Cost Benefit Analysis (440.622.51)
Johns Hopkins University Zanvyl Krieger School of Arts and Sciences
Advanced Academic Programs
Washington, DC Center

2017 Summer Session

Faculty: Michael LeGower, PhD
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Course Times: 6 to 8:45 pm Wednesdays: May 10 – August 8, 2017
EXCEPT July 26th (will be made up TBA)

Course Grading: Letter grades will be given. Grades will depend on one exam (30%), a final project (50%), and participation in class via “Question for Next Lecture” (20%).

Course Description: By the end of this course, you will have the skills to design and carry out the evaluation of a publicly funded project. Much of the course is devoted to developing an analytical framework for project evaluation, including the evaluation of benefits and costs over time, in the presence of uncertainty, in the absence of market prices, and when income distribution objectives need to be incorporated into a project’s evaluation. After this framework is established, several weeks will be devoted to the examination of evidence from the literature on a number of important policies and projects, with particular attention to experimental impact evaluation.

Prerequisites: 440.601 Microeconomic Theory and Policy.
Co-requisite: 440.606 Econometrics.

Texts and Other Reading:

Any required readings will be posted to Blackboard. Students are expected to read these prior to class and to be prepared to discuss. The following texts are optional but encouraged for the course as they will provide a reference for material presented in class.

Boardman, Greenberg, Vining, & Weimer, Cost-Benefit Analysis: Concepts and Practice (Any Edition; Chapter numbers are from 1st edition)

Glennerster, R & Takavarasha, K., Running Randomized Evaluations: A Practical Guide

Course Outline:

May 10 – Introduction to Cost-Benefit Analysis (Boardman et al Ch.1, 15)

May 17 – Microeconomic Foundations of Cost-Benefit Analysis (Boardman et al Ch. 2)

May 24 – Valuing Direct and Indirect Market Effects (Boardman et al Ch. 3,10)


July 5 – Exam

July 12 – Introduction to Policy Experimentation; G&T Ch. 2 (pp. 24-52); G&T Ch. 4

July 19 – Real-world Examples of Policy Experiments (papers to be posted): Moving to Opportunity, SEC Short-selling experiment; Head Start; Progresa; Tennessee STAR

July 26 – NO CLASS; Possible make up session TBA

Make up date & August 4 – Some combination of:

Challenges, Ethics, and Legality of Policy Experimentation; G&T Ch. 2 (pp. 53-65); G & T Ch. 4 (pp. 113-129, 138); G & T Ch. 7; Abramowicz, M., Ayres, I., Listorkin, Y. “Randomizing Law” University of Pennsylvania Law Review 2011.

and

Analysis of Data (G & T Ch. 8); Combining Cost-Benefit Analysis and Policy Experimentation

August 11 – In-class Final Project Presentations
University Policies

General
This course adheres to all University policies described in the academic catalog. A few to pay close attention to are noted below.

Students with Disabilities
Johns Hopkins University is committed to providing reasonable and appropriate accommodations to students with disabilities. Students with documented disabilities should contact the coordinator listed on the Disability Accommodations page. Further information and a link to the Student Request for Accommodation form can also be found on the Disability Accommodations page.

Ethics & Plagiarism
JHU Ethics Statement: The strength of the university depends on academic and personal integrity. In this course, you must be honest and truthful. Ethical violations include cheating on exams, plagiarism, reuse of assignments, improper use of the Internet and electronic devices, unauthorized collaboration, alteration of graded assignments, forgery and falsification, lying, facilitating academic dishonesty, and unfair competition. Report any violations you witness to the instructor. Read and adhere to JHU's Notice on Plagiarism.

Dropping the Course
You are responsible for understanding the university's policies and procedures regarding withdrawing from courses found in the current catalog. You should be aware of the current deadlines according to the Academic Calendar.

Getting Help
You have a variety of methods to get help on Blackboard. Please consult the help listed in the "Blackboard Help" link for important information. If you encounter technical difficulty in completing or submitting any online assessment, please immediately contact the designated help desk listed on the AAP online support page. Also, contact your instructor at the email address listed atop this syllabus.