

PLCY 720: Economic Analysis for Public Policy

Syllabus, Spring 2026

Instructor: Mehdi Shadmehr

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Lecture Times: T,Th 12:30-1:45 PM

Lecture Location: Murray Hall-Rm G201

Office Hours: T-Th 11:00-12:00 PM,
or by appointment

OH Location: Zoom or Abernethy 209

TA: Kristen Brugh

E-mail: knbrugh@live.unc.edu

Recitation Time: F 11:00-11:50 AM

Recitation Location: Peabody Hall-Rm 3018

Office Hours: TBA

OH Location: Zoom or TBA

All zoom links will be posted on Canvas.

Course Description

This course explores the application of economic analysis in public policy, with an emphasis on public finance. The first part of the course develops the concepts, techniques, and framework of analysis, including externalities, and social welfare analysis. The second part applies the framework and techniques to public policy and public finance questions. Examples include social insurance, social security, health insurance, unemployment insurance, and taxation.

Course Goals & Student Learning Outcomes

Upon completing this course, students will be able to demonstrate: (1) the knowledge of fundamental public finance concepts and tools; (2) the skill to apply that knowledge to investigate public policy problems.

Required Course Material

- Gruber, Jonathan. 2022. *Public Finance and Public Policy. Seventh Edition.* New York: Worth Publishers (Macmillan Learning).

The E-book and Paperback versions are available for renting and for buying at Macmillan Learning Student Store.

Recommended Material:

- Nechyba, Thomas. 2017. *Microeconomics: An Intuitive Approach. 2nd Edition*. Boston, MA: Cengage Learning.
- Banerjee, Abhijit A., and Esther Duflo. 2012. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. Available online through UNC-CH library.

Course Requirements/Assignments and Grading Rubric

Individual Homework Assignments (40%): 5 homework assignments, 8% each, to be returned individually.

Group Presentation of an Academic Paper (20%): each group will present an assigned academic paper.

Group Presentation and Writing of a Term Paper (25%): each group will write and present a research paper.

Group Progress Report (5%): each group will write a 0.5-1 page progress report.

Class Attendance and Participation (10%): 0.25% per lecture and per recitation session for participation (assigned to all members of a group, except to those who are absent) up to a maximum of 10%.

Individual Assignments

- There will be 5 Homework Assignments associated with the material that we cover in the first 4 weeks of the class and on week 7 (social insurance). Each homework assignment will be made available on Friday after the class and will be due on the following *second* Sunday at 11:59 PM EST. For example, Homework Assignment #1 will be made available on Friday, Jan 16, and it will be due on Sunday, Jan 25, at 11:59 PM EST.
- Each Homework Assignment will constitute 8% of the total grade, adding up to a total of 40%.
- Each Homework Assignment must be completed individually.
- All assignments must be typed and submitted in pdf or word format.

- **There will be no makeup or deferred homework assignment: Students unable to submit homework assignments for reasons identified in the University Approved Absences (see below) will have the weight shifted to the Final Exam; otherwise a grade of zero will be assigned.** Each homework assignment and its associated course material will be covered in class at least 9 days before the assignment is due (typically more), and assignments can be completed at any time before the due date. Thus, only situations where someone can document the above-mentioned circumstances **for an extended period (e.g., several days prior to the due date)** could warrant shifting the assignment weight to the final exam. Moreover, technical problems can be expected to occur with computer systems (and internet availability), so you should not wait until the last minute to submit your assignment. The key lesson here is: do not wait until the Sunday night when the homework is due.

Group Assignments

Students will be divided into groups. A student can choose to work on their own for group assignments.

Good teamwork is critical for effective performance. To ensure participation of all group members in the learning process, students may have the opportunity to complete a peer assessment survey at the end of the semester. At the instructor's discretion, your peers' assessments of your contributions to the team assignments may influence your class participation grade. In order to maintain your team member's privacy under such circumstances, I won't discuss components of your class participation grade with you.

Group Presentation of an Academic Paper

- Each group is collectively responsible to present an academic paper, which will be assigned to that group. When possible, the group's preferences for the topics will be taken into account. Note that every member of a group gets the same points for group assignments. The ability to work together is part of the learning objective of this assignment.
- Presentations will begin on week 5 and continue to week 14 (typically, one presentation per week at the end of the second lecture associated with the topic).
- This presentation will constitute 20% of your grade.

Group Presentation and Writing of a Term Paper

- Each group is collectively responsible to present and turn in a term paper. The term paper must be around 5 pages on a topic that will be announced. Note that every member of a group gets the same points for the quality of the presentation. The ability to work together is part of the learning objective of this assignment.

- **A progress report must be submitted by the end of week 6.** The length of the progress report can be up to 500 words. It can be a reasonable plan of action. This progress report will constitute 5% of your grade.
- Presentations will be in class between weeks 15 and 16. This presentation will constitute 10% of your grade.
- The term paper must be typed and submitted in pdf or word format. This term paper will constitute 15% of your grade.
- The term paper will be due on May 2, at 7 PM EST.

Class Attendance, Preparation, and Participation

- Class attendance (in-person) is expected for **all** lectures and recitation sessions. We will have 28 lectures and 12 recitation sessions in this semester. Starting from our first class (Jan 8) and our first recitation session, attending each class (lecture and recitation session) will constitute 0.25% of the total grade up to a maximum of 10%.
- Class attendance may be recorded through the UNC Check-in App, described here: <https://unccheckin.unc.edu/>. At some point in each class, I'll ask students to register their attendance, and those who are in class can register their attendance through the UNC Check-in App on their phones. Please make sure that you download the app on your phone.
- Students are expected to read the chapter covered in each week **before** our first class in that week.

Grading Scale

Letter Grade	Description	Point Range
H	High Pass: Clear excellence	[90%,100%]
P	Pass: Entirely Satisfactory Graduate Work	[75%,89%]
L	Low Pass: Inadequate Graduate Work	[60%,74%]
F	Fail	[0,59%]

Attendance Policy

As stated in the University's Class Attendance Policy, no right or privilege exists that permits a student to be absent from any class meetings, except for these **University Approved Absences**:

1. Authorized University activities: University Approved Absence Office (UAAO) website provides information and FAQs for students and FAQs for faculty related to University Approved Absences
2. Disability/religious observance/pregnancy/short-term military service, as required by law and approved by the University Compliance Office, or in the case of short-term military service, the Dean of Students.
3. Significant health condition and/or personal/family emergency as approved by the Office of the Dean of Students, Gender Violence Service Coordinators, and/or the University Compliance Office.

Code of Conduct

All students are expected to adhere to University policy and follow the guidelines of the UNC Code of Conduct. Additional information can be found at <https://studentconduct.unc.edu/>.

Syllabus Changes

The professor reserves the right to make changes to the syllabus, including homework assignment due dates. These changes will be announced as early as possible.

Communication

Every week, you have lots of opportunities to directly interact and communicate with me or Kristen during lectures, the TA session, and office hours—about 7.5 hours per week. Please use these opportunities to ask your questions and consult the syllabus and Canvas for announcements and information that you may be looking for. **If, after looking at the syllabus and Canvas announcements, you still have a question that cannot wait until the class, TA session, or office hours, please email Kristen first.** If you want to have a confidential discussion with me outside office hours, please send me an email to set up an appointment. To ensure FERPA compliance, you must use your UNC email for communications.

Copyright and Faculty Lecture Content

UNC's Copyright Policy prohibits students from making commercial use of notes taken in class; you may not sell or otherwise acquire financial or commercial gain from notes you take in this class. This includes exchanging uploaded notes for access to websites that trade in course materials (notes, tests, etc.). Students do not have rights to post or sell materials from a class without permission from the original faculty member who created the material. For example, students do not have rights to upload content that faculty have created to online learning platforms, such as Course Hero. In addition, although students own their work, the Copyright Policy forbids them from selling classroom notes and exercises they have created. Students found to have violated this prohibition are in violation of the UNC Code of Conduct.

Class Recording

The course instructor may record meetings of this class for educational purposes. These recordings will be shared only with students enrolled in the course for purposes of academic instruction only. Your instructor will communicate to you how you may access any available recordings. Any use of a class recording by a student shall be for educational purposes only. Students may not record a class on their own, in any format, without prior express authorization from the University and may not copy, reproduce or distribute any recording that they access. Students requesting the use of assistive technology as an accommodation should contact Accommodations - University Compliance Office

University Compliance Office - Accommodations

University Compliance Office (UCO) Accommodations Team (Accommodations – UNC Equal Opportunity and Compliance) receives requests for accommodations for disability, pregnancy and related conditions, and sincerely held religious beliefs and practices through the University's Policy on Accommodations. UCO Accommodations team determines eligibility and reasonable accommodations consistent with state and federal laws.

Title IX Resources

Any student who is impacted by discrimination, harassment, interpersonal (relationship) violence, sexual violence, sexual exploitation, or stalking is encouraged to seek resources on campus or in the community. Reports can be made online to the UCO or by contacting the University's Title IX Coordinator (titleixcoordinator@unc.edu), Elizabeth Hall, or the Report and Response Managers (reportandresponse@unc.edu) in the University Compliance Office (UCO) (formerly the Equal Opportunity and Compliance Office). Please note that I am designated as a Respon-

sible Employee, which means I must report to the UCO any information I receive about the forms of misconduct listed in this paragraph. If you'd like to speak with a confidential resource, those include Counseling and Psychological Services, the University's Ombuds Office, and the Gender Violence Services Coordinators (gvsc@unc.edu). Additional resources are available at safe.unc.edu.

Counseling & Psychological Services (CAPS)

UNC-Chapel Hill is strongly committed to addressing the mental health needs of a diverse student body. The Heels Care Network website is a place to access the many mental health resources at Carolina. CAPS is the primary mental health provider for students, offering timely access to consultation and connection to clinically appropriate services. Go to the CAPS website or visit their facilities on the third floor of the Campus Health building for an initial evaluation to learn more. Students can also call CAPS 24/7 at 919-966-3658 for immediate assistance.

Weekly Calendar (Schedule of Topics)

We aim to be flexible with respect to the speed of the class and the schedule of topics. We have an ideal timeline that we aspire to follow. That ideal is presented on the last page of the syllabus. However, the goal of the class is to maximize learning, and we will be flexible and may deviate from that timeline to optimize the learning process—the red dates on the timeline indicate dates when there will not be a class due to university academic calendar.

The Schedule for Homework Assignments were presented under Course Requirements/Assignments and Grading Rubric.

Artificial Intelligence (AI) Use Policy

The following uses of generative AI tools are permitted in this course. Categories of possible permitted use include, but are not limited to: brainstorming and idea generation, research, source validation, outlining and planning, drafting, media creation, revising, polishing, and coding. Any homework, report, term paper, or project submission must have an appendix with a title, AI USE. In that appendix, one of the following two options should be specified:

- **Option 1:** “I attest that this project did not use AI at any stage in its development or in the creation of any of its components.”
- **Option 2:** “I attest that this project made use of AI in the following ways:” after which you must document your usage by filling the form available on Canvas>Modules >Lecture Slides>Student Usage Powerpoint Slides-UNC wide document.pptx

Carolina students are expected to follow these AI guidelines:

1. AI should help you think, not think for you. You may be able to use these tools to brainstorm ideas, research topics, and analyze problems, but you must decide what’s appropriate and accurate.
2. Engage responsibly with AI. You must evaluate AI-generated outputs for potential biases, limitations, inaccuracies, false output, and ethical implications. Do not put personal or confidential data into these tools.
3. The use of AI must be open and documented. You should declare, explain, and cite any use of AI in the creation of your work using applicable standards (e.g., APA, MLA, course guidelines). Understand that you are ultimately 100% responsible for your final product.
4. Follow specific AI guidelines in this syllabus. If you are unsure, check with me. Guidance offered in this syllabus would be referenced should an issue be referred to Student Conduct for alleged academic misconduct.

Dates	Topic	Reference
Week 1 (Jan 6-8)	Introduction	Ch. 1
Week 2 (Jan 13-15)	Intro + Theoretical Tools	Ch. 1 & 2
Week 3 (Jan 20-22)	TT+Empirical Tools	Ch. 2 & 3
Week 4 (Jan 27-29)	ET & Budget Analysis	Ch. 3 & 4
Week 5 (Feb 3-5)	Political Economy	Ch. 9
Week 6 (Feb 10-12)	Education (Progress Report Due)	Ch. 11
Week 7 (Feb 17-19)	Social Insurance	Ch. 12
Week 8 (Feb 24-26)	Social Security	Ch. 13
Week 9 (Mar 3-5)	Guest Lecture (Investment and Monte Carlo Method)	
Week 10 (Mar 10-12)	Term Paper Projects + Unemployment Insurance	Ch. 14
Week 11 (Mar 17-19)	Spring Break	
Week 12 (Mar 24-26)	UI and Health Insurance I	Ch. 14 & 15
Week 13 (Mar 31-April 2)	Health Insurance I	Ch. 15
Week 14 (Apr 7-9)	Health Insurance II	Ch. 16
Week 15 (Apr 14-16)	Taxation + Term Paper Presentations	Ch. 24
Week 16 (Apr 21-23)	Term Paper Presentations	