

Readings

The attached reading list has one book, nine (short) chapters of lecture notes and a few journal articles. All of these readings are required only for the purposes of preparing and reviewing my lectures (i.e., the exams do not visit topics absent from the lectures that might be found somewhere in one of the journal articles). The readings and problem sets are available as Adobe Acrobat or Powerpoint files on my [www](http://www.caseybmulligan.com) page. The book is available for purchase on-line (\$3, and soon to be increased to \$18).

Summary of Course Requirements

- Register for the class email list from my [www](http://www.caseybmulligan.com) page by Week 3.
- Periodically look at my [WWW](http://www.caseybmulligan.com) page. Problem Sets, class announcements, and handouts will be posted there. Some readings can also be viewed from the page.
- Complete all 4 problems sets. Submit *by email* to psets@caseybmulligan.com
- Take the midterm on November 4, 2015.
- Take the final exam, which is the afternoon of December 7. The exam cannot be rescheduled unless the students unanimously agree. Only graduating seniors, if any, may take a “graduating senior final.”

Problem sets are 30% of the grade. The midterm and final together account for the other 70% (midterm counts once, final counts twice – take the highest two of those three grades and count 35% each – ie, the lowest of those three grades is dropped). The above are *requirements*, although you may notice from the grading formula that a zero on the midterm (say, due to absence) is not devastating ... the final just counts more. Please plan accordingly because there will be *no exceptions or extensions*.

Exams are “Open Book”

This means that the typed lecture notes may be used during the exam, but no other written or electronic material.

Public Sector Economics

Book

Mulligan, Casey B. *Side Effects: The Economic Consequences of the Health Reform*. (acasideeffects.com). The 2015 edition is easier to read than the 2014 ebook, but unavailable until mid October.

Lecture Notes

- Chapter 1. "The Public Sector in the National Accounts." Fall 2010.
- Chapter 2. "Internationally Common Features of Public Old-Age Pensions." 2004.
- Chapter 3. "Notes on the Behavioral Implications of Tax Distortions." Fall 2010.
- Chapter 4. "The Affordable Care Act and Workers' Wages: What does Adam Smith Say?" Fall 2014.
- Chapter 5. "The Principle of Comprehensive Cost, Applied to the Relation between Market Structure and Excise Tax Incidence." Fall 2008.
- Chapter 6. "Derivation of Ramsey's Optimal Tax Formula." Fall 2010.
- Chapter 7. "Misallocations, Substitution Effects, and the Robustness of Activist Public Policy." January 2015.
- Chapter 8. "The Empirical Frequency of a Pivotal Vote." July 2003.
- Chapter 9. "Economic Limits on 'Rational' Democratic Redistribution." March 2002.

The lecture notes and journal articles will be supplemented with powerpoint presentations (also posted on my www page), and current event reports posted to my twitter account.

Journal Articles by Subject

1) Comparative Public Finance

- Gruber, Jonathan, and David A. Wise. Chapter 1 of *Social Security and Retirement around the World*. Chicago: University of Chicago Press (for NBER), 1999.
- Mulligan, Casey B. "The Effects of Redistribution Policies on Growth and Employment." Presentation, Conference on Inequality in Memory of Gary Becker, September 2014.
- Mulligan, Casey B., Ricard Gil, and Xavier Sala-i-Martin. "Do Democracies Have Different Public Policies than Nondemocracies?" *Journal of Economic Perspectives*. 18(1), Winter 2004: 51-74.
- United States Office of Management and Budget. *Historical Tables, Budget of the United States Government, Fiscal Year 2015*. Washington, DC: Government Printing Office, 2014.
- United States Congress, Joint Committee on Taxation. "Background Information on Tax Expenditure Analysis and Historical Survey of Tax Expenditure Estimates." March 2011.

United States Congress, House Committee on Ways and Means. *Overview of Entitlement Programs, 2012 Green Book*. Washington, D.C.: U.S. Government Printing Office, 2012.

Lecture notes, Chapter 2.

2) Taxes and Behavior

Autor, David H. "The Unsustainable Rise of the Disability Rolls in the United States: Causes, Consequences, and Policy Options." NBER working paper no. 17697, December 2011.

Feldstein, Martin and Andrew Samwick. "Social Security Rules and Marginal Tax Rates." *National Tax Journal*. 45(1), March 1992: 1-22.

Keynes, John Maynard. *The Economic Consequences of the Peace*. New York: Harcourt, Brace and Howe, 1920.

Mulligan, Casey B. *The Redistribution Recession*. Chapter 4 (available for free download). New York: Oxford University Press, 2012.

Rockoff, Hugh. "Price Controls." In the *Concise Encyclopedia of Economics*. 2008.

Lecture notes, Chapters 3-4.

Side Effects, Chapters 6, 8.

3) Tax Incidence

Baker, Jonathan B. "Private Information and the Deterrent Effect of Antitrust Damage Remedies." *Journal of Law, Economics & Organization*. 4(2), Autumn 1988: 385-408.

Kotlikoff, Laurence J. *Generational Accounting*. New York: Free Press, 1992.

Mulligan, Casey B. and Tomas J. Philipson. "Merit Motives and Government Intervention: Public Finance in Reverse." NBER working paper no. 7698, May 2000.

Pechman. *Who Paid the Taxes 1965-85*. Washington, D.C.: Brookings Institution, 1985.

Rettenmaier, Andrew J. "The Distribution of Lifetime Medicare Benefits, Taxes and Premiums: Evidence from Individual Level Data." *Journal of Public Economics*. 96(9-10), October 2012: 760-772.

Summers, Lawrence H. "Some Simple Economics of Mandated Benefits." *American Economic Review*. May 1989: 177-83.

Lecture notes, Chapter 5.

4) Optimal Taxes and Spending

Nichols, Albert L. and Richard J. Zeckhauser. "Targeting Transfers through Restrictions on Recipients." *American Economic Review*. 72(2), May 1982: 372-77.

Mulligan, Casey B. "Uncertainty, Redistribution, and the Labor Market since 2007." *Journal of Labor Policy*. 3, April 2014.

Lecture Notes, Chapters 6-7.

5) Explaining Government Behavior – Various Theoretical Approaches

Hines, James R., Jr. and Richard H. Thaler. "The Flypaper Effect." *Journal of Economic Perspectives*. 9(4), Fall 1995: 217-26.

Mulligan, Casey B. and Kevin K. Tsui. "Political Entry, Public Policy, and the Economy."
NBER working paper no. 13830, March 2008.

Wittman, Donald. "Why Democracies Produce Efficient Results." *Journal of Political Economy*. 97(6), December 1989: 1395-1424.

Lecture Notes, Chapter 8.

6) Explaining Government Behavior – Empirical Applications

Becker, Gary S. and Casey B. Mulligan. "Deadweight Costs and the Size of Government."
Journal of Law and Economics. 46(2), October 2003: 293-340.

Mulligan, Casey B. and Xavier Sala-i-Martin. "Political and Economic Forces Sustaining Social Security." *Advanced in Economic Analysis & Policy*. 4(1), 2004: Article 4.

Mulligan, Casey B., Ricard Gil, and Xavier Sala-i-Martin. "Do Democracies Have Different Public Policies than Nondemocracies?" *Journal of Economic Perspectives*. 18(1), Winter 2004: 51-74.

Lecture Notes, Chapter 9.