

URP 509: PUBLIC ECONOMICS FOR URBAN PLANNING

Fall 2021

Monday and Wednesday, 1:00-2:30 p.m. / Location TBD
Instructor: Professor Jonathan Levine (jnthnlvn@umich.edu)

The discipline of economics offers perspectives and tools that are of great usefulness to urban and regional planning. Economics suggests circumstances in which unplanned solutions are likely to be better than what planners can accomplish as well as instances in which planning is called for. In addition, economics can inform the design of and choice among planning interventions, thus broadening and improving the effectiveness of the planner's toolkit. At the same time, economics is constructed on assumptions that urban planners may dispute, and economists frequently tend to construe ever-present uncertainty differently from urban planners. As a consequence, planners and economists do not always see eye-to-eye. This course introduces the student to basic concepts, perspectives and tools of economics and their application to the practice of urban and regional planning. In addition, the course presents critiques of and alternatives to the economics paradigm. The student completing the course should gain an understanding of the public policy issues that emerge from these debates together with an ability to apply economics perspectives and tools critically to planning problems.

The Master of Urban and Regional Planning (MURP) degree requires at least one course that includes microeconomics. Many students fulfill that requirement in their undergraduate careers; they are waived from this course (with signature of the course instructor or Program Chair) but are welcome nonetheless. The only prerequisite of the course is enrollment in the MURP curriculum, and the course is intended to fulfill the economics requirement of the MURP for students with no economics background. It may be taken for either two or three credits; the smaller version of the course is sufficient to fulfill the economics requirement of the MURP degree.

Learning Goals:

By the end of the term, students will be able to:

- Evaluate and apply economists' frameworks for analyzing markets and prescribing roles for governments, including opportunity costs, marginalism, supply and demand, consumer surplus, economic efficiency, and market failures.
- Analyze the explicit and implicit values underpinning these economic perspectives and the implications of these values for use of economic tools in urban and regional planning.
- Apply economic tools in areas of urban-planning concern, including land use, transportation, environment, and economic development.
- Apply techniques of economic analysis, including cost-benefit analysis, cost-effectiveness, and fiscal-impact analysis while analyzing the value assumptions that underpin them.

Course Requirements:

Course assignments for the three-credit version of the course include five problem sets and three exams. Course assignments for the two-credit version of the course include four problem sets and two exams.