
ECON 354

Issues in Urban and Regional Economics

March 29th - June 3rd

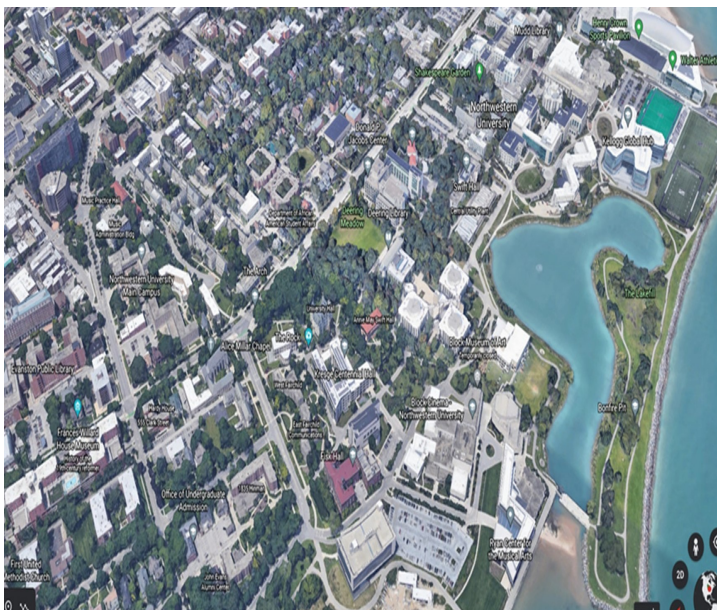
Instructor information

Instructor: Sidonia McKenzie
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(Please put "ECON 354: [subject of email]"
in the subject line of your email!)
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Student hours: After class on Wednesdays
(4:00-5:00pm) and also by appointment.

Course information

Lecture times: MW ; 2:00 - 3:20pm
Discussion section: F ; 2:00 - 3:20pm
Lecture room: University Hall 122
Prerequisite(s): ECON 281, ECON 310-1,
ECON 310-2
Web page: [ECON 354 Canvas](#)
TA: Sebastian Poblete Coddou
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Northwestern University, Evanston campus
"Bordered by a Great Lake and a global city"



“Eventually, I think Chicago will be the most beautiful great city left in the world.”

Frank Lloyd Wright (celebrated American Architect)

“I’m impressed with the people from Chicago. Hollywood is hype. New York is talk. Chicago is work.”

Michael Douglas (American Actor and Producer)

“She is always a novelty; for she is never the Chicago you saw when you passed through the last time.”

Mark Twain (renowned American novelist)

Course Description:

A Warm WILDCAT Welcome To You!

The above quotes highlight some of the important facets of cities that we'll cover in this course. As an introduction to issues in Urban and Regional Economics, we will study the problems of cities, urban areas, and regions by examining the effects of geographic location on the decisions of individuals and firms. The importance of location in everyday choices is readily seen in your decision to live on or off campus (or in a new professor's decision to live in Evanston or downtown Chicago). Yet, conventional economic models do not account for spatial factors. As urban economists, we will use the tools of economic theory and empirical data to explore several interesting questions along the dimensions of why we live in cities and how do regions develop. These questions include, but are not limited to: Why do cities and regions exist? How do firms decide where to locate? Why do people live in cities? What determines the growth and size of a city and region? What is the role of cities in regional development? We will then analyze the economic problems that arise because we live in urban areas. We will focus on specific urban issues such as firm location, housing, education, transportation costs, immigration, and local government policies. Time permitting, we will briefly explore issues related to crime, poverty, and housing bubbles.

We will cover a few empirical papers in class that you are expected to read in advance. Typically, this will involve reading the abstract, introduction, and conclusion of the papers to get a general overview of the *contribution, research question and methodological approach*. We will analyze data using Stata or R and may also use ArcGIS, a digital mapping program.

Course Objectives:

While this course will prepare you for further courses in economics, that is not its primary purpose. Instead its objectives are to help you:

- (i) introduce you to basic concepts and models of urban and regional economics;
- (ii) help develop your ability to analyze these concepts and apply them in and outside the classroom;
- (iii) improve your critical thinking (and hopefully creativity) about existing research on cities and regions and
- (iv) improve your ability to present complex research output in a clear and succinct way.

My hope is that topics covered in this course will stimulate your interests to further explore and develop research ideas of your own, either for a senior thesis (ECON 398 – Senior Seminar), independent study (ECON 399) or in graduate school.

Text resources:

I want to reduce the need for you to purchase multiple textbooks for this course. In addition to the main text, I have compiled a list of free online resources that we will use. Please download and save them to a folder on your computer. Additional readings will be assigned to some topics and listed in the syllabus.

The main text for this course is:

[O] O'Sullivan, Urban Economics, Ninth Edition, McGraw-Hill 2019. ISBN13: 9780078021787.

Other resources:

[HRUE] Handbook of Regional and Urban Economics, vol.5A vol. 5B, edited by Gilles Duranton, J. Vernon Henderson and William C. Strange (Amsterdam: Elsevier, 2015), (Handbook 5). PDFs of each chapter are available for download at [Handbook of Regional and Urban Economics](#).

[HG] Hoover and Giarratani, An Introduction to Regional Economics, Online Edition. This is available for download at <https://researchrepository.wvu.edu/rri-web-book/4/>

Course assessments:

This course has 5 components that will determine your final grade:

(i) **Midterms 1 and 2 - 20% each**

(ii) **Research proposal- 10%.**

The goal of this short research proposal is to stimulate your curiosity to develop a potential empirical project that you would like to explore in the near future. It will be *at most three pages*, should include a main hypothesis/research question(s), brief overview of the relevant literature in this area, description of potential data to be used, and empirical strategy that would best answer your hypothesis. More guidelines will be provided later.

(iii) **Problem sets - 40%.**

There will be four problem sets throughout the course and at least one will involve the use of a software such as Stata or R. The problem sets are meant to reinforce class materials and help you to think more deeply about research questions regarding development in urban and regional economics. At the end of every problem set I will ask you a couple questions that will help you think about a potential research idea based on the concepts covered in the problem set. I will provide you with feedback on your responses that will hopefully make it easier for you to write your proposal towards the end of the quarter. This is completely optional (i.e. your responses are not graded). This must be submitted individually.

(iv) **Class presentation -10%.**

You will be asked to form groups of 6 to present and lead the class discussion of one article. The presentation will take the style of a [referee report](#). You may use slides or presentation notes, which should be emailed to me prior to your presentation. Further details and grading rubric will be provided later in class.

Other course policies:

Class sessions: Typically, Monday and Wednesday class sessions will be reserved for discussion of lecture slides and important lessons from the assigned reading(s) for the week. Friday sessions will be devoted to applying and reinforcing what was discussed in previous sessions. This will usually involve TA-led collaborative discussion of assignments, student presentations and feedback or software workshops. Weekly instructions will be posted on the [class web page](#) in Canvas. Please be sure to check it frequently.

Requests for re-grading: Regrade requests must be submitted to me in writing one week after your work is returned. Your written explanation should address legitimate concerns such as a mistake or an oversight. Please do not approach the TA with an oral request before making the written request.

Late assignments: An assignment is considered late if submitted after the deadline. If you turn in your assignment one week after the due date, you will receive 50% credit. Assignments later than one week will not be accepted and will receive 0 credit.

Tentative Course Schedule

As of March 29, 2022, a tentative schedule and reading list for lecture topics and exams are shown in the table below. You are encouraged to read ahead. Any changes to the schedule will be announced in class and you are responsible for updating the information. Exam due dates are assumed to be set unless otherwise stated. Any changes will be announced on the [course Canvas page](#).

| Week | Core concepts, readings | Assessments |
|---|--|---|
| Part I: Urban Structure | | |
| Week 1: Mar. 28 - Apr. 1* | Intro, City Facts & Review of Micro concepts [O] Ch. 1 & 2 | |
| Week 2: Apr. 4 - 8 | Urban Spatial Structure; Monocentric City Model [O] Ch. 3 | |
| Week 3: Apr. 11 - 15 | System of Cities Model; Public policy and Urban Structure | Problem Set 1 due: Wed. Apr. 13th |
| Week 4: Apr. 18 - 22 | City Amenities; Local public goods and competition between municipalities | |
| Week 5: Apr. 25 - 29 | Zipf's Law; Labor pooling and human capital spillovers | Midterm 1: Mon. Apr. 25th |
| Part II: Challenges of Urban Living | | |
| Week 6: May 2 - 6 | Suburbanization and Sprawl; Gentrification | Last day to drop course Fri. Feb. 11th Problem Set 2 due: Wed. May 4th |
| Week 7: May 9 - 13 | Effect of Immigration on Cities | Problem Set 3 due: Wed. May 11th |
| Part III: Contemporary Issues in Urban Economics | | |
| Week 8: May 16 - 20 | How do cities change when we work from home? Impact of climate change on urban areas | Problem Set 4 due: Wed. May 18th |
| Week 9: May 23 - 27 | How will Metaverse impact cities? Proposal review & Class wrap-up | Midterm 2 Fri. May 27th |
| Week 10: May 30 - June 3* | | Memorial day Mon. May 30th |
| WCAS Reading Period: June 1st - 5th Good Luck! You got this! | | |
| Week 11: Jun. 6 - 10 | Finals Week Proposal due: Monday, June 6th at 5pm submitted via Canvas | |

*No TA Section this week.

Frequently asked questions and Answers

Q: I hear you're a new instructor, what are your basic expectations for the class?

A: **Professional conduct is always expected, regardless of the mode of delivery.** I expect that you will arrive to class sessions on time, participate in and be respectful towards each others' views during class discussions. We are part of a respectful college community so comments and language should be appropriate for this setting, including addressing your instructor appropriately (Professor or Professor McKenzie). Tolerance and respect towards each other must always be displayed. We all come from various backgrounds and bring differing viewpoints and experiences to this community, which means that we have so much to learn from each other. We can show respect for differences by seeking to understand, asking questions, clarifying our understanding, and/or respectfully explaining our own perspectives. This way, everyone walks away with a new perspective of seeing an issue and respecting others with different values or beliefs.

I also hope that you will do at least two hours of studying and/or reading assigned chapters for every hour of lecture. I want you to challenge yourself and have fun while doing it! This can be a really rewarding class! We all have to make decisions at one point, the materials taught in this course can help you beyond your university life by exposing you to tools that will help you make sense of this complex world.

Q: I am tired of wearing masks! If I maintain social distancing, can I sit in class without a mask?

A: *You certainly can!* Following the [University's Covid-19 Guidelines](#), Northwestern will lift its masking requirement in classrooms, lab-based classes and other instructional spaces, effective at the start of Spring Quarter on Tuesday, March 29. While masking will no longer be required in most spaces, the University strongly recommends masking in areas where distancing is not possible. At the same time, it is important to acknowledge that each of us moves at a different speed with changing a practice that has been a part of our lives for the better part of two years. No matter your choice of whether to continue wearing masks, we are committed to respecting and supporting one another.

Q: Why should we care so much about the Codes of Conduct?

A: We're **N** this together so let's show respect for each other and make this a pleasant learning environment for everyone! We'll get through this pandemic soon! Hang in there! ☺

Q: I am sick on the day of the exam, or have a personal emergency and can't make it to class on exam day. What should I do?

A: If for **valid reasons, with proofs (a note from the Dean's office or other school advisors)**, you miss an exam, please notify me immediately. Advanced notice is always preferred. If you miss Midterm 1 or Midterm 2, then the total grade for your Midterm will be re-weighted as follows:

$$\{0\% * \text{Midterm 1} + 40\% * \text{Midterm 2}\} \text{ or } \{40\% * \text{Midterm 1} + 0\% * \text{Midterm 2}\}$$

Q: I'm anxious about my performance in an exam. How soon will grades be posted?

A: The [grade book](#) in Canvas will be updated regularly (almost weekly, if possible) so that you are aware of your current progress in the course. This is done to promote transparency and accountability, which should prompt you to take action and seek academic help (see tutoring resources below) if you are not pleased with your current performance. Please utilize my students hours (they are for you!) or email me to schedule an appointment. I am always willing to meet with and help you.

Q: I feel like I'm behind in the class. Where can I find information to catch up?

A: *Firstly, breathe.* You are doing better than you think! Class information (changes in assignment dates, exam coverage, notification of new files, answers to frequently asked questions) will be posted on the front page of the class Canvas page under [Announcements](#) or on the discussion board. I will post there at least once a week with a general weekly greeting and overview of activities for that week before noon on Monday, along with handouts or practice problems that I think may be helpful throughout the week, where applicable. Make sure to keep up with your syllabus and read the text assignments. Lecture and discussion sessions will make a world more sense after having done the reading.

Q: Will you be lenient if I'm caught cheating, plagiarizing or engaging in any unethical behavior?

A: No. You will likely get a grade of "F" and your case escalated to the Dean, who will take further action. While you are encouraged to form study groups to discuss assignments and lecture notes, your graded work must be a result of your independent effort. You are required to comply with the policies found in the booklet, "Academic Integrity at Northwestern University: A Basic Guide", which can be found here: <https://www.northwestern.edu/provost/policies/academic-integrity/index.html>

Q: Checking Canvas frequently seems like a lot! Why can't you just email us?

A: While checking the announcements page takes a bit of time out of your busy life, I have found this technique better than flooding your inboxes with emails (especially right before exams, I may post several notices as I write exams or answer student questions). If you check the [class Canvas page](#) Canvas frequently you can consume course information at your leisure and have it all archived so that it's easy to find.

Q: I'm interested in connecting with other Econ students in a more social, relaxed setting. Are there any clubs for this?

A: You bet! There is [Womxn in Economics](#) (WiE), a passionate group of undergraduates who seek to encourage female-identifying members of the community to pursue their interests in economics through a variety of events and learning opportunities. You also have [Undergraduate Economics Society](#) (UES). They have both teamed up to host weekly coffee chats for first and second year students to receive guidance from juniors and seniors on classes, activities, academia, internship recruiting, and more. Visit their web page, [UES-WiE Advising](#), for the updated Fall schedule. It'll be informative and so much fun!

Q: I won't be able to attend class, can I ask my friend to record the lecture?

A: No. Unauthorized student recording of classroom or other academic activities (including advising sessions or office hours) is prohibited. Unauthorized recording is unethical and may also be a violation of University policy and state law. Students requesting the use of assistive technology as an accommodation should contact [AccessibleNU](#). Unauthorized use of classroom recordings – including distributing or posting them – is also prohibited. Under the University's [Copyright Policy](#), faculty own the copyright to instructional materials – including those resources created specifically for the purposes of instruction, such as syllabi, lectures and lecture notes, and presentations. Students cannot copy, reproduce, display, or distribute these materials. Students who engage in unauthorized recording, unauthorized use of a recording, or unauthorized distribution of instructional materials will be referred to the appropriate University office for follow-up.

Q: What are additional student support resources that I need to know about?

A: Northwestern has an abundance of resources to meet your basic needs for a holistic college experience. Below, I list a few that I think you should know about.

– [AccessibleNU](#): Northwestern University is committed to providing the most accessible learning environment as possible for students with disabilities. Should you anticipate or experience disability-related barriers in the academic setting, please contact AccessibleNU to move forward with the university's established accommodation process (✉ accessiblenu@northwestern.edu; ☎ 847-467-5530). If you already have established accommodations with AccessibleNU, please let me know as soon as possible, preferably within the first two weeks of the term, so we can work together to implement your disability accommodations. Disability information, including academic accommodations, is confidential under the Family Educational Rights and Privacy Act.

– [Wellness and Mental Health](#): Northwestern University is committed to supporting the wellness of our students. Student Affairs has multiple resources to support student wellness and mental health. If you are feeling distressed or overwhelmed, please reach out for help. Students can access confidential resources through the [Counseling and Psychological Services](#) (CAPS), [Religious and Spiritual Life](#) (RSL) and the [Center for Awareness, Response and Education](#) (CARE).