

Professor:

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Associate Professor, Economics

The best way to contact me is at belfield@qc.cuny.edu. My office hours are 12pm-1:40pm on Mondays and Wednesdays in Powdermaker 300R.

Classes:

Lectures: Mondays 1:40pm-3pm

What is this course about?

It's about cost-benefit analysis and the economic evaluations of policies and projects. The course has two parts: method and practice. The goal is to be practically adept, not methodologically sophisticated. The goal is to give you sufficient confidence to undertake an independent cost-benefit analysis.

We will cover particular case studies of cost-benefit analysis, such as: Yankee Stadium; the Second Avenue Subway in Manhattan; congestion pricing; global warming; the Olympics; crime; preschool education; the Three Gorges Dam; and vaccinations.

What work should you do?

Lectures are mandatory. Read the textbook and at least 75% of the readings. Talk with friends about the topics and issues.

What are the rules?

You must register for the course. The prerequisites ECO102 and ECO249.

What are the course grades?

I use the full grade distribution. If everyone works hard, all grades are higher.

How is the course assessed?

Four assignments each worth 6%. [24%]

Midterm exam (multiple choice). [26%]

Final exam to cover material from the entire course. The format will be a mix of: essay questions on topics covered during the classes; essay questions on the essay/project topics; and problems. [50%]

Textbook:

Boardman, A., D. Greenberg, A. Vining, and D. Weimer. 2006. *Cost-Benefit Analysis: Concepts and Practice*. Prentice-Hall: New York. You will need ready access to this book. Earlier editions are usable. The textbook is overly formal and technical; we will not cover all of the definitions and terms used in the textbook. We will liven the material up with examples. We will not cover material in the Appendices.

Course outline: Method

Week 1 Introduction, Overview, and Economic Fundamentals

Boardman et al. (2006) Chapters 1 and 2.

Week 2 Economic Principles and Costs Analysis

Boardman et al. (2006) Chapters 3 and 4.

Week 3 Costs Analysis

Boardman et al. (2006) Chapter 5.

Week 4 Present Values and Discounting

Boardman et al. (2006) Chapters 6 and 10.

Week 5 Uncertainty

Boardman et al. (2006) Chapter 7.

Pindyck, RS. 2007. Uncertainty in environmental economics. *Review of Environmental Economics and Policy*, **1**, 45-65.

Week 6 Information

Boardman et al. (2006) Chapter 8.

Weeks 7-8 Valuing Benefits

Boardman et al. (2006) Chapters 9, 11-14.

Cohen MA, Rust RT, Steen S, and ST Tidd. 2004. Willingness-to-pay for crime control programs. *Criminology*, **42**, 89-109.

Richardson, L and J Loomis. 2008. The total economic value of threatened, endangered, and rare species: An updated meta-analysis. *Ecological Economics*, **68**, 1535-1548.

Weeks 9-11 Shadow Pricing and the Value of a Statistical Life

Boardman et al. (2006) Chapters 15 and 16.

Cohen, MA and TR Miller. 2003. "Willingness to award" nonmonetary damages and the implied value of life from jury awards. *International Review of Law and Economics*, **23**, 165-181.

Week 12 Economic Evaluations in Practice

Boardman et al. (2006) Chapters 17-18.

Hahn, RW and PC Tetlock. 2008. Has economic analysis improved regulatory decisions? *Journal of Economic Perspectives*, **22**, 67-84.

Weeks 13-15 Case Studies of Cost-Benefit Analysis

The case studies will be determined based on students' interests. Case study readings will then be available. The case studies may include: Yankee Stadium; the Second Avenue Subway in Manhattan; congestion pricing; global warming; the Olympics; crime; preschool education; the Three Gorges Dam; and vaccinations.