

UNC Course Syllabus for ECON 590-004 Spring 2021

<u>Course:</u>	ECON 590-004	<u>Term:</u>	Spring 2021
<u>Credit hours:</u>	3.0	<u>Schedule:</u>	Tu/Th 9:30 - 10:45am
<u>Prerequisites:</u>	ECON 400, ECON 410	<u>Location:</u>	Chapman Hall, Room 0211
<u>Instructor:</u>	DeForest McDuff		Or remote learning via Zoom
<u>Email:</u>	dmcduff@email.unc.edu	<u>Office hours:</u>	Tu/Th 10:45am-11:15am Or by appointment

Course Title: Economics and Life: Applying Economics to Life's Big Questions

Course Description: This course explores the intersection of economics and self-examination about how to live a good life. Students will learn about economic models, empirical evidence, and economic research in the following areas: (1) Self-interest, (2) Cooperation, (3) Society, (4) Education, (5) Career, (6) Finances, (7) Marriage, and (8) Children. Students will review evidence and excerpts from published research, classic thinkers (e.g., Adam Smith, John Rawls, Gary Becker), and contemporary economists (e.g., Angus Deaton, David Card, Dan Ariely). Students will engage in regular online and classroom discussions. The course culminates with a self-reflective term paper with the following prompt: "What is a good life, and how can economics help us live good lives?"

Learning Objectives:

- To understand and apply economic models
- To review and evaluate empirical evidence
- To consider a range of economic perspectives
- To think critically about life objectives and trade-offs
- To apply economic principles and research to personal aspirations and life goals

Student Assignments:

- Readings: Students will be assigned a variety of readings, including book chapters, academic papers, and online sources to be provided by the instructor and completed in advance of class. One book will be assigned for purchase: Russ Roberts (2014), *How Adam Smith Can Change Your Life*, Penguin Random House Publishing (<https://www.amazon.com/Adam-Smith-Change-Your-Life-ebook/dp/B00INIXQA2>)
- Online discussions: The instructor will provide online prompts and questions for online written discussion via Sakai. Students are expected to contribute at least 1 affirmative comment and 1 responsive comment per prompt.
- Term paper: 1st half: at least 4 pages, due the day after the Society section concludes
Full paper: at least 10 pages, due the day after the Children section concludes

Grading:

- 20% Online Participation Online research and discussions
- 20% Class Participation Class attendance and participation
- 20% Term Paper: 1st half 1st half of term paper
- 40% Term Paper: Final Term paper

Readings: The instructor will post readings online that are relevant to each topic being studied. Readings will include book chapters, academic papers, and online sources. Students are expected to complete the readings outside of class and in advance of the topic being discussed. Some readings are easy to follow (*i.e.*, introductory-level economics) whereas others may be more difficult (*i.e.*, published research and graduate-level material). Students should strive to review and understand all material, recognizing that full comprehension of more difficult material may not be needed.

Online Participation (20% of grade): The instructor will provide online prompts in response to the readings and class lectures, including questions and hypotheses about the topics discussed in the course. Online prompts and participation will be provided in Sakai or Google Docs. Students are expected to contribute to the online discussions by providing at least 1 affirmative comment and 1 responsive comment per prompt. Students are expected to engage in open dialogue that respects a diversity of opinion, such that all students' opinions will be respected and permitted in a constructive discussion of the core issues. The instructor reserves the right to moderate all online discussions, as needed. Students will be evaluated by the quantity, quality, and consistency of their online participation.

Class Participation (20% of grade): Classes will include lecture components, with the instructor providing most of the content, and discussion components including discussion among the students and instructor. Class attendance is required except for University approved absences, and absences will result in a lower participation grade. Students will be evaluated based on class attendance, and the quantity and quality of class participation.

Term Paper (60% of grade): Students will write an end-of-semester term paper with the following prompt: "How is a good life defined, and how can economics help you live such a life?" The paper should discuss themes, readings, and topics from the readings and course content. The paper should combine economic analysis (relevant models, data, and trade-offs) with personal evaluation (how those trade-offs apply to one's own life). Students will share papers with the rest of the class via online discussion and will review other students' papers. Term papers are due in stages, with the 1st half (at least 4 pages) due one day after the Society section of the course and the final term paper (at least 10 pages) due one day after the Children section of the course. The instructor will provide more guidance on term papers during class.

Academic Integrity: Students are bound by the University Honor Code (<http://honor.unc.edu/>) and must adhere to University standards of academic integrity. During class discussions and particularly in student term papers, all words or ideas that are not your own must be cited. Plagiarism will be taken very seriously and will be referred to the University. Please see the UNC Plagiarism Tutorial for an overview of why we cite and what constitutes plagiarism (<https://guides.lib.unc.edu/plagiarism>).

Remote learning: UNC has notified its community that the class will start in remote learning format for this semester. During that time, classes will be conducted via Zoom with a link provided by the instructor. If UNC moves to in-person learning, we will hold classes at the location above. From time to time, the instructor may need to hold a class via Zoom or move the time of the class to accommodate a scheduling conflict; in such cases, the instructor will provide further direction. Remote classes may be recorded by the instructor for use and reference within the class. Consistent with UNC policy, students may not share or distribute the recordings outside of class for any reason.

In-class learning: For in-class learning, all students enrolled in the course are required to wear a mask in the classroom. If you choose not to wear a mask or wear it improperly, I will ask you to leave and may submit a report to the [Office of Student Conduct](#), which can result in disenrollment in the course for the protection of our educational community. An exemption to the mask wearing community standard will not typically be considered as a reasonable accommodation. Individuals with a disability or health

condition that prevents them from safely wearing a face mask must seek alternative accommodations through the [Accessibility Resources and Service](#). For additional information, see [Carolina Together](#).

Diversity Statement: I value the perspectives of individuals from all backgrounds reflecting the diversity of our students, broadly defined to include race, gender identity, national origin, ethnicity, religion, social class, age, sexual orientation, political background, and physical and learning ability. I strive to make this classroom an inclusive space for all students. Please let me know if there is anything I can do to improve, I appreciate suggestions.

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. Please contact the Director of Title IX Compliance (Adrienne Allison at Adrienne.allison@unc.edu), Report and Response Coordinators in the Equal Opportunity and Compliance Office (reportandresponse@unc.edu), Counseling and Psychological Services (confidential), or the Gender Violence Services Coordinators (gvsc@unc.edu; confidential) to discuss your specific needs. Additional resources are available at <https://safe.unc.edu/>.

Student Resources: Students have access to a number of University resources, including counseling and psychological services (<https://caps.unc.edu/>), the UNC Learning Center (<http://learningcenter.unc.edu/>), and the UNC Writing Center (<http://writingcenter.unc.edu/>). Students are encouraged to use those resources, as needed, and may contact the instructor with any questions with accessing those resources.

Course Content: See the subsequent pages for a tentative class schedule. The instructor may modify the schedule and readings as the semester progresses, as needed, to accommodate covering the topics of the course.

Course Evaluations: The University will distribute student course evaluations at the end of the semester during the last week of classes. I value your feedback and suggestions for making future versions of the course as good as possible. If you have any suggestions or concerns about how the course is going, I highly encourage you to raise these with me as they arise so that I can make the course as successful as possible.

Tentative Class Schedule

Class	Topic	Outline	Core Readings
1	Introduction	<p>Course objectives</p> <p>Course topics</p>	Class Syllabus
2-4	Self interest	<p>1. Self-interest</p> <p>a. What is self-interest?</p> <p>b. Are we self-interested?</p> <p>c. Is self-interest good or bad?</p> <p>2. Well-being</p> <p>a. What is well-being?</p> <p>b. What improves well-being?</p> <p>3. Happiness</p> <p>a. Is happiness the goal?</p> <p>b. How can we strive for happiness?</p>	<p>Russ Roberts (2014), <i>How Adam Smith Can Change Your Life</i>, Penguin Random House Publishing.</p> <p>Dan Ariely (2008, 2010), <i>Predictably Irrational: The Hidden Forces That Shape Our Decisions</i>, Harper Perennial, Introduction.</p> <p>Frey and Stutzer (2002), "What Can Economists Learn from Happiness Research," <i>Journal of Economic Literature</i>, 40(2), pp. 402-435.</p> <p>Kahneman and Krueger (2006), "Developments in the Measurement of Subjective Well-Being," <i>The Journal of Economic Perspectives</i>, 20(1), pp. 3-24.</p> <p>Kahneman and Deaton (2010), "High Income Improves Evaluation of Life but not Emotional Well-Being", <i>Proceedings of the National Academy of Sciences of the United States of America</i>, 107(38)</p>
5-7	Cooperation	<p>1. Cooperation</p> <p>a. What is cooperation?</p> <p>b. What are cooperative games?</p>	<p>Gary Becker (1976), "Altruism, Egoism, and Genetic Fitness: Economics and Sociobiology," <i>Journal of Economic Literature</i>, 14(3)</p> <p>Dan Ariely (2012), <i>The (Honest) Truth About Dishonesty: How We Lie To Everyone – Especially Ourselves</i>, Harper Perennial, Introduction, Chapter 1</p>

		<p>2. Human nature</p> <ul style="list-style-type: none"> a. Are we honest? b. Are we cooperative? <p>3. Ethics</p> <ul style="list-style-type: none"> a. What are ethics? b. Why do we have ethics? 	<p>(Testing the Simple Model of Rational Crime), Chapter 2 (Fun With The Fudge Factor)</p> <p>Adam Grant (2016), <i>Give and Take: Why Helping Others Drives Our Success</i>, Penguin Books, Chapter 1 (Good Returns)</p> <p>TBD on Game Theory</p>
8	Good Life	<p>Discussion</p> <ul style="list-style-type: none"> a. What is a good life? b. What makes a good term paper? 	
9-11	Society	<p>1. Human Progress</p> <ul style="list-style-type: none"> a. How are we doing? b. What are the risks? <p>2. Fairness</p> <ul style="list-style-type: none"> a. What is fair? b. What is just? <p>3. Inequality</p> <ul style="list-style-type: none"> a. What about inequality? b. What about discrimination? 	<p>Easterlin (1974), "Does Economic Growth Improve the Human Lot? Some Empirical Evidence," in Paul A. David; Melvin W. Reder (eds.). <i>Nations and Households in Economic Growth: Essays in Honor of Moses Abramovitz</i>. New York: Academic Press, Inc.</p> <p>Stephen Landsburg (1997), <i>Fair Play: What Your Child Can Teach You About Economics, Values, and the Meaning of Life</i>, Simon and Schuster, Chapters TBD.</p> <p>Michael Sandel (2020), <i>The Tyranny of Merit: What's Become of the Common Good</i>, Farrar Straus and Giroux Publishing, Chapters TBD.</p> <p>John Rawls (1971), <i>A Theory of Justice</i>, Presidents and Fellows and Harvard University, Excerpts.</p>

			<p>Emmanuel Saez (2017), "Income and Wealth Inequality: Evidence and Policy Implications,"</p> <p>Blau and Kahn (2017), "The Gender Wage Gap," <i>Journal of Economic Literature</i>, 55(3), pp. 789-865.</p> <p>Lang and Spitzer (2020), "Race Discrimination," <i>Journal of Economic Perspectives</i>, 34(2), pp. 68-89.</p>
12-13	Discussions	<p>1st half term paper due 1 day after Society</p> <p>Q: What is a good life?</p>	
14-15	Education	<p>Q1: How much education to get?</p> <ul style="list-style-type: none"> a. Wages by education b. Wage-education regressions c. Human capital v. Signaling <p>Q2: What type of education to get?</p> <ul style="list-style-type: none"> a. Wages by major b. Human capital v. Signaling c. Externalities v. Rank 	<p>Bureau of Labor Statistics: The Game of Life Versus Real Life.</p> <p>Concise Encyclopedia of Economics: Human Capital, by Gary Becker (2008).</p> <p>David Card (1999), "The Causal Effect of Education on Earnings," <i>The Handbook of Labor Economics</i>, Chapter 30.</p> <p>Michael Spence (1973), "Job Market Signaling," <i>Quarterly Journal of Economics</i>, 87(3), pp. 355-374.</p> <p>Bryan Caplan (2018), <i>The Case Against Education</i>, Princeton University Press, Chapter 1 (The Magic of Education), Chapter 4 (The Signs of Signaling).</p> <p>Georgetown University (2015), "The Economic Value of College Majors," Center on Education and the Workforce.</p>
16-17	Career	<p>Q1: Why do some jobs pay more than others?</p> <ul style="list-style-type: none"> a. Wages by profession 	<p>George Borjas (2019), <i>Labor Economics: 8th Edition</i>, McGraw-Hill, Chapter 4: Labor Market Equilibrium.</p>

		<ul style="list-style-type: none"> b. Labor market equilibrium <p>Q2: What kind of career should you pursue?</p> <ul style="list-style-type: none"> a. Passion v. Craftsman b. Search models c. Ikigai: A reason for being 	<p>Open Text BC (2020), "Demand and Supply at Work in Labor Markets."</p> <p>Cal Newport (2012), <i>So Good They Can't Ignore You</i>, Grand Central Publishing, Chapters 1-4.</p> <p>Financial Samurai, "Ikigai is Why You Shouldn't be Afraid of Retirement."</p> <p>Cal Newport (2012), <i>Deep Work</i>, Grand Central Publishing, Introduction.</p>
18-19	Finances	<p>Q1: How does economics influence finance?</p> <ul style="list-style-type: none"> a. What is finance? b. Are markets efficient? <p>Q2: What does this mean for personal finance?</p> <ul style="list-style-type: none"> a. Saving b. Investing c. Goals 	<p>Burton Malkiel (1973-2019), <i>A Random Walk Down Wall Street</i>, Norton & Company, Chapters 6, 7, 10.</p> <p>Jeremy Siegel (1994-2014), <i>Stocks for the Long Run</i>, McGraw-Hill, Chapters 1.</p> <p>Robert Shiller (2003), "From Efficient Markets Theory to Behavioral Finance," <i>Journal of Economic Perspectives</i>, 17(1), 83-104.</p> <p>William Bernstein (2002, 2010), <i>The Four Pillars of Investing: Lessons for Building a Winning Portfolio</i>, McGraw-Hill, Introduction.</p> <p>Ramit Sethi (2009, 2019), "I Will Teach You To Be Rich," Workman Publishing Co., Chapter 3 (Get Ready to Invest), Chapter 6 (How to Maintain and Grow Your System).</p>
20-21	Marriage	<p>Q1: Why get married?</p> <ul style="list-style-type: none"> a. Economic explanations b. Marriage and well-being 	<p>Gale and Shapley (1962), "College Admissions and the Stability of Marriage," <i>The American Mathematical Monthly</i>, 69(1): pp. 9-15.</p>

		<p>Q2: How is marriage changing over time?</p> <ul style="list-style-type: none"> a. Economic explanations b. Data trends 	<p>Stutzer and Frey (2006), "Does Marriage Make People Happy, or Do Happy People Get Married?", <i>The Journal of Socio-Economics</i>, 35, pp. 326-347.</p> <p>Stevenson and Wolfers (2007), "Marriage and Divorce: Changes and their Driving Forces," <i>Journal of Economic Perspectives</i>, 21(2).</p> <p>Lundberg, Pollak, and Stearns (2016), "Family Inequality: Diverging Patterns in Marriage, Cohabitation, and Childbearing," <i>Journal of Economic Perspectives</i>, 30(2).</p> <p>Wikipedia, Family Economics.</p>
22-23	Children	<p>Q1: Is having a child good for the parents?</p> <ul style="list-style-type: none"> a. Children and happiness <p>Q2: What is important for the child?</p> <ul style="list-style-type: none"> a. Parental investment / influence <p>Q3: Is having a child good for the world?</p> <ul style="list-style-type: none"> a. Malthusian economics b. Population growth 	<p>Kahneman and Krueger (2006), "Developments in the Measurement of Subjective Well-Being," <i>The Journal of Economic Perspectives</i>, 20(1), pp. 3-24.</p> <p>Kahneman, Krueger, Schkade, Schwarz, Stone (2004), "A Survey Method for Characterizing Daily Life Experience: The Day Reconstruction Method," Presentation.</p> <p>Haveman and Wolfe (1995), "The Determinants of Children's Attainments: A Review of Methods and Findings," <i>Journal of Economic Literature</i>, 33, pp. 1829-1878.</p> <p>Wikipedia: Malthusianism.</p> <p>The Guardian (2011), "Is Strict Parenting Better for Children?"</p> <p>Amy Chua (2011), <i>Battle Hymn of the Tiger Mother</i>, Penguin Group, Chapters 6-11.</p>

			<p>Bryan Caplan (2011), <i>Selfish Reasons to Have More Kids</i>, Basic Books, Introduction, Chapter 2 (The Case Against Guilt).</p> <p>Steven Landsburg (2007), <i>The Unconventional Wisdom of Economics</i>, Simon & Schuster, Chapter 2 (Be Fruitful and Multiply).</p>
24-27	Discussions	<p>Full term paper due 1 day after Children</p> <p>Q: What is a good life and how can economics help us live good lives?</p>	
28	Conclusion	Concluding Remarks	