ECON 354
Issues in Urban and Regional Economics

January 3rd - March 9th

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: Mondays 6-7:30 pm via
Zoom and by appointment.

Course information
Lecture times: MW ; 12:30 - 1:50 pm
Discussion section: F ; 12:30 - 1:50 pm
Lecture room: Tech LR 4
Prerequisite(s): ECON 281, ECON 310-1,
ECON 310-2
Web page: ECON 354 Canvas
TA: Aaron Amburgey
✉ amburgey@northwestern.edu
OH: Wednesdays 2 - 4pm at KGH Room
3496

Northwestern University, Evanston campus
"Bordered by a Great Lake and a global city"
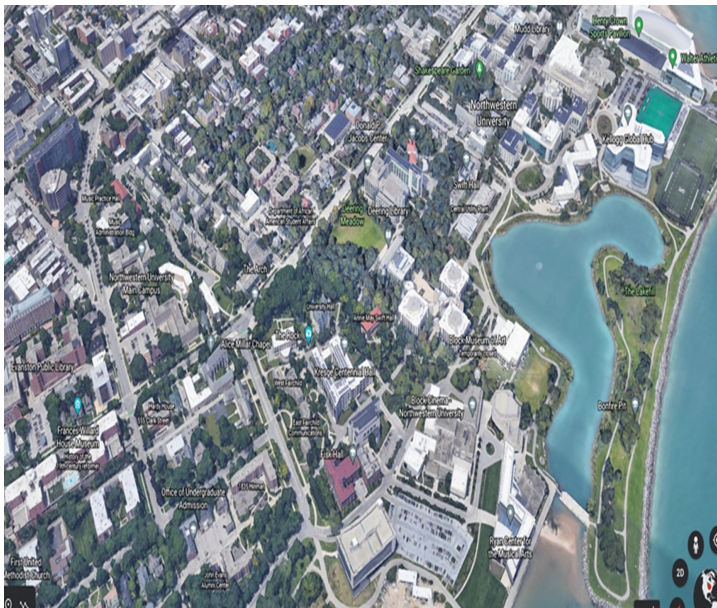
"Eventually, I think Chicago will be the most beautiful great city left in the world."
Frank Lloyd Wright (celebrated American Architect)

"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:

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 several 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) improves your ability to present complex research output clearly and succinctly.

I hope that the 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 graduate school.

Text resources:

I want to reduce the need for you to purchase multiple textbooks that you may not use beyond your time at Northwestern, so there is no required text for this course. Instead, I've curated the lecture materials to enhance your learning. These materials include skeletal lecture notes, which you must fill in occasionally, and empirical papers. Please read the reading guide (available in Canvas) to help structure your review of the articles and know what is required of you during our class discussions.

Videos as well as additional readings from open-access texts and blogs will be assigned to some topics and listed in Canvas.

Course overview & assessments:

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. Please see the Winter Schedule for a list of topics we will explore this quarter. Friday sessions will be devoted to applying and reinforcing what was discussed in previous lectures. This will usually involve TA-led collaborative discussion of assignments, student presentations, feedback, or software workshops. In Canvas, weekly instructions will be announced, so turn on your Canvas notifications to "alert immediately". Please frequently check the course's Canvas page.

Assignments: This course has 6 components that will determine your final grade:

(i) Midterms 1 and 2 - 15% each
This will be an **in-person exam** with a similar questioning style as the problem sets. The past midterm exams, available here, serve as a general guide but please be aware that exam structures may vary from quarter to quarter.

(ii) Problem sets - 40%.
Throughout the course, you will complete four problem sets, with at least one requiring the use of software such as Stata or R. These problem sets serve to reinforce class materials and encourage deeper thinking about research questions in urban and regional economic development.

(iii) Policy portfolio - 10%.
A significant portion of this class is dedicated to discussing urban policies and how we can use the tools of economics to improve these policies. This portfolio will allow you to utilize your creativity and desire to effect the change you want to see in our urban economy. Further details and a grading rubric will be provided later.

(iv) Class presentation -10%.
You will be asked to form groups of 4 to lead the class discussion on a topic of your choosing that highlights a contemporary urban issue that interests you. The presentation will take the style of a referee report. It must also include elements such as the paper's main hypothesis/research question(s), the paper's contribution, data description, empirical strategy, and your critique of the paper. You may use slides or presentation notes, which should be emailed to me before your presentation. Further details and a grading rubric will be provided later.

(v) Participation - 10%.
The course is structured to encourage active student engagement with the lecture materials. It is critical that you not only **read the empirical papers but participate in the discussions during lectures and the TA sections**. Participation may look different for everyone. Whether you are an eager student who has an answer to every question or an observant wallflower, it must be clear to the instructor and TA that you are engaged with the course materials, either during lectures, TA sections, or office hours. The TA and I will monitor each student's participation throughout the course.

In the previous quarter, participation grades were assigned by evaluating each student's in-class attentiveness, engagement, and contributions to the well-being of their peers through collaboration and camaraderie, among other factors.

Grading policy

Grade distribution: I strictly adhere to the Department's grading policy, where **a curve *may be* applied to determine your overall grade at the end of the course**. In other words, *if applicable*, the curve is computed when all scores for problem sets, exams, presentations, and proposals have been tallied. **The Economics department determines this curve, so the instructor has *no input* about the grade distribution.** If you anticipate that you will have an issue with your grade potentially being curved, please contact ✉ Mark Witte or ✉ Ian Savage since this might not be the class for you. The historical average grade for ECON 354 corresponds to a 3.08 GPA or a B, which is consistent with the average grade across all 300-level Econ courses. Please check the course grade book periodically to ensure that all your grades for assignments, quizzes, and exams are correct.

Starting from September 2023, we will no longer display nominal grade cutoffs. In simple terms, grades will be determined in relation to the class average. For instance, if a student scores above the class average, they will receive a grade higher than this average, while a student scoring below will be awarded a grade lower than the class's average grade. Following Midterms 1 and 2, we will furnish you with pertinent statistics for scores within the 25th to 95th percentiles, along with the corresponding letter grades (A, B, C, etc.).

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 mistakes or oversight. Please do not approach the TA with an oral request before making the written request. Further details of this policy are explicitly outlined here.

Missed exam & Late assignments: An assignment is considered late if submitted after the deadline. **Assignments submitted after the deadline will not be accepted and will receive 0 credit**. Please pay attention to the deadlines listed on each assignment.

Exam grading protocol: We use Crowdmark, an online grading software, to grade all exams. You already have access to this platform using your NU login credentials. On exam days, you will be sent a unique Crowdmark link to upload each exam page, including the name page. We typically allot 5 - 10 minutes at the end of each exam for you to properly upload each page. To upload your exam, take a photo of each page separately, then click on your unique Crowdmark link sent to your email or Canvas inbox. The link will take you to a blank version of the exam. You will populate the exam by uploading the photos under the correct page. That is, **your photo of page 1 should be uploaded under page 1, your photo of page 2 should be uploaded under page 2, etc.** This is relatively straightforward, but be sure that the page you're uploading matches the page number in Crowdmark. This video walks you through the steps to submit an assignment on Crowdmark.

Exam content: ECON 354 is a college-level class, and we expect you to apply economic reasoning and tools (the models and theoretical concepts) taught in class to current events and new settings or solve new kinds of problems. In academia, we refer to this as '*Mastery*.' While the structure of questions rarely changes, *each exam will look different and may have nuances you haven't seen before* as I develop various ways to assess your level of mastery. Therefore, **do not expect to pass the class by memorizing the answers to problem sets, past exams, or worksheets**.

Contract

A syllabus is a contract between students and the instructor that provides information about the course and serves as a commitment device to prevent arbitrary behavior. I will assume that you are familiar with, and agree to, all policies delineated in this contract.

In the event that new guidelines issued by the Provost are released once the quarter has started and supersede the class policy, the weights, percentages, and assessments are subject to change at the instructor's discretion.
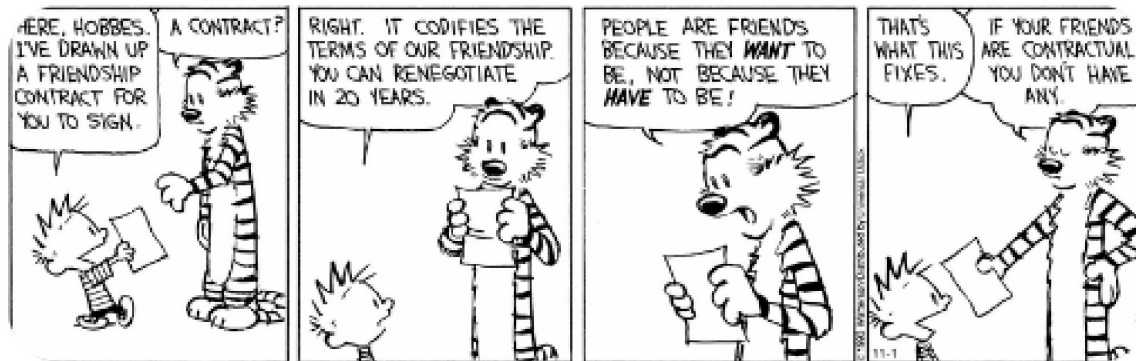
Frequently asked questions and Answers

Q: What are your basic expectations for the class?
A: A: **Professional conduct is always expected, regardless of the mode of delivery**. I expect you will arrive at lectures 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 different viewpoints and experiences to this community, so 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 firmly adhere to Northwestern's policy on institutional equity. Our classroom is a safe space where students from different backgrounds can connect around the common goal of learning and applying economic concepts to create a measurable impact on our lives and those around us.

I also hope you will study for at least two hours and complete reading assignments for every hour of lecture. I want you to challenge yourself and have fun while doing it! This can be a really rewarding class! 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 dynamic and complex world.

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: Firstly, if you are unwell while on campus, you should contact the Student Health Services immediately and your student advisor or the Office for Student Assistance & Support Services (SASS).

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, and **proofs must be emailed within 36 hours of the missed exam to validate your absence**. Viva voce reports will not be accepted, and you will earn zero on the missed exam(s). Missing class for work, a job interview, or a family event **would not** constitute an excused absence.

If you miss both Midterms, you will have to drop the class since we will not have sufficient evidence to assess your performance.

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 student 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: What do you mean by a "*curve*" and why does it seem so ambiguous?
A: A curve, more formally grading on a curve, means adjusting students' scores after an exam based on a predetermined distribution, usually a bell curve. The Department of Economics determines this distribution to mitigate the vicious cycle of grade inflation, which has permeated higher education. Though this practice is evidently contentious, in the words of renowned Economist Thomas Sowell, "there are no solutions, only trade-offs".

To understand grade curving in the context of this class, it is best to consider your "*real grade*" (*r*), that is, the nominal grade (*i*) adjusted for grade inflation or a measure of your performance relative to the class (π). Conceptually, this is the Fisher equation applied to grading. That is,

$$r = i - \pi$$

where π can be negative or zero. In very rare cases, π could be positive. The ambiguity of grading on a curve is that π is unknown and difficult to predict *ex-ante*. ***In this course, π is determined after all exams have been graded, the measures of central tendency for the class are derived, and the department's grade distribution is considered***.

Q: What is your policy on the use of ChatGPT and other AI tools in this course?
A: There are situations and contexts within this course where you can use AI tools to help generate ideas, brainstorm, and gather information to understand a topic. However, it is well-known that AI-generated content is often incomplete, inaccurate, and may contain built-in biases that could be offensive. Therefore, we are obliged to be mindful of these considerations, as well as the University's Academic Integrity and AI guidelines. Accordingly, the responsible use of AI tools in this course is outlined as follows[a]:

1. **Clear Identification**: You must clearly identify the use of AI-based tools in your work. Any work utilizing AI-based tools must be marked as such, including the specific tool(s) used. For instance, if you use ChatGPT-3, cite it as follows: "ChatGPT-3. (YYYY, Month DD of query). 'Text of your query.' Generated using OpenAI. [Insert Link]." I recommend creating a paper trail for each assignment, including screenshots and timestamps of the prompts used and answers provided.

2. **Transparency**: You must be transparent in how you used the AI-based tool, explaining what work constitutes your original contribution. An AI detector such as GPTZero (https://gptzero.me/) may be employed to verify AI-driven work. My recommendation is to create a paper trail for each assignment, taking screenshots and time stamps of the prompts used, answers provided, etc.

3. **Copyright and Intellectual Property**: You must ensure that your use of AI-based tools does not violate any copyright or intellectual property laws.

4. **Exams**: Midterms will be conducted in person, during which the use of technology, including calculators, will be prohibited.

This policy is not exhaustive, and as an academic community, we are still navigating the proper use of this transformational tool. As demonstrated in this policy, I personally do not support the complete restriction of AI generative tools, as they will likely become a required skill in the labor market in the near future. Therefore, my goal is to prepare you as thoroughly as possible to meet the future demands of employers and develop metacognitive habits. However, like any powerful tool, AI must be used responsibly. This policy may evolve as we receive new information, and any changes will be communicated through Canvas.

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[a]I want to acknowledge that this policy draws from various sources, including Professor Lance Eaton's compilation of syllabi policies for AI generative tools, Dr. Spencer Ross' guidelines for the responsible use of AI in the MKTG 4300 Social Media Marketing course, and ChatGPT-3. Specifically, in the case of the latter, I provided the text and input it into ChatGPT with the following prompt: "*You are an economics professor at a prestigious university. Can you edit this for grammar and clarity and provide suggestions regarding the responsible use of AI tools in the classroom?*". The output suggests that the message is clear and well-structured. However, it offered some suggestions, including the use of bold-faced sentence headers, as seen in items 1 - 5 above, and made grammatical changes like replacing "transformational" with "transformative," changing "complete restriction" to "complete restriction of," and rephrasing "build metacognitive habits" to "develop metacognitive habits."

Q: Should I email you if I have questions about an assignment or exam?

A: I welcome all your questions! But, **I strongly suggest you post all questions relating to assignments, exams queries, or anything you need clarification on via the Student Lounge (class discussion board) on Canvas**. The TA will create and monitor a discussion post for each problem set. This is a great way for us to interact and learn from each other. **We will not answer class-related questions via email.** Of course, **for personal matters**, please don't hesitate to contact me, and **put "ECON 354: [subject of email]" in the subject line of your email**. Due to the many daily emails I receive, I will likely miss your email if you don't adhere to this. **Please allow 24 - 48 hours to receive a reply**.

Dr. P.M Forni once said "*We respect other people's time when we learn to value it as much as our own. Even better, we can get to a point where we won't distinguish between our time and the time of others.*" In other words, please be respectful of your instructor's time by arriving at lectures and office hours on time and sending emails during the **work week (Monday - Friday) before 10 pm**.

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

A: No. You will likely get an "F", and your case will be 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 result from your independent effort. In fact, **any form of cheating, including improper use of content generated by artificial intelligence, constitutes a violation of Northwestern's academic integrity policy**. Turnitin, which is already in use at Northwestern, is expanding its system to include artificial intelligence detection. 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 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. The unauthorized recording is unethical and may violate 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 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: I arrived late for an exam. Will I be given extra time?

A: No. The classrooms and exam proctors are usually only available during the allotted time. We simply don't have enough resources to facilitate extra time beyond the end of the exam. That said, please make every effort to arrive at the exam on time.

Q: But what if I have to miss class for religious reasons?

A: Northwestern is committed to fostering an academic community that is respectful and welcoming of individuals from all backgrounds. To support this commitment, our policy on academic accommodations for religious holidays stipulates that students will not be penalized for class absences due to religious observances. If you anticipate observing a religious holiday that coincides with a class meeting, scheduled exam, or assignment deadline, please inform me as soon as possible, preferably within the first two weeks of the course. While I have intentionally avoided scheduling exams on religious holidays, if you encounter any conflicts, don't hesitate to reach out to me immediately.

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

A: Northwestern has abundant 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 get in touch with 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).