COURSE DETAILS
Title: ECON 6295 Applied Cost Benefit Analysis
Section: Section 10 (CRN 62613)
Semester: Summer Term 2019
Location: Phillips 108
Time: Tuesdays, 6:10 pm to 8:40 pm. Ten weeks – May 21 to July 23.

INSTRUCTOR
Name: Ronald Bird (preferred gender pronouns: he, him, his)
Campus Address: Department of Economics
2115 G St., NW, Washington, DC 20052
E-mail: Rbird22724@gwu.edu or Ron22724@gmail.com
Tel: (703) 801-3261 voice or text
Twitter: To be added?
Office hours: Tuesdays one hour before class and thirty minutes after class, and by appointment

GRADUATE ASSISTANTS (TBD)

COURSE DESCRIPTION
This course is an introduction to economic cost/benefit analysis with a focus on applications to regulatory decision making. Executive Order 12866, the Regulatory Flexibility Act, the Paperwork Reduction Act, the Unfunded Mandates Act, and the Congressional Review Act, require Federal regulatory agencies to assess the costs and benefits of contemplated regulatory decisions, to ensure that regulatory mandates yield benefits in excess of the attendant economic cost, and that regulatory mandates achieve intended benefits at least cost. This course will focus on the analytical requirements for meeting these goals. The course will cover both the theoretical concepts of social welfare economics underlying cost/benefit analysis and the practical application of these concepts to practical regulatory policy decisions. The course will use real examples of regulatory proposals to frame the discussion of application of economic theory to practical policy analysis. The course will also examine the role of ex post regulatory program evaluation to inform future policy decisions. In addition to covering textbook material regarding the concepts and techniques of cost-benefit analysis, the course will draw heavily on real world applications of cost benefit analysis in Federal rule making decisions.

Since a primary motivation for regulatory proposals that give rise to the application of cost-benefit analysis is the failure of private market processes to achieve efficient resource allocation outcomes, the problem of identifying and redressing market failure will also be examined, including information and other non-prescriptive regulatory alternatives. While regulatory policy decision-making is a prominent context for the application of economic cost benefit analysis, it is not the only one. The course will also provide a perspective on other applications of cost benefit analysis to public and private project investment decisions such as infrastructure, innovation research, health care management, training program evaluation.
PREREQUISITE
There is no strict pre-requisite requirement. A good undergraduate or graduate course foundation in microeconomic theory is strongly recommended.

TEXT
Assignments will be coordinated to both
Dudley, Susan. *Regulation: A Primer*. On reserve at Gelman Library
Additional readings may be assigned as well.

COURSE OBJECTIVES
The overarching goal of the course is to prepare students to conduct analyses required to inform regulatory policy decisions or to develop effective public comments to be submitted to the decision-making docket in response to proposed regulations. The course will prepare students to independently conduct analyses of the economic costs and benefits of regulations and also to constructively critique the analyses conducted by government agencies or others.

Economists who are skilled in cost benefit analysis have career opportunities working within government agencies that write new rules or evaluate the effectiveness of existing ones. They also have career opportunities working with public interest groups, association or companies whose interests are affected by government regulatory decisions. This course is designed to assist students to seek such career opportunities.

LEARNING OUTCOMES
Students will learn
1. The welfare economic concepts that underlie the application of cost benefit analysis to public policy;
2. The processes of Federal administrative rulemaking;
3. How to identify whose costs and benefits are relevant;
4. How to select a portfolio of alternative comparators;
5. How to identify and measure quantitative and qualitative impacts;
6. How to project quantitative impacts over the life of a project or policy;
7. How to monetize impacts (special attention to the problem of monetizing mortality statistical risk);
8. How to discount future monetary impacts to present value;
9. How to incorporate uncertainty into cost benefit analysis;
10. How to perform sensitivity analysis;
11. How to identify differential impacts on subcategories of cost-bearers or beneficiaries (e.g., small entities);
This course is an integral part of the Masters Program in Applied Economics. Information about the program is available from Dr. Joann M. Weiner, Director, MA Applied Economics. Dr. Weiner can be contacted at 370 Monroe Hall, 2115 G St., NW, The George Washington University, Washington, DC 20052. Phone: (202) 994-6581 E: jmweiner@gwu.edu. For information on Applied Economics, visit https://economics.columbian.gwu.edu/ma-applied-economics.

AVERAGE MINIMUM AMOUNT OF TIME DEVOTED TO CLASS ATTENDANCE AND TO INDEPENDENT, OUT-OF-CLASS, LEARNING
This three credit hour course contemplates that each student will devote a minimum total of 112.5 hours (37.5 x 3) of combined class attendance (lecture or seminar discussion) and independent (outside class) reading/study and final examination preparation effort during the course term. Individual students may need to allot more time in consideration of individual learning styles and capabilities. Students striving for grades higher than the minimum passing grade may need to allocate more effort time. Total effort time includes both time in attendance to class (lecture or seminar discussion) and independent reading, study and preparation outside of class of test and final examination submissions.

Summer term course offerings necessarily require more intense student effort per week than during a regular semester (14 weeks instruction plus final examination week preparation). For this 10-week Summer term of instruction (the final exam counts as the 11th week), you should expect to spend a minimum of 8.0 hours per week of independent study (on average) in addition to the scheduled 2.5 hours per week attendance to in-class lecture or seminar discussion. You should also plan to spend at least 8 hours in preparation and for completion of the final examination assignment.

GRADING
Grades will reflect the instructor’s evaluation of demonstrated learning performance, not mere effort. Learning performance will be assessed in comparison to the standard of the learning objectives listed above:

- 1 outside essay or exercise assignment: 25%  
- 2 outside essay or data compilation/analysis project: 25% Project may be customized to individual student interests and needs. This may be a small scale regulatory cost benefit analysis or an element of one.  
- Final Examination: 50% or 100% if better than prior average  
- My grading philosophy is that the ultimate outcome of the learning process is more important than the route by which one arrives at the outcome. Some students learn consistently and uniformly, others learn by trial and error. The end-result is what matters.  
- Please let me know about your individual learning patterns, limitations and needs so that I can accommodate to the extent feasible.

Late work: I will reduce your assessment for work submitted after the due date.  
Make-up work: I don’t give make-up work or extra credit. If you have an unavoidable conflict on the day of a quiz or the final, please come see me as soon as possible so that we can find an appropriate accommodation.

CLASS DISCUSSIONS: Each class will feature a combination of lecture, discussions and questions based on the week’s assigned readings and review of assigned problems. Students are expected to have completed the readings and assigned text problem before coming to class. Students are encouraged to ask questions, and may be called upon
to answer questions based on readings assigned. When final grade determinations are in question between alternatives, the instructor’s perceptions of the student’s engagement and commitment to learning may be dispositive.

**FINAL EXAM:** The Final Examination will be a take home assignment of essay questions, data compilation/analysis assignments or critique of an actual Federal agency economic impact analysis of a proposed regulation. The final examination assignment will be completed independently and outside of class. Each student may be assigned some different questions or tasks. The completed final examination assignment will be due by email to rbird22724@gwu.edu by 12:00 p.m. August 2, 2019.

**NOTE:** University policy regarding conduct the final exam given during the final exam period and not the last week of the instructional term will be observed by distributing the final take-take home assignment at the end of the last class meeting for submission during the exam period. For details and complete policy, see: provost.gwu.edu/administration-final-examinations-during-examination-period. Although the final exam assignment may be distributed prior to last class meeting, it will be due only at the end of the exam period and will be designed with the expectation that it can be completed satisfactorily during the designated final exam period (e.g., within the 8 hours minimum effort parameter).

**BEFORE THE FIRST CLASS**

1. Read Dudley, Susan. Regulation: A Primer. This short book (about 2 hours reading time) is available as an e-book on Amazon.
2. Also preview the following video presentation regarding the applied economics program [https://columbian.gwu.edu/economics-real-world](https://columbian.gwu.edu/economics-real-world)

**UNIVERSITY POLICY ON RELIGIOUS HOLIDAYS**

1. Students should notify faculty during the first week of the semester of their intention to be absent from class on their day(s) of religious observance;
2. Faculty should extend to these students the courtesy of absence without penalty on such occasions, including permission to make up examinations;

For GW’s teaching policies, see [http://www.gwu.edu/~academic/Teaching/main.htm](http://www.gwu.edu/~academic/Teaching/main.htm)

**ACADEMIC INTEGRITY**

I personally support the GW Code of Academic Integrity. It states: “**Academic dishonesty is defined as cheating of any kind, including misrepresenting one's own work, taking credit for the work of others without crediting them and without appropriate authorization, and the fabrication of information.**” Please note that allowing another student to copy your work is defined as cheating under the Academic Integrity code. Common examples of academically dishonest behavior include, but are not limited to 1) Cheating  
   2) Fabrication  
   3) Plagiarism  
   4) Falsification and forgery of University academic documents  
   5) Facilitating academic dishonesty

Sanctions range from failure of the assignment, to failure of the course, to suspension or expulsion from the University. For the remainder of the code, see: [http://www.gwu.edu/~ntegrity/code.html](http://www.gwu.edu/~ntegrity/code.html)

All students need to be familiar with GW's Code of Academic Integrity. Item 3 in Section 1 of Article II of the Code deals with plagiarism.
“Plagiarism - intentionally representing the words, ideas, or sequence of ideas of another as one's own in any academic exercise; failure to attribute any of the following: quotations, paraphrases, or borrowed information.” For a full set of definitions, see: [http://www.gwu.edu/~ntegrity/code.html#definition](http://www.gwu.edu/~ntegrity/code.html#definition)

**Plagiarism and How to Avoid It**

Plagiarism is a serious matter both inside and outside academia. Students are responsible for becoming familiar with the different forms that plagiarism can take. Ignorance doesn’t exempt students from being penalized for plagiarism. It is essential to educate yourself about what constitutes plagiarism before writing an essay for a takehome exam, a term paper, a dissertation, or a report in the workplace. Students have failed the course or been expelled because of plagiarism.

You can find a good overview of plagiarism and how to avoid it at [http://widstudents.wordpress.com/tag/plagiarism/](http://widstudents.wordpress.com/tag/plagiarism/). It’s worth reading through the entire web page, including the section titled "Plagiarism Tales at GW." The following document has good examples of the different forms that plagiarism can take (in Section 4). You should read 1-4 carefully. The document should dispel the possible misconception that plagiarism is committed only when an entire paper, or large parts of a paper, are copied. That is NOT the case. Copying a sentence or even a phrase without properly attributing it constitutes plagiarism. [http://www.ece.msstate.edu/~fowler/classes/plagiarism.pdf](http://www.ece.msstate.edu/~fowler/classes/plagiarism.pdf)

On the important distinctions among quoting, paraphrasing, and summarizing, see [http://owl.english.purdue.edu/owl/resource/563/01/](http://owl.english.purdue.edu/owl/resource/563/01/)

On the proper use of quotations, see [http://writingcenter.unc.edu/resources/handouts-demos/citation/quotations](http://writingcenter.unc.edu/resources/handouts-demos/citation/quotations)

For the remainder of the code, see: [http://www.gwu.edu/~ntegrity/code.html](http://www.gwu.edu/~ntegrity/code.html)

**SUPPORT FOR STUDENTS OUTSIDE THE CLASSROOM**

**DISABILITY SUPPORT SERVICES (DSS)**

Any student who may need an accommodation based on the potential impact of a disability should contact the Disability Support Services office at 202-994-8250 in the Marvin Center, Suite 242, to establish eligibility and to coordinate reasonable accommodations. For additional information please refer to: [http://gwired.gwu.edu/dss/](http://gwired.gwu.edu/dss/)

**UNIVERSITY COUNSELING CENTER (UCC) 202-994-5300**

The University Counseling Center (UCC) offers 24/7 assistance and referral to address students' personal, social, career, and study skills problems. Services for students include:

- crisis and emergency mental health consultations
- confidential assessment, counseling services (individual and small group), and referrals
  [http://gwired.gwu.edu/counsel/CounselingServices/AcademicSupportServices](http://gwired.gwu.edu/counsel/CounselingServices/AcademicSupportServices)

I will be available to provide individual tutorial assistance during the hour prior to each class meeting and for thirty minutes afterwards. I am also available by appointment.

My email is rbird22724@gwu.edu. Copying email to ron22724@gmail.com will better ensure that I see it. If I receive emails from several students with the same question or difficulty, that will help me plan to include the topic in the next class presentation. If I answer a question by email, I will, if it seems appropriate, copy all members of the class, or post it to Blackboard.

**SECURITY**

In the case of an emergency, if at all possible, the class should shelter in place. If the building that the class is in is affected, follow the evacuation procedures for the building. After evacuation, seek shelter at a predetermined rendezvous location.
ASSIGNMENTS SCHEDULE FOR ECON XXXX APPLIED COST BENEFIT ANALYSIS (SUBJECT TO CHANGE)

All readings and assigned questions/problems should be attempted prior to the indicated class meeting date. If you have difficulty with a question or problem bring your best attempt and be prepared to ask for help or explanations. In addition to the text material, five applied rulemaking cost benefit analysis cases will be reviewed and discussed on class. Materials to be read for each case will be distributed at a prior class meeting and will be available on Blackboard.

**PROBLEM SETS and READINGS**

<table>
<thead>
<tr>
<th>Date</th>
<th>Class</th>
<th>Reading/Assignment</th>
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<tbody>
<tr>
<td>5/21</td>
<td>Class 1</td>
<td>What is cost/benefit analysis and why is it important? What is the Federal regulatory process? Discussion of Dudley, <em>Regulation: A Primer.</em></td>
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<tr>
<td>5/28</td>
<td>Class 2</td>
<td>Read text Ch 1 &amp; 2;</td>
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<td>6/4</td>
<td>Class 3</td>
<td>Read text Ch 3 &amp; 4; Discussion of Market Failure Concept. Applied rulemaking analysis case 1</td>
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<tr>
<td>6/11</td>
<td>Class 4</td>
<td>Read text Ch 5. Test 1 distributed. Email completed Test 1 to <a href="mailto:rbird22724@gwu.edu">rbird22724@gwu.edu</a> by 12:00 p.m. 6/18/2019.</td>
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<tr>
<td>6/18</td>
<td>Class 5</td>
<td>Read text Ch 6 &amp; 7;</td>
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<tr>
<td>6/25</td>
<td>Class 6</td>
<td>Read text Ch 8; Applied rulemaking case 2;</td>
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<tr>
<td>7/2</td>
<td>Class 7</td>
<td>Read text Ch 9 &amp; 10; Test 2 assignments made. These may be customized projects. Due 7/16/2019.</td>
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<tr>
<td>7/9</td>
<td>Class 8</td>
<td>Read Text Ch 11 &amp; 13 &amp; 13; Discussion of Test 2 results.</td>
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<tr>
<td>7/16</td>
<td>Class 9</td>
<td>Read text Ch 14 &amp; 15 Applied rulemaking case 3.</td>
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<tr>
<td>7/23</td>
<td>Class 10</td>
<td>Read Text Ch 16 &amp; 17; Final examination assignment distributed at end of class. The instructor will be available to answer questions and provide help for an additional hour after this class.</td>
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<tr>
<td>7/24-8/2</td>
<td>Exam period</td>
<td>Final Examination assignment due August 2. Email to <a href="mailto:rbird22724@gwu.edu">rbird22724@gwu.edu</a>.</td>
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