Economics 387: Urban Economics
Units: 4
Spring 2016

Location: MHPB7B

Instructor: Matthew E. Kahn
Office: KAP 324D
Office Hours: Tues, Thurs 11am-Noon
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Teaching Assistant: Chong Shu
Office Hours: TBA
Course Description

Urban Economics Spring 2016

Course Description This undergraduate level course applies concepts from microeconomics and statistics to study key topics in Urban Economics. Special emphasis will be placed on the role of designing incentives to reduce urban externalities such as crime, pollution and traffic congestion. We will also focus on the internal organization of cities and how cities compete against each other. We will discuss the agglomeration benefits for individuals and firms from urbanization. Given the enormous urbanization now taking place in the developing world, special attention will paid to urban growth in LDCs.

Professor Bio

Matthew E. Kahn is a Professor of Economics at USC. He is a research associate at the National Bureau of Economic Research and the IZA. He holds a Ph.D. in economics from the University of Chicago. He has served as a Professor at Columbia University and the Fletcher School at Tufts University and UCLA. He has served as a Visiting Professor at Harvard, Stanford University and the National University of Singapore. He is the author of Green Cities: Urban Growth and the Environment (Brookings Institution Press 2006) and the co-author of Heroes and Cowards: The Social Face of War (Princeton University Press 2008). He is the author of Climatopolis: How Our Cities Will Thrive in the Hotter World (Basic Books 2010). In 2013, he published Fundamentals of Environmental and Urban Economics (Amazon Books). His research areas include; environmental, urban, energy and real estate economics.

Research Webpage: mek1966.googlepages.com
Twitter: @mattkahn1966
Green Economics Blog: greeneconomics.blogspot.com

Learning Objectives This course seeks to introduce students to the major ideas in modern urban economics. These ideas will be applied to real world policy issues. Students will gain experience in public speaking, memo writing, data analysis, and hypothesis testing. Students will gain an appreciation for the power of free markets to improve overall urban quality of life.

Prerequisites: Micro economics Recommended Preparation: Statistics or Econometrics

Course Notes

All of our class notes and assignments will be posted to our class Blackboard page. Consult this page often.
https://blackboard.usc.edu/webapps/blackboard/execute/announcement?method=search&context=course&course_id=_148308_1&handle=cp_announcements&mode=cpview
Grading Breakdown

Homeworks 20%
Class Participation 10%
Midterm 15%
Class Paper 20%
Class Final 35%

Required Class Textbook

Jan Brueckner’s Lectures on Urban Economics. At the USC bookstore and at Amazon
http://www.amazon.com/Lectures-Urban-Economics-Jan-Brueckner/dp/0262016362

Course Schedule: A Weekly Breakdown

Students should do the reading before class and be prepared to discuss the readings.

In our typical class, we will spend ½ of the class focusing on formal economic modeling and spend the rest of the class discussing ideas based on the readings.

JB = Jan Brueckner’s Book

More readings will be added each weekend before the class each week

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<td>Land Use Regulation</td>
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| Week 4 Dates  | Transportation within and across cities | JB chapter 5  
Zheng S, Kahn ME. China’s bullet trains facilitate market integration and mitigate the cost of megacity growth. Proceedings of the National Academy of Sciences. 2013 Apr 2;110(14):E1248-53. | HW #3 Due       |
| Week 5 Dates  | Housing Demand and Tenure Choice | JB Chapter 6  
Reardon SF, Townsend J, Fox L. Characteristics of the Joint Distribution of Race and Income Among Neighborhoods. Unpublished manuscript. 2014. | HW #4 Due       |
| Week 6 Dates  | Housing Policy             | JB Chapter 7                                                                                   | Midterm        |
| Week 7 Dates  | Local Public Goods and Services and taxation | JB Chapter 8  
| Week 8 Dates  | City Quality of Life and Markets | JB Chapter 11                                                                                 | HW #6 Due       |
| Week 9 Dates  | Urban Pollution and the environment and climate resilience | JB chapter 9  
Kahn and Climatopolis  
Cities and the Environment, handbook chapter | HW #7 Due       |
| Week 10 Dates | Crime                      | JB Chapter 10                                                                                 | HW #8 Due       |
| Week 13 Dates | City Growth in the Developing World | Urbanization and Growth Chapters from the World Bank Report | HW #10 |
| Week 15 Dates | Review: Opportunities and Challenges | | |
| FINAL Date TBA | | | Date: For the date and time of the final for this class, consult the USC Schedule of Classes at www.usc.edu/soc.
Statement on Academic Conduct and Support Systems

**Academic Conduct**
Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Section 11, *Behavior Violating University Standards* [https://scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions/](https://scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions/). Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, [http://policy.usc.edu/scientific-misconduct/](http://policy.usc.edu/scientific-misconduct/).

Discrimination, sexual assault, and harassment are not tolerated by the university. You are encouraged to report any incidents to the *Office of Equity and Diversity* [http://equity.usc.edu/](http://equity.usc.edu/) or to the *Department of Public Safety* [http://capsnet.usc.edu/department/department-public-safety/online-forms/contact-us](http://capsnet.usc.edu/department/department-public-safety/online-forms/contact-us). This is important for the safety whole USC community. Another member of the university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report, or can initiate the report on behalf of another person. *The Center for Women and Men* [http://www.usc.edu/student-affairs/cwm/](http://www.usc.edu/student-affairs/cwm/) provides 24/7 confidential support, and the sexual assault resource center webpage [sarc@usc.edu](mailto:sarc@usc.edu) describes reporting options and other resources.

**Support Systems**
A number of USC’s schools provide support for students who need help with scholarly writing. Check with your advisor or program staff to find out more. Students whose primary language is not English should check with the *American Language Institute* [http://dornsife.usc.edu/ali](http://dornsife.usc.edu/ali), which sponsors courses and workshops specifically for international graduate students. *The Office of Disability Services and Programs* [http://sait.usc.edu/academicsupport/centerprograms/dsp/home_index.html](http://sait.usc.edu/academicsupport/centerprograms/dsp/home_index.html) provides certification for students with disabilities and helps arrange the relevant accommodations. If an officially declared emergency makes travel to campus infeasible, *USC Emergency Information* [http://emergency.usc.edu/](http://emergency.usc.edu/) will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other technology.