

**PA 5042 Spring 2023 (2 credits)
URBAN AND REGIONAL ECONOMICS**

Welcome to PA 5042: Urban and Regional Economics!

Course Overview

This course is intended:

- to provide an economics-based explanation for why cities exist and what causes them to grow and shrink;
- to use economic tools to analyze urban employment, land use, housing, and transportation; and
- to discuss the efficiency and distributional effects of local government policies.

Instruction team contact information

Professor Angie Fertig, arfertig@umn.edu

Office hours are by appointment here: <https://calendar.app.google/fQg93361WLvM9vMz7>

TA Laura Bretheim, bret0059@umn.edu

Office hours are Thursdays, 2:30pm – 4:30pm, or by appointment

TA Maya Sheikh, sheik076@umn.edu

Office hours are Tuesday, 11:30am – 12:30pm, and Fridays, 9:00am – 10:00am, or by appointment

Zoom links for office hours are available on the Canvas course website.

Inclusion Statement

The field of economics has been dominated by a small subset of privileged voices. Economic theories simplify the world in order to make useful predictions. However, the simplifying assumptions are based on the economists' knowledge and experiences, which is often limited. Sometimes those simplifications can cause harm. Two groups that have been particularly harmed by economic theories in the US, although there are many more, are African Americans, by not accounting for historical and structural racism, and Native Americans, by applying capitalist views to community-oriented behaviors. To begin to rectify these past wrongs, we will explicitly put these groups at the forefront of our minds, and I provide here brief acknowledgements that ensure that everyone in the course has a basic understanding of the history of these groups.

*The University of Minnesota-Twin Cities respectfully acknowledges that the land we are on today is the traditional and ancestral homeland of the Dakota people. The University of Minnesota is founded as a land-grant institution, and we recognize that our founding came at a dire cost to the Dakota people. The Dakota were forced to cede their lands in return for goods and services, but the government did not uphold the terms of these treaties leading to widespread devastation. We recognize this painful past, and we honor Dakota peoples' history on this land, their sovereignty, and their continued contributions to our region. Minnesota comes from the Dakota name for this region, Mni Sota Maḵoḵe — "the land where the waters reflect the skies." The Dakota and numerous other Indigenous peoples, whose cultural, spiritual, and economic practices are intrinsically woven to this landscape, hold this land sacred. We recognize them as original stewards of this land and all the relatives within it, who had thriving and vibrant communities prior to disruption by settlers. Today, the State of Minnesota shares geography with eleven Tribal Nations. By offering this land acknowledgement, **we affirm tribal sovereignty and hold the University of Minnesota accountable to recognize and counter the historical and contemporary injustices that continue to impact Indigenous people, through mutually beneficial partnerships, research, policies, and practices that***

respect Indigeneity.

*Most US-born African Americans had ancestors who were brought to the US forcibly as slaves. While enslaved, the ancestors of current African Americans were malnourished, lived in unsanitary conditions, performed excessive physical labor, and were often abused. After slavery was abolished, many states enacted codes (Jim Crow laws) that legally subjugated African Americans for about 100 years. Jim Crow laws imposed legal restrictions for non-white persons in education, transportation, hospitals, employment, marriage, voting, and every other institution that affects one's health and wellbeing. Policies like redlining (i.e., restricting financial services to neighborhoods of color) and racially restrictive covenants on deeds (i.e., that non-white people could not own the property) were common in Minnesota leading Minneapolis to have the widest racial homeownership gap among large US cities. The impact of these policies is still present today: because of these policies, African Americans still live predominately in neighborhoods with limited public investments, poor quality schools, limited green space, and high poverty and crime rates. **"We commit and rededicate ourselves to preparing our next generation of legal and public policy practitioners who will challenge racist and dysfunctional systems and devote their professional lives to the pursuit of justice and civil rights for all of society."** (Garry W. Jenkins and Laura Bloomberg, June 1, 2020)*

It is not enough to only make these acknowledgements. We will center these two groups, as well as other marginalized populations, in this class. We will also provide a section on Canvas to share resources so that you can do the work on educating yourself if they have been omitted in your prior education.

While we will explicitly center previously excluded groups, it is my intent that students from all backgrounds and perspectives be well-served by this course. I strive to create a learning environment that honors all of your identities (including race, gender, class, caste, sexuality, religion, ability, etc.), and where each class member (including the instructor and TAs) is able to hear and respect each other. Please let me know (anonymously if you prefer) if something is said or done in this course that is troubling or causes offense.

I strongly believe that stress inhibits learning. Thus, we strive to not create stress or anxiety in this course, and we are sensitive to the stressors that occur outside of class. If something difficult happens in your life, don't stay silent. It doesn't matter what it is (having a baby, getting married/divorced, breakups, family members/friends getting sick, financial troubles, mental health crises, etc.). We aim to prioritize supporting each other as humans. **We are your Humphrey community.** Send someone on the teaching team an email and reach out to fellow students for support. We may be able to offer you flexibility on assignment due dates or connect you to resources you may not know about. Our goal is to not only foster intellectual nourishment, but also create an environment of social connection and personal accommodation.

University and School Policies and Resources

Disability Resource Center (DRC). UMN is committed to providing equitable access to learning opportunities for all students. The DRC is the campus office that collaborates with students who have disabilities to provide and/or arrange accommodations. If you have, or think you may have, a disability (e.g., mental health, attentional, learning, chronic health, sensory, or physical), please call 612-626-1333

to arrange a confidential discussion. For more information, please see diversity.umn.edu/disability. If you are registered with the DRC and have a current letter requesting accommodations, please contact me as early in the semester as possible to discuss.

Center for Writing's Student Writing Support. Student Writing Support provides free writing instruction for all University of Minnesota students – graduate and undergraduate - at all stages of the writing process. They help students develop productive writing habits and revision strategies via in-person consultations. See writing.umn.edu.

Academic Policies. For links to UMN and Humphrey School policies, please see <https://z.umn.edu/PolicyStatements>. Policies include information on student conduct, scholastic dishonesty, legitimate absences, sexual harassment, equal opportunity, disability accommodations, and more. It is your responsibility to understand these policies; ignorance of the policies is not an acceptable excuse for violating a policy.

Please note that if a class session falls on a holiday that you celebrate, your absence from class is excused. I am happy to meet with you to go over anything they missed. Here is a [relevant UMN administrative policy](#) on this.

Covid-related Rules

You should stay at home if you experience any signs of illness or have a positive [COVID-19 test](#) result. If this occurs, please consult with your healthcare provider about an appropriate course of action. I will follow these same protocols and will let you know if the delivery of this course must be temporarily changed as the result of my own circumstances. Absences related to illness, including COVID-19 symptoms, for yourself or your dependents, are [legitimate “excused” absences](#).

Vaccines: COVID-19 Vaccinations (or approved exemptions) are [required for all students and employees](#). Learn about vaccine and booster appointments on campus by visiting the FAQ on [Get the Vax](#) page.

Face coverings: Up-to-date policy information is available on the [Safe Campus](#) page. The University expects all community members to respect those who choose to wear a mask, as well as those who choose not to wear one. I intend to wear a mask in class myself, and I fully support your individual choices around masking. Indoor masking continues to be an important tool in high-risk situations. High-quality masks (N-95 or certified KN-95) will be available to students.

Testing: Information on *When, Where, and What if* for testing is available on [MTest](#) webpage.

The above policies and guidelines are subject to change. The University regularly updates [pandemic guidelines](#) in response to guidance from health professionals and in relation to the prevalence of the virus and its variants in our community.

Course Logistics

Meeting dates, times and locations:

This course is scheduled as blended course. For the delivery of this course, I intend to offer both in-person and remote options as follows:

Class sessions: Tuesdays and Thursdays 1:00pm – 2:15pm

Class sessions will be taught in-person in Humphrey Rm 50B and over zoom (link on Canvas) simultaneously. You decide every Tuesday or Thursday whether to come in-person or attend remotely

and you do not need to notify anyone of your choice. The class sessions will be video recorded, so you can also watch the class video if you miss class.

Discussion sessions: Fridays at 10:10am – 11:00am (HHH Rm 30 or via zoom)
 Fridays at 11:15am – 12:05pm (HHH Rm 184 or via zoom)

Discussion sessions are led by the TAs and are where you will review course concepts and get help with the assignments. As with class, you can come in-person or attend remotely. You should try to attend the session you registered for, but you can attend a different session if needed. One of the sessions will be video recorded so can watch it if you miss discussion.

Zoom/Classroom Practices:

- All Zoom sessions will have live captioning provided.
- Recordings of class and lab sessions will be posted to Canvas.
- You do not need to turn on your video. However, please engage in the class to the best of your ability. It is helpful to the instructor and teaching assistants to get live feedback from students whenever possible (e.g., chat questions, confused looks, thumbs up, applause).
- Please mute your audio when you are not speaking.
- In accordance with student privacy protections, no recordings of any of the class or lab zoom sessions that shows students faces or names can be shared outside of this course.
- To prevent “Zoom-bombing”, do not share any class Zoom links on social media or other public places.

Canvas Course Website:

All assignments will be turned in and graded on the Canvas course website (canvas.umn.edu). Required online discussions will take place on designated discussion boards on Canvas. Extra readings and resources will also be available there. We will also set up an informal discussion board on Canvas for students to share resources, advice, and to chat informally to foster community and connection. Please make sure you set course settings to receive course announcements and course conversations (emails) at least the same day.

Required Readings:

Bluestone B, Stevenson MH, and Williams R. The Urban Experience, **2nd edition**. New York, NY: Oxford University Press, 2023.

NOTE: Because this textbook is new (published 2023), I have chosen to offer the book in the Inclusive Access (IA) format. This means your course materials will be delivered electronically to the Canvas course website. They will be available by the first day of class, and you will be charged **\$54** automatically for them through your student account. You will access your IA course materials through the course page in Canvas. **If you do not want to participate in the IA program, you can opt out of the access and the fee will be refunded as long as you opt out before January 27, 2023.** The Bookstores will send an IA welcome email near the beginning of the semester, and this email will have instructions about how to opt out. The subject line of the welcome email will be "Important Course Materials Info: Charges to Your Student Account" and it will come from no-reply@verbasoftware.com. If you have any questions about inclusive access, please contact the Bookstore at inclusiveaccess@umn.edu.

Additional readings are listed at the end of the syllabus and will be posted on the course website.

Required Hardware and Software:

- *Internet-connected device.* You will need to have an internet-connected device because we will be using a polling platform that will require an internet connection.

Course Requirements

Three Papers

Puzzle Paper (20%-Due midnight February 6). This paper should be no more than 300 words (one page). Your assignment is to use a principle, or principles, discussed in the course to explain some puzzling pattern of events or behavior that you personally have observed. Do not use complex terminology. Imagine yourself talking to a relative who has never had a course in economics. Do not use any equations or graphs. You are not expected to do a lot of research in support of your argument, although a relevant fact or two might help persuade you that your argument is correct. If you choose to include a few citations, you can but you need not to include a bibliography. Your topic need not be important but try to make it interesting. Your puzzle paper will be graded based on whether the puzzle is actually puzzling (paragraph 1), whether the economic reasoning is sound (paragraph 2), and on the clarity of the writing overall.

Reading Analysis (30%-Due dates vary – see table at end of the syllabus). At the end of the syllabus is a list of over 70 readings. Each student will select one reading to be responsible for and will write a 500 word essay providing a brief summary, some analysis of the points made in the reading, and discussion questions to stimulate conversation about the reading with your classmates. You will post your essay on an online discussion forum on canvas. Any reading not selected by a student will be deleted from the reading list.

Policy Paper (40%-Due midnight March 13). This paper should be no more than 1000 words (3 pages). Your assignment is to provide a short economic evaluation of some existing or proposed urban or regional policy. You should 1) assess the problem addressed by the policy, 2) describe the policy, 3) explain how the policy addresses the problem, 4) use economic reasoning in your explanations, 5) provide at least one possible unintended consequence, or a weakness of the policy, and 6) make a recommendation based on your analysis. The details of the policy should be reviewed using available information from the news and academic outlets (include citations). The analysis should appeal to an explicit economic model discussed during the course (graphs and jargon may be used as appropriate). Your topic should be in an area that is of particular interest to you. Your policy paper will be graded on the six items listed above as well as on the clarity of the writing overall.

Participation (10% of course grade). The participation grade will be primarily assessed based on **responses to reading analysis posts**. Each student is required to respond to one reading analysis posts per week. You can miss one week penalty-free. Thus, everyone is required to respond to 4 reading analyses total. Responses may include comments on the reading, reactions to the analysis, or responses to the discussion questions. They may also include examples from the news or personal experience that demonstrate the ideas presented in the reading or post.

Detailed Course Schedule with Deadlines (Subject to change with notice.)

(Due) Date	Type	Description	Reading
WEEK 1			
Tue, Jan 17	Class	Introduction	Chs. 1 & 2
Thu, Jan 19	Class	Development of Cities	Ch. 3
Fri, Jan 20	Discussion		
WEEK 2			
Tue, Jan 24	Class	Cities & Suburbs 1	Ch. 4
Thu, Jan 26	Class	Urban Prosperity & Trade	Ch. 5
Fri, Jan 27	Discussion		
WEEK 3			
Tue, Jan 31	Reading Analysis A	Due before class	
Tue, Jan 31	Class	Urban Labor Markets	Ch. 6
Thu, Feb 24	Class	Urban Labor Markets	Ch. 6
Fri, Feb 3	Discussion		
Mon, Feb 6	Puzzle Paper	Due by midnight	
WEEK 4			
Tue, Feb 7	Reading Analysis B	Due before class	
Tue, Feb 7	Class	Government & cities 1	Ch. 7
Thu, Feb 9	Class	Government & cities 2	Ch. 7
Fri, Feb 10	Discussion		
WEEK 5			
Tue, Feb 14	Reading Analysis C	Due before class	
Tue, Feb 14	Class	Transportation 1	Ch. 10
Thu, Feb 16	Class	Transportation 2	Ch. 10
Fri, Feb 17	Discussion		
WEEK 6			
Tue, Feb 21	Reading Analysis D	Due before class	
Tue, Feb 21	Class	Land use policy 1	Ch. 13
Thu, Feb 23	Class	Land use policy 2	Ch. 13
Fri, Feb 24	Discussion		
WEEK 7			
Tue, Feb 28	Reading Analysis E	Due before class	
Tue, Feb 28	Class	Urban housing and public policy 1	Ch. 14
Thu, Mar 2	Class	Urban housing and public policy 2	Ch. 14
Fri, Mar 3	Discussion		
Mon, Mar 13	Policy Paper	Due by midnight	

List of Options for Reading Analysis Assignment

Each student will post an essay on one of the following readings and each student will respond to 5 reading posts over the half-semester. The due date listed is for the student essays on the reading; the responses are due one week after for participation credit.

Reading Analysis A: Development of Cities (due Jan 31, 2023)	
1	Akbar et al (2019) Racial Segregation in Housing Markets and the Erosion of Black Wealth
2	Angel, Parent, Civco & Blei (2011) Making Room for a Planet of Cities
3	Bayoh, Irwin & Haab (2006) Determinants of Residential Location Choice: How important are local public goods in attracting homeowners to central city locations?
4	Ewing & Hamidi (2015) Compactness versus Sprawl: A Review of Recent Evidence from the United States
5	Fang (2015) Do Clusters Encourage Innovation?
6	Finio (2021) Measurement and Definition of Gentrification in Urban Studies and Planning
7	Glaeser (2005) Urban Colossus: Why is New York America's Largest City?
8	Glaeser (2020) Urbanization and its Discontents
9	Glaeser (2021) Urban Resilience
10	He, Chen & Schramm (2017) Technological spillovers in space and firm productivity: Evidence from China's electric apparatus industry
11	Howell & Timberlake (2014) Racial and ethnic trends in the suburbanization of poverty in US metropolitan areas, 1980-2010
12	Ibraimovic & Masiero (2014) Do Birds of a Feather Flock together? The Impact of Ethnic Segregation Preferences on Neighbourhood Choice
13	Lichter, Parisi & Taquino (2015) Toward a New Macro-Segregation? Decomposing Segregation within and between Metropolitan Cities and Suburbs
14	Parchomovsky & Siegelman (2012) Cities, Property, and Positive Externalities
15	Puga (2010) The magnitude and causes of agglomeration economies
Reading Analysis B: Trade & Labor (due Feb 7, 2023)	
1	Angel & Blei (2016) The spatial structure of American cities: The great majority of workplaces are no longer in CBDs, employment sub-centers, or live-work communities
2	Black, Kolesnikova & Taylor (2014) Why do so few women work in New York (and so many in Minneapolis)? Labor supply of married women across US cities
3	Duranton (2014) Growing through Cities in Developing Countries
4	Fan (2012) The Planners' War against Spatial Mismatch: Lessons Learned and Ways Forward
5	Giuliano, Redearn & Agarwal (2007) Employment concentrations in Los Angeles, 1980-2000
6	Glaeser, Kolko & Saiz (2001) Consumer city
7	Gupta et al (2021) Flattening the Curve: Pandemic-Induced Revaluation of Urban Real Estate
8	Lang & LeFurgy (2003) Edgeless Cities: Examining the Non-centered Metropolis
9	Lewis & Peri (2014) Immigration and the Economy of Cities and Regions
10	Liu, Rosenthal & Strange (2018) The vertical city: Rent gradients, spatial structure, and agglomeration economies
11	Ramani & Bloom (2021) The Donut Effect of Covid-19 on Cities
12	Rappaport (2008) Consumption amenities and city population density
13	Schwartz & Ellen (2000) No Easy Answers: Cautionary Notes for Competitive Cities
14	Zivin & Neidell (2012) The Impact of Pollution on Worker Productivity

List of Options for Reading Analysis Assignment, continued

Reading Analysis C: Government (due Feb 14, 2023)	
1	Ahmadu & Nukpezah (2021) Disasters, Jurisdictional Vulnerability, and Local Tax Revenues
2	Auxier (2022) How Post-Pandemic Tax Cuts Can Affect Racial Equity
3	Boddupalli, Gordon, & German (2021) More Than Fines and Fees: Incorporating Equity into City Revenue Strategies
4	Braveman, Arkin, Proctor, Kauh, & Holm (2022) Systemic and Structural Racism: Definitions, Examples, Health Damages, and Approaches to Dismantling
5	Cerqua & Pellegrini (2022) Decomposing the employment effects of investment subsidies
6	Devereux, Griffith & Simpson (2007) Firm location decisions, regional grants and agglomeration externalities
7	Dimitrova-Grajzl, Grajzl, Guse (2014) Jurisdiction, Crime, and Development: The Impact of Public Law 280 in Indian Country
8	Dube & Lindner (2021) City Limits: What Do Local-Area Minimum Wages Do?
9	Flynn & Smith (2022) Rivers, lakes and revenue streams: The heterogeneous effects of Clean Water Act grants on local spending
10	Kjellstrom et al. (2007) Urban Environmental Health Hazards and Health Equity
11	Levinson (2021) America's regressive wealth tax: State and local property taxes
12	Majchrowska & Strawinski (2021) Minimum wage and local employment: A spatial panel approach
13	Quick (2021) Tribal sovereignty and the limits and potential of inter-governmental collaboration
14	Zheng & Graham (2022) Public Education Inequality and Intergenerational Mobility
Reading Analysis D: Transportation (due Feb 21, 2023)	
1	Blumenberg & Pierce (2017) Car access and long-term poverty exposure: Evidence from the Moving to Opportunity (MTO) experiment
2	Delucchi & McCubbin (2010) External Costs of Transport in the US
3	Federal Highway Administration (2008) Congestion Pricing: A Primer
4	Kawamura (2001) Empirical Examination of Relationship Between Firm Location and Transportation Facilities
5	King, Manville & Shoup (2007) The political calculus of congestion pricing
6	Ko & Cao (2013) The Impact of Hiawatha Light Rail on Commercial and Industrial Property Values in Minneapolis
7	Muller (2004) Transportation and Urban Form: Stages in the Spatial Evolution of the American Metropolis
8	Padiero, Louro, Marques da Costa (2019) Transit-oriented development and gentrification: a systematic review
9	Small (1992) Using the revenues from congestion pricing
10	Tao, Cao, Wu (2021) The Road Less Traveled: Does Rail Transit Matter?
11	Wang & Chen (2014) Impact of fuel price on vehicle miles traveled (VMT): do the poor respond in the same way as the rich?
12	Wu, Cao, Douma (2021) The impacts of vehicle automation on transport-disadvantaged people

List of Options for Reading Analysis Assignment, continued

Reading Analysis E: Land Use & Housing Policy (due Feb 28, 2023)	
1	Caetano & Maccartney (2020) What Determines School Segregation? The crucial role of neighborhood factors
2	Garde & Kim (2017) Form-Based Codes for Zoning Reform to Promote Sustainable Development
3	Goetz et al. (2021) Minneapolis Rent Stabilization Study
4	Hananel, Krefetz & Vatury (2021) Public Housing Matters: Public Housing Policy in Sweden, the United States, and Israel
5	Hanratty (2017) Do Local Economic Conditions Affect Homelessness? Impact of Area Housing Market Factors, Unemployment, and Poverty on Community Homeless Rates
6	Jun (2004) The Effects of Portland's Urban Growth Boundary on Urban Development Patterns and Commuting
7	Kuhlmann (2021) Upzoning and single-family housing prices
8	Landis (2006) Growth Management Revisited: Efficacy, Price Effects and Displacement
9	Mah (2021) Gentrification-Induced Displacement in Detroit, Michigan: An Analysis of Evictions
10	Park, Fertig & Metraux (2014) Factors Contributing to the Receipt of Housing Assistance by Low-Income Families with Children in Twenty American Cities
11	Shertzer, Twinam, Walsh (2021) Zoning and segregation in urban economic history