

# INTRODUCTION TO PUBLIC FINANCE THEORY

POLS 6330

Spring 2024

COURSE MEETS: Thursday 4:15—7:00

CONTACT DETAILS:

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**Course Description:** This course offers an expansive introduction to public finance, encompassing both theoretical foundations and practical applications at federal, state, and local government levels in the United States. Public economics, also known as public finance, delves into the government's role in the economy, addressing four pivotal questions:

1. **When should governments intervene?**
2. **How should governments intervene?**
3. **What is the impact of government intervention on the economy?**
4. **Why do governments intervene in the way that they do?**

In the U.S., government activities constitute a significant portion of economic activity, though it is comparatively smaller than in other developed countries. This course will primarily focus on the taxing and spending activities of government. While monetary policy is a vital aspect of government intervention, it will be touched upon only briefly due to time constraints.

The course requires no advanced background in economics or mathematics, though a basic understanding of these subjects is beneficial. The emphasis will be on understanding and analyzing economic concepts and basic graphs to evaluate government activities.

**Learning Outcomes:** By the end of the course, students should be able to:

1. **Understand the Foundations of Welfare Economics:**
  - Grasp the economic justifications for government intervention in the economy.
  - Explore concepts of efficiency and equity in resource allocation both with and without government intervention.
2. **Analyze Government Policies:**
  - Utilize economic principles to assess public policies, focusing on government expenditures and revenue generation.
  - Critically examine the development, significance, and magnitude of the government's fiscal structures.
3. **Evaluate Tax Structures:**
  - Investigate various government revenue forms and their economic impacts.
  - Debate the balance between equity and efficiency in taxation.
  - Analyze the economic incidence and implications of major tax instruments.
4. **Discuss Expenditure Analysis:**
  - Examine the economic effects of public programs.
  - Evaluate the efficiency and effectiveness of government spending.
5. **Apply Theoretical Concepts to Practical Scenarios:**
  - Use case studies and real-world examples to apply theoretical knowledge to practical situations.
6. **Develop Critical Thinking and Analytical Skills:**
  - Enhance ability to critically analyze government roles and policies in the economy

**Required Textbooks:**

1. Stiglitz, Joseph E., *Economics of the Public Sector*, 4th Edition, 2015, (W.W.Norton & Company). (S)

**Schedule of Reading Assignments:**

<b>S, Chap. 1</b>	<b>1/18</b>
<b>S, Chap. 2</b>	<b>1/25</b>
<b>S, Chap. 3</b>	<b>2/1</b>
<b>S, Chap. 4</b>	<b>2/8</b>
<b>S, Chap. 5</b>	<b>2/15</b>
<b>S, Chap. 6</b>	<b>2/22</b>
<b>S, Chap. 7</b>	<b>2/29</b>
<b>Midterm Exam</b>	<b>3/8 (Chaps 1—7)</b>
<b>S, Chap. 8</b>	<b>3/21 (Spring Break: 3/11-3/15)</b>
<b>S, Chap. 9</b>	<b>4/4 (Easter Break: 3/28)</b>
<b>S, Chap. 10</b>	<b>4/11</b>

<b>S, Chap. 11</b>	<b>4/18</b>
<b>S, Chap. 12</b>	<b>4/25</b>
<b>S, Chap 13 &amp; 14</b>	<b>5/2</b>
<b>Final Exam</b>	<b>Due 5/12</b>

### **Assignments and Grading:**

Online quizzes (Each one is worth 25 points. The quizzes will test your understanding of concepts discussed in the text and in class. They will be assigned on a regular basis.)

Midterm (100 points) and Final Exam (200 points)

Discussion Board (10 points for each completed board reply submitted on time, 5 points for submitted late, 0 points for failure to reply to 2 classmates. There will be discussion boards nearly every week. Whenever there is not one, there will be a quiz instead.)

Attendance (5%)

### **Literature Review Paper Guidelines for Ph.D. Students**

**Objective:** The literature review paper, accounting for 40% of your grade, is an integral part of your academic development. It aims to deepen your understanding of the current state of research in public finance, enhance your critical thinking, and refine your academic writing skills.

### **Components and Deadlines:**

1. **Literature Review Outline (Due 2/1):**
  - Submit a detailed outline of your literature review.
  - Include key themes, theoretical frameworks, and a preliminary list of primary sources.
  - This outline will serve as the backbone of your literature review.
2. **Annotated Bibliography (Due Oct. 12):**
  - Provide a comprehensive bibliography of selected literature.
  - Each entry should include a brief summary and critical analysis of the source, highlighting its relevance to your topic.
3. **First Draft of Literature Review (Due Nov. 16):**
  - Present a complete first draft, incorporating feedback from the outline and annotated bibliography stages.
  - Ensure coherence in argumentation, clarity of thought, and proper integration of sources.
4. **Final Literature Review (Due Dec. 14):**
  - Submit a thoroughly revised and polished final version.
  - Pay special attention to feedback received on your first draft.

### **Expectations for an Excellent Literature Review:**

- **Comprehensiveness:**
  - Cover the breadth of relevant literature in public finance, ensuring you include seminal works and recent studies.
  - Demonstrate a thorough understanding of your chosen topic.
- **Critical Analysis:**
  - Evaluate and synthesize different viewpoints and theoretical approaches.
  - Identify gaps in current research and potential areas for further study.
- **Coherent Structure:**
  - Organize your review logically, grouping related studies and themes.
  - Ensure a smooth flow of ideas and arguments throughout the paper.
- **Academic Rigor:**
  - Employ a formal, scholarly tone.
  - Cite all sources accurately and consistently using an appropriate academic style.
- **Original Insight:**
  - Offer your own interpretation and perspective on the literature.
  - Highlight unique findings or controversial aspects that merit further discussion.
- **Clarity and Precision:**
  - Write clearly and concisely, avoiding unnecessary jargon.
  - Make your arguments and conclusions easy to follow and understand.

### **Feedback and Revision:**

- Engage with feedback constructively and use it to refine your review.
- Consider peer reviews, if applicable, to gain diverse perspectives on your work.

By adhering to these guidelines, your literature review will not only reflect a deep understanding of the field but also showcase your ability to critically analyze and synthesize complex information. Both of these skills are vital to writing an excellent dissertation. This is a critical skill in your academic journey and beyond.

### **Grading Scale:**

<u>Letter Grade</u>	<u>Percentage</u>
A	93-100
A-	90-92
B+	87-89
B	83-86
B-	80-82
C+	77-79
C	73-76
C-	70-72
D	60-69
F	<60

**Class Discussion Board.** By using the course's discussion board tool, we will be able to cover all of the material and still have adequate time for in-depth discussion. I recognize that if you're like most normal people, physical and mental energy begins fading by the afternoon, especially if you've also worked at a job all day before. Thus, the discussion board enables us to devote our attention to the subject during times of the day when we are more alert. In effect, I am timeshifting an hour of class time from the classroom to outside-of-class, where and when you can work on the assignments at your leisure.

**Midterm Exam** (See above)

**Final Exam** (See above)

**Course Administration:**

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#### **Attendance Policy:**

Your success in this course will depend on your ability to complete the daily reading and weekly writing and discussion assignments. Absence in three classes without a reason that is out of the control of the student will result in a one level drop in the final grade (i.e. illness, work conflict, medical emergency, etc.). for more information regarding SLU's attendance policy see [https://catalog.slu.edu/academic-policies/academic-policies-procedures/attendance/?\\_ga=2.219908889.1085800153.1704469060-1382042669.1703265196&\\_gac=1.39979670.1703779066.EAIAIqobChMIzqyPzr-ygwMVdfXICH0VivPmEAAYASAAEgLxBvD\\_BwE](https://catalog.slu.edu/academic-policies/academic-policies-procedures/attendance/?_ga=2.219908889.1085800153.1704469060-1382042669.1703265196&_gac=1.39979670.1703779066.EAIAIqobChMIzqyPzr-ygwMVdfXICH0VivPmEAAYASAAEgLxBvD_BwE).

#### **Courtesy Expectations:**

Students will treat their classroom obligations as they would treat any serious professional engagement. That includes:

- 1) Preparing thoroughly for each session in accordance with the instructor's request;
- 2) Adhering to deadlines and timetables established by the instructor;
- 3) Providing constructive feedback to faculty members regarding their performance.

#### **Academic Integrity**

*Academic integrity is honest, truthful and responsible conduct in all academic endeavors.* The mission of Saint Louis University is "the pursuit of truth for the greater glory of God and for the service of humanity." Accordingly, all acts of falsehood demean and compromise the corporate endeavors of teaching, research, health care, and community service through which SLU fulfills its mission. The University strives to prepare students for lives of personal and professional integrity, and therefore regards all breaches of academic integrity as matters of serious concern. The full University-level Academic Integrity Policy can be found on the Provost's Office website at:

<https://www.slu.edu/provost/policies/academic-and-course/academic-integrity-policy.pdf>.

Additionally, each SLU College, School, and Center has its own academic integrity policies, available on their respective websites.

## **Disability Accommodations**

Students with a documented disability who wish to request academic accommodations must formally register their disability with the University. Once successfully registered, students also must notify their course instructor that they wish to use their approved accommodations in the course.

Please contact the Center for Accessibility and Disability Resources (CADR) to schedule an appointment to discuss accommodation requests and eligibility requirements. Most students on the St. Louis campus will contact CADR, located in the Student Success Center and available by email at [accessibility\\_disability@slu.edu](mailto:accessibility_disability@slu.edu) or by phone at 314.977.3484. Once approved, information about a student's eligibility for academic accommodations will be shared with course instructors by email from CADR and within the instructor's official course roster. Students who do not have a documented disability but who think they may have one also are encouraged to contact to CADR. Confidentiality will be observed in all inquiries.

*Note: due to accreditation requirements, regulatory differences, and/or location-specific resources, the School of Law, the School of Medicine, and SLU Madrid have their own standard language for syllabus statements related to disability accommodations. Faculty in those units should seek guidance for syllabus requirements from their dean's office.*

## **Title IX**

Saint Louis University and its faculty are committed to supporting our students and seeking an environment that is free of bias, discrimination, and harassment. If you have encountered any form of sexual harassment, including sexual assault, stalking, domestic or dating violence, we encourage you to report this to the University. If you speak with a faculty member about an incident that involves a Title IX matter, **that faculty member must notify SLU's Title IX Coordinator that you shared an experience relating to Title IX.** This is true even if you ask the faculty member not to disclose the incident. The Title IX Coordinator will then be available to assist you in understanding all of your options and in connecting you with all possible resources on and off campus.

Anna Kratky is the Title IX Coordinator at Saint Louis University (DuBourg Hall, room 36; [anna.kratky@slu.edu](mailto:anna.kratky@slu.edu); 314-977-3886). If you wish to speak with a confidential source, you may contact the counselors at the University Counseling Center at 314-977-TALK or make

an anonymous report through SLU's Integrity Hotline by calling 1-877-525-5669 or online at <http://www.lighthouse-services.com/slu>. To view SLU's policies, and for resources, please visit the following web addresses: <https://www.slu.edu/about/safety/sexual-assault-resources/index.php>.

*Note: due to accreditation requirements, regulatory differences, and/or location-specific resources, the School of Law, the School of Medicine, and SLU Madrid have their own standard language for syllabus statements related to Title IX. Faculty in those units should seek guidance for syllabus requirements from their dean's office.*

## **Student Success Center**

The Student Success Center (SSC) supports students in reaching their goals in and out of the classroom. Providing a variety of resources, the Student Success Center houses both the Center for Accessibility and Disability Resources (CADR) and Academic Support, which includes Tutoring, Supplemental Instruction, University Writing Services, and Student Success Coaching. The Student Success Center is located in the Busch Student Center, Suite 331, and students can make an appointment with any SSC resource via EAB Navigate. To learn more about the Student Success Center and its resources, please visit: <https://www.slu.edu/life-at-slu/student-success-center/index.php>.

## **University Writing Services**

University Writing Services offers one-on-one consultations with trained writing consultants who help with everything from brainstorming, outlining, and proposing research questions to documenting sources, revising, and implementing feedback. These consultations can take place in-person, asynchronously, or via Zoom and can be scheduled through EAB Navigate – Student. Getting feedback benefits writers at all skill levels on different writing projects (including but not limited to class assignments, conference papers, cover letters, dissertations, group projects, multimedia assignments, personal statements, senior capstone projects, short answer questions on applications, speeches, and theses). For additional information, visit <https://www.slu.edu/life-at-slu/student-success-center/academic-support/university-writing-services/index.php> or send an email to [writing@slu.edu](mailto:writing@slu.edu).