

IOWA STATE UNIVERSITY
Economics 376

Prof. David M. Frankel
Heady Hall rm. 460B
Telephone: 4-6263
Office Hour: Monday 2-3

Rural, Urban, and Regional Economics

Course Description

In this course we will study the economics of regions and cities. Subjects include costs and benefits of cities, city location, urban economic growth, land rent and land use, suburbanization, poverty and discrimination, housing and segregation, local government finance, schools, and crime. An important theme of the course is how to think critically about empirical findings in economics.

Textbooks

Arthur O'Sullivan. 2007. Urban Economics, 6th ed. McGraw-Hill/Irwin.

McDonald, John F., and Daniel P. McMillen. 2007. Urban Economics and Real Estate Blackwell.

O'Sullivan is required. McDonald & McMillen is on reserve in Parks Library; we will be using only one chapter.

There are also some readings from the Journal of Economic Perspectives. These can be downloaded from www.jstor.org (from the university network only!).

Prerequisites

Economics 101 is required.

Important Dates

Midterm: Monday, March 3, 2007, in East 111.

Final (tentative): Mon., May 5, 12:00-2:00 p.m., in East 111.

Course Requirements

Discussion questions will be handed out regularly and students are expected to think about them in advance and to participate in class discussions. Course requirements are class participation (10%), a midterm (30%), and a final examination (60%).

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Course Outline

1. Market Forces and City Development

O'Sullivan, chs. 1-3

[Are Cities Dying?](#)

Edward L. Glaeser

The Journal of Economic Perspectives, Vol. 12, No. 2. (Spring, 1998), pp. 139-160.

2. Land Rent and Land Use

McDonald & McMillen, ch. 5

O'Sullivan, ch. 6 and pp. 153-160.

3. Suburbanization

O'Sullivan ch. 7 excluding pp. 153-160.

[The Causes of Metropolitan Suburbanization](#)

Peter Mieszkowski; Edwin S. Mills

The Journal of Economic Perspectives, Vol. 7, No. 3. (Summer, 1993), pp. 135-147.

4. Neighborhood Choice and Local Government Spending

O'Sullivan ch. 15 and ch. 8 (excluding pp. 173-177)

[Evidence on Discrimination in Mortgage Lending](#)

Helen F. Ladd

The Journal of Economic Perspectives, Vol. 12, No. 2. (Spring, 1998), pp. 41-62.

[Evidence on Discrimination in Employment: Codes of Color, Codes of Gender](#)

William A. Darity Jr.; Patrick L. Mason

The Journal of Economic Perspectives, Vol. 12, No. 2. (Spring, 1998), pp. 63-90.

5. Education

O'Sullivan pp. 173-6; pp. 361-2

School Resources and Student Outcomes: An Overview of the Literature and New Evidence from North and South Carolina

David Card; Alan B. Krueger

The Journal of Economic Perspectives, Vol. 10, No. 4. (Autumn, 1996), pp. 31-50.

Are Efficiency and Equity in School Finance Substitutes or Complements? (in Symposia: Primary and Secondary Education)

Caroline Minter Hoxby

The Journal of Economic Perspectives, Vol. 10, No. 4. (Autumn, 1996), pp. 51-72.

6. Crime

O'Sullivan pp. 176-7 and ch. 12

Help Wanted: Economists, Crime and Public Policy

John J. DiIulio, Jr.

The Journal of Economic Perspectives, Vol. 10, No. 1. (Winter, 1996), pp. 3-24.

Why Do So Many Young American Men Commit Crimes and What Might We Do About It?

Richard B. Freeman

The Journal of Economic Perspectives, Vol. 10, No. 1. (Winter, 1996), pp. 25-42.

7. Housing

O'Sullivan ch. 13

8. Housing Policy

O'Sullivan ch. 14

“Time for Revisionism on Rent Control?” Richard Arnott, *The Journal of Economic Perspectives*, Vol. 9, No. 1. (Winter, 1995), pp. 99-120.

9. Local Government Revenue

O'Sullivan ch. 16.