document and, when appropriate, quote, your sources. **As Internet citations change over time, they should be dated.** When possible, it is always best to print Internet sources. You will submit each paper through Sakai as an **MS Word document** so that comments can be provided. Emailed assignments will NOT be accepted.

A rubric and additional prompt information are provided on Sakai in each assignment link. The weight of each of the papers is shown next to each paper above. 

**Late assignments will lose 1 point per day** (rubrics show total points for each paper). **Assignment due dates are shown next to the descriptions above.** Extensions may be granted in the case of an emergency. The maximum extension that will be granted is 7 calendar days per student for the entire semester. If you have previously used 7 calendar days for an extension due to an emergency, then you will not receive an additional extension regardless of the circumstances; papers will be treated as late assignments.

Workshops and feedback for the first paper will help you refine tone and grammar. In addition to workshop feedback, you will receive comments and a grade for each paper you submit. The first theory application paper (paper 3) can be revised and resubmitted. Papers will be graded on content, use of economic models, relevance, organization, and style and grammar.

If you have questions, you can contact me at mcummi@luc.edu or 847-920-4231.
Outline of Topics
(See Announcements on Sakai for any deviations from this listing)
(Read Sakai before each class for additional readings)

Week 1 – Introduction & Why do Cities Exist
August 27 - September 2
Axioms of Urban Economics

Week 2 – Why do Cities Exist & Introduction to Agglomeration Economies
September 4 - 9
Trade Model

Paper 1 due 9/9/18 (Introduction to your city)

Week 3 – Agglomeration Economies, Cluster Analysis, City Size
September 10 - 16
Agglomeration Economies, Cluster data

Peer Review due 9/12/18

Week 4 – Urban Growth & Urban Labor Markets
September 17 – 23

Paper 2 due 9/23/18 (Clusters in your city)

Week 5 – Locational Equilibrium and Land Rent
September 24 - 30

**Paper 3 (Outline) due 9/30/18**

**Week 6 and 7 – Urban Land Use & Zoning and Growth Controls**

October 1 – 7 and October 8 - 14


**Paper 4 due 10/7/18 (Agglomeration economies)**

Midterm Test due: Sunday, October 14, 11:00 p.m.

**Weeks 8-10: Urban Quality of Life**

**Week 8 – Neighborhood Choice**

October 15 - 21


**Paper 5 due 10/21/18 (Employment)**

**Week 9 – Education**

October 22 - 28


doi:http://dx.doi.org.flagship.luc.edu/10.1257/aer.104.9.2593


doi:http://dx.doi.org.flagship.luc.edu/10.1257/aer.104.9.2633


**Week 10 Crime**

October 29 – November 4


**Paper 6 due 11/4/18 (Literature review)**

**Week 11 Transportation**

November 5 - 11


doi:http://dx.doi.org.flagship.luc.edu/10.1007/s11116-014-9547-0


Week 12 Housing
November 12 - 18


Paper 7 due 11/18/18 (Market Failure)

Week 13 and Week 14 Local Government
November 19 – 21 and November 26 – December 2


Paper 8 due 12/2/18 (Policy memo)

Week 15 Share research, catch up & review
December 3 - 8

Final Exam due: Wednesday, December 12, 2018, 11:00 p.m.

Please note: This class may occasionally deviate from the course outline above. The instructor reserves the right to make changes as needed to the course syllabus.