Term Information

Effective Term	Spring 2026

General Information

Course Bulletin Listing/Subject Area	Economics
Fiscal Unit/Academic Org	Economics - D0722
College/Academic Group	Arts and Sciences
Level/Career	Graduate
Course Number/Catalog	8858
Course Title	Public Economics
Transcript Abbreviation	Public Econ
Course Description	This PhD field course in public economics examines the theoretical and empirical tools research economists use to analyze the role of government in the economy, with a focus on the normative evaluation of government policies.
Semester Credit Hours/Units	Fixed: 3

Offering Information

Length Of Course	14 Week, 12 Week
Flexibly Scheduled Course	Never
Does any section of this course have a distance education component?	No
Grading Basis	Letter Grade
Repeatable	No
Course Components	Lecture
Grade Roster Component	Lecture
Credit Available by Exam	No
Admission Condition Course	No
Off Campus	Never
Campus of Offering	Columbus

Prerequisites and Exclusions

Prerequisites/Corequisites	Graduate standing in the Economics department or permission of the instructor.
Exclusions	
Electronically Enforced	Yes

Cross-Listings

Cross-Listings	

Subject/CIP Code

Subject/CIP Code	45.0601
Subsidy Level	Doctoral Course
Intended Rank	Doctoral

Requirement/Elective Designation

The course is an elective (for this or other units) or is a service course for other units

Course Details

Course goals or learning objectives/outcomes

- By the end of the course, students should understand the major areas of research
  in the field of public economics, and how government policies in those areas can be evaluated using a combination of theoretical and empirical tools.
- They should also understand how to identify and be prepared to pursue original independent research questions in those areas.

Content Topic List

- Empirical welfare estimation
  Income taxation and redistributive concerns
  Public goods and commodity taxes/subsidies
  Human capital and education
  Child and family targeted policies
- Place-based policies
  The EITC and tax enforcement
  Unemployment insurance
  Adverse selection and insurance market failures
  Health insurance
  Disability insurance
  Behavioral biases and public economics

Sought Concurrence

No

Attachments

- Glenn College Concurrence ECON 8858 Public Economics.pdf
  (Concurrence. Owner: Tobin,Ricky Mase)
- Course_syllabus_wagner_public_2026 updated.pdf: Revised syllabus
  (Syllabus. Owner: Tobin,Ricky Mase)

Comments

- Please see feedback email sent to department 10-15-2025 RLS *(by Steele,Rachel Lea on 10/15/2025 12:50 PM)*

Workflow Information

Status	User(s)	Date/Time	Step
Submitted	Tobin,Ricky Mase	08/29/2025 08:43 AM	Submitted for Approval
Approved	Yang,Huanxing	08/29/2025 09:20 AM	Unit Approval
Approved	Vankeerbergen,Bernadette Chantal	09/08/2025 10:12 AM	College Approval
Revision Requested	Steele,Rachel Lea	10/15/2025 12:50 PM	ASCCAO Approval
Submitted	Tobin,Ricky Mase	10/22/2025 07:12 AM	Submitted for Approval
Approved	Yang,Huanxing	10/22/2025 09:43 AM	Unit Approval
Approved	Vankeerbergen,Bernadette Chantal	10/22/2025 01:00 PM	College Approval
Pending Approval	Jenkins,Mary Ellen Bigler Neff,Jennifer Vankeerbergen,Bernadette Chantal Steele,Rachel Lea	10/22/2025 01:00 PM	ASCCAO Approval

Econ 8858: Public Economics

Prof. Myles Wagner (wagner.1858@osu.edu)

Spring 2026

Course Description

This PhD field course in public economics examines the theoretical and empirical tools research economists use to analyze the role of government in the economy, with a focus on the normative evaluation of government policies. The course will cover a range of topics including empirical welfare estimation; income taxation; public goods and commodity taxation; insurance markets and the optimal design of social insurance; child- and education-focused policies; and place-based policies. A central theme of the course is the development of a unified theoretical framework for interpreting empirical estimates through a normative lens.

Course Goals By the end of the course, students should understand the major areas of research in the field of public economics, and how government policies in those areas can be evaluated using a combination of theoretical and empirical tools. They should also understand how to identify and be prepared to pursue original independent research questions in those areas.

Course Format Lecture (weekly; once per week for 2 hours and 45 minute, time and place TBD)

Credit Hours 3 units

Course Website All course materials will be posted on carmen.osu.edu

Prerequisites Graduate standing in the Economics department or permission of the instructor.

Course Requirements

There are four requirements for this course:

1. Problem sets – there will be three problem sets that you are required to complete. The problem sets will be posted on Carmen and all problem sets are due by the last day of class in the semester.
2. Research proposal – you will be asked to develop a detailed research project proposal which studies a specific question in public economics. All projects must be discussed with and approved by Prof. Wagner. You must submit your proposal in the form of an (up to) 5 page

write-up that discusses 1) a specific question of interest, 2) a description of a real or fictitious dataset that would allow you to study this question, 3) a proposed methodology including a statistical model, and a description of sources of identifying variation and potential threats to identification. The proposal is due by the last day of class in the semester.

3. Final exam – there will be a take-home final exam at the end of the semester. You can select any starting date for the final exam prior to the grading deadline, after which you will have up to three days (or until the grading deadline, whichever is sooner) to return the exam. You are expected to work independently, but otherwise any resources can be used during the completion of the exam.

4. Weekly readings and participation – you are expected to read designated readings prior to class and be prepared to discuss them each class. The designated readings will be announced in class and on Carmen no less than a week ahead of time. To ensure participation, you will be asked to post a brief (no more than a single paragraph – don't take up words summarizing the reading) question or response to the reading on the discussion board on Carmen by the end of day prior to class, so I have time to read them before class. We will discuss the responses in class.

Grading
50% Take-home final exam
20% Research proposal
20% Preparedness and class participation
10% Problem sets

Course Outline

- Class 1-2: Empirical welfare estimation
- Class 3: Income taxation and redistributive concerns
- Class 4: Public goods and commodity taxes/subsidies
- Class 5: Human capital and education
- Class 6: Child and family targeted policies
- Class 7: Place-based policies
- Class 8: The EITC and tax enforcement
- Class 9: Unemployment insurance
- Class 10: Adverse selection and insurance market failures
- Class 11-12: Health insurance
- Class 13: Disability insurance
- Class 14: Behavioral biases and public economics

Reading List

Readings will be posted on carmen.osu.edu.

Empirical Welfare Estimation

Finkelstein, Amy and Nathaniel Hendren (2020). "Welfare Analysis Meets Causal Inference". *Journal of Economic Perspectives* 34.4, pp. 146–67.

Hendren, Nathaniel (2016). "The Policy Elasticity". *Tax Policy and the Economy* 30.1, pp. 51–89.

Hendren, Nathaniel and Ben Sprung-Keyser (2020). "A Unified Welfare Analysis of Government Policies". *Quarterly Journal of Economics* 135.3, pp. 1209–1318.

Saez, Emmanuel and Stefanie Stantcheva (2016). "Generalized Social Marginal Welfare Weights for Optimal Tax Theory". *American Economic Review* 106.1, pp. 24–45.

Income Taxation and Redistributive Concerns

Feldstein, Martin (1999). "Tax Avoidance and the Deadweight Loss of the Income Tax". *Review of Economics and Statistics* 81.4, pp. 674–680.

Hendren, Nathaniel (2020a). "Measuring Economic Efficiency Using Inverse-Optimum Weights". *Journal of Public Economics* 187.

Hicks, John R. (1939). "The Foundations of Welfare Economics". *Economic Journal* 49.

Jacobs, Bas, Egbert L. W. Jongen, and Floris T. Zoutman (2017). "Revealed Social Preferences of Dutch Political Parties". *Journal of Public Economics* 165, pp. 81–100.

Kaldor, Nicholas (1939). “Welfare Propositions of Economics and Interpersonal Comparisons of Utility”. *Economic Journal* 49.

Mirrlees, James A. (1976). “Optimal Tax Theory: A Synthesis”. *Journal of Public Economics* 6.4, pp. 327–358.

Saez, Emmanuel, Joel Slemrod, and Seth H. Giertz (2012). “The Elasticity of Taxable Income with Respect to Marginal Tax Rates: A Critical Review”. *Journal of Economic Literature* 50.1, pp. 3–50.

Public Goods and Commodity Taxation

Atkinson, Anthony B. and Joseph E. Stiglitz (1976). “The Design of Tax Structure: Direct versus Indirect Taxation”. *Journal of Public Economics* 6.1, pp. 55–75.

Kaplow, Louis (2004). “On the (Ir)Relevance of Distribution and Labor Supply Distortion to Government Policy”. *Journal of Economic Perspectives* 18.4, pp. 159–175.

— (2006). “On the Undesirability of Commodity Taxation Even When Income Taxation Is Not Optimal”. *Journal of Public Economics* 90.6, pp. 1235–1250.

Saez, Emmanuel (2002). “The Desirability of Commodity Taxation under Non-Linear Income Taxation and Heterogeneous Tastes”. *Journal of Public Economics* 83.2, pp. 217–230.

Human Capital and Education

Bovenberg, A. Lans and Bas Jacobs (2005). “Redistribution and Education Subsidies Are Siamese Twins”. *Journal of Public Economics* 89.11.

Kline, Patrick and Christopher R. Walters (2016). “Evaluating Public Programs with Close Substitutes: The Case of Head Start”. *Quarterly Journal of Economics* 131.4, pp. 1795–1848.

Child and Family Targeted Policies

Heckman, James J., Seong Hyeok Moon, Rodrigo Pinto, Peter A. Savelyev, and Adam Yavitz (2009). “The Rate of Return to the High/Scope Perry Preschool Program”. *NBER Working Paper No. 15471.*

Kleven, Henrik, Camille Landais, Johanna Posch, Andreas Steinhauer, and Josef Zweim”uller (2019). “Child Penalties across Countries: Evidence and Explanations”. *AEA Papers and Proceedings* 109.

Kleven, Henrik, Camille Landais, and Jakob Egholt Søgaard (2019). “Children and Gender Inequality: Evidence from Denmark”. *American Economic Journal: Applied Economics* 11.4, pp. 181–209.

Place-based Policies

Diamond, Rebecca (2016). “The Determinants and Welfare Implications of US Workers’ Diverging Location Choices by Skill: 1980–2000”. *American Economic Review* 106.3, pp. 479–524.

Su’arez Serrato, Juan Carlos and Owen Zidar (2016). “Who Benefits from State Corporate Tax Cuts? A Local Labor Markets Approach with Heterogeneous Firms”. *American Economic Review* 106.9, pp. 2582–2624.

Tax Enforcement and the EITC

Allingham, Michael G. and Agnar Sandmo (1972). "Income Tax Evasion: A Theoretical Analysis". *Taxation: Critical Perspectives on the World Economy* 3, pp. 323–338.

Kleven, Henrik (2019). "The EITC and the Extensive Margin: A Reappraisal". *NBER Working Paper No. 26405.*

Naritomi, Joana (2019). "Consumers as Tax Auditors". *American Economic Review* 109.9, pp. 3031–3072.

Unemployment Insurance

Baily, Martin Neil (1978). "Some Aspects of Optimal Unemployment Insurance". *Journal of Public Economics* 10.3, pp. 379–402.

Chetty, Raj (2006). "A General Formula for the Optimal Level of Social Insurance". *Journal of Public Economics* 90.10, pp. 1879–1901.

Chetty, Raj and Amy Finkelstein (2012). "Social Insurance: Connecting Theory to Data". *NBER Working Paper No. 18433.*

Adverse Selection and Insurance Market Failures

Akerlof, George A. (1970). "The Market for Lemons: Quality, Uncertainty and the Market Mechanism". *Quarterly Journal of Economics* 84.3, pp. 488–500.

Chiappori, Pierre-André and Bernard Salanié (2000). "Testing for Asymmetric Information in Insurance Markets". *Journal of Political Economy* 108.1, pp. 56–78.

Hendren, Nathaniel (2013). "Private Information and Insurance Rejections". *Econometrica* 81.5, pp. 1713–1762.

Rothschild, Michael and Joseph E. Stiglitz (1976). "Equilibrium in Competitive Insurance Markets: An Essay on the Economics of Imperfect Information". *Quarterly Journal of Economics* 90.4, pp. 629–649.

Private Health Insurance

Einav, Liran, Amy Finkelstein, and Mark R. Cullen (2010). "Estimating Welfare in Insurance Markets Using Variation in Prices". *Quarterly Journal of Economics* 125.3, pp. 877–921.

Handel, Benjamin R., Igal Hendel, and Michael D. Whinston (2013). "Equilibria in Health Exchanges: Adverse Selection vs. Reclassification Risk". *NBER Working Paper No. 19399.*

Hendren, Nathaniel (2020b). "Measuring Ex-Ante Welfare in Insurance Markets". *Review of Economic Studies* 87.6. Available at http://scholar.harvard.edu/files/hendren/files/exantewtp.pdf, pp. 2729–2764.

Shepard, Mark (2016). "Hospital Network Competition and Adverse Selection: Evidence from the Massachusetts Health Insurance Exchange". *NBER Working Paper No. 22600.*

Public Health Insurance

Finkelstein, Amy (2007). "The Aggregate Effects of Health Insurance: Evidence from the Introduction of Medicare". *Quarterly Journal of Economics* 122.1, pp. 1–37.

Finkelstein, Amy, Nathaniel Hendren, and Erzo F. P. Luttmer (2015). "The Value of Medicaid: Interpreting Results from the Oregon Health Insurance Experiment". *NBER Working Paper No. 21308*.

Finkelstein, Amy, Sarah Taubman, Bill Wright, Mira Bernstein, Jonathan Gruber, Joseph P. Newhouse, Heidi Allen, and Katherine Baicker (2012). "The Oregon Health Insurance Experiment: Evidence from the First Year". *Quarterly Journal of Economics* 127.3, pp. 1057–1106.

Disability Insurance

Autor, David H. and Mark G. Duggan (2006). "The Growth in the Social Security Disability Rolls: A Fiscal Crisis Unfolding". *Journal of Economic Perspectives* 20.3, pp. 71–96.

Dahl, Gordon B., Andreas Ravndal Kostol, and Magne Mogstad (2014). "Family Welfare Cultures". *Quarterly Journal of Economics* 129.4, pp. 1711–1762.

Deshpande, Manasi and Yue Li (2016). "Who Are We Screening Out? Application Costs and the Targeting of Disability Programs". *Working Paper*.

Behavioral Biases

Bhargava, Saurabh and Dayanand Manoli (2015). "Psychological Frictions and the Incomplete Take-Up of Social Benefits: Evidence from an IRS Field Experiment". *American Economic Review* 105.11, pp. 3489–3529.

Chetty, Raj, John N. Friedman, Soren Leth-Petersen, Torben H. Nielsen, and Tore Olsen (2014). "Active vs. Passive Decisions and Crowd-Out in Retirement Savings Accounts: Evidence from Denmark". *Quarterly Journal of Economics* 129.3, pp. 1141–1219.

Chetty, Raj, John N. Friedman, and Emmanuel Saez (2013). "Using Differences in Knowledge across Neighborhoods to Uncover the Impacts of the EITC on Earnings". *American Economic Review* 103.7, pp. 2683–2721.

Chetty, Raj, Adam Looney, and Kory Kroft (2009). "Salience and Taxation: Theory and Evidence". *American Economic Review* 99.4, pp. 1145–1177.

Handel, Benjamin R. (2013). "Adverse Selection and Inertia in Health Insurance Markets: When Nudging Hurts". *American Economic Review* 103.7, pp. 2643–2682.

Other Course Resources and Policies

You are expected to follow all university-wide policies. You can familiarize yourself with those policies, including the Code of Student Conduct and other polices here: http://policies.osu.edu/home.

Academic Misconduct

It is the responsibility of the Committee on Academic Misconduct to investigate or establish procedures for the investigation of all reported cases of student academic misconduct. The term "academic misconduct" includes all forms of student academic misconduct wherever committed; illustrated by, but not limited to, cases of plagiarism and dishonest practices in connection with examinations. Instructors shall report all instances of alleged academic misconduct to the committee (Faculty Rule 3335-5-48.7 (B)). For additional information, see the Code of Student Conduct.

Disability Services

The university strives to maintain a healthy and accessible environment to support student learning in and out of the classroom. If you anticipate or experience academic barriers based on your disability (including mental health, chronic, or temporary medical conditions), please let me know immediately so that we can privately discuss options. To establish reasonable accommodations, I may request that you register with Student Life Disability Services. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. If you are ill and need to miss class, including if you are staying home and away from others while experiencing symptoms of a viral infection or fever, please let me know immediately. In cases where illness interacts with an underlying medical condition, please consult with Student Life Disability Services to request reasonable accommodations. You can connect with them at slds@osu.edu; 614-292-3307; or slds.osu.edu.

Religious Accomodations

Ohio State has had a longstanding practice of making reasonable academic accommodations for students' religious beliefs and practices in accordance with applicable law. In 2023, Ohio State updated its practice to align with new state legislation. Under this new provision, students must be in early communication with their instructors regarding any known accommodation requests for religious beliefs and practices, providing notice of specific dates for which they request alternative accommodations within 14 days after the first instructional day of the course. Instructors in turn shall not question the sincerity of a student's religious or spiritual belief system in reviewing such requests and shall keep requests for accommodations confidential.

With sufficient notice, instructors will provide students with reasonable alternative accommodations with regard to examinations and other academic requirements with respect to students' sincerely held religious beliefs and practices by allowing up to three absences each semester for the student to attend or participate in religious activities. Examples of religious accommodations can include, but are not limited to, rescheduling an exam, altering the time of a student's presentation, allowing make-up assignments to substitute for missed class work, or flexibility in due dates or research responsibilities. If concerns arise about a requested accommodation, instructors are to consult their tenure initiating unit head for assistance.

A student's request for time off shall be provided if the student's sincerely held religious belief or practice severely affects the student's ability to take an exam or meet an academic requirement and the student has notified their instructor, in writing during the first 14 days after the course begins, of the date of each absence. Although students are required to provide notice within the first 14 days after a course begins, instructors are strongly encouraged to work with the student to provide a reasonable accommodation if a request is made outside the notice period. A student may not be penalized for an absence approved under this policy.

If students have questions or disputes related to academic accommodations, they should contact their course instructor, and then their department or college office. For questions or to report discrimination or harassment based on religion, individuals should contact the Civil Rights Compliance Office. (Policy: Religious Holidays, Holy Days and Observances)

Intellectual Diversity

Ohio State is committed to fostering a culture of open inquiry and intellectual diversity within the classroom. This course will cover a range of information and may include discussions or debates about controversial issues, beliefs, or policies. Any such discussions and debates are intended to support understanding of the approved curriculum and relevant course objectives rather than promote any specific point of view. Students will be assessed on principles applicable to the field of study and the content covered in the course. Preparing students for citizenship includes helping them develop critical thinking skills that will allow them to reach their own conclusions regarding complex or controversial matters.

Concurrence Form

The Ohio State University
College of Arts and Sciences Concurrence Form

The purpose of this form is to provide a simple system of obtaining departmental reactions to course requests. **An e-mail may be substituted for this form.**

An academic unit initiating a request should complete Section A of this form and send a copy of the form, course request, and syllabus to each of the academic units that might have related interests in the course. Units should be allowed two weeks to respond to requests for concurrence.

Academic units receiving this form should respond to Section B and return the form to the initiating unit. Overlap of course content and other problems should be resolved by the academic units before this form and all other accompanying documentation may be forwarded to the College of Arts and Sciences and the Office of Academic Affairs.

A. Proposal to review

Initiating Academic Unit	Course Number	Course Title
Econ	8858	Public Economics

Type of Proposal (New, Change, Withdrawal, or other)	Date request sent
New	10/15/2025

Academic Unit Asked to Review	Date response needed
John Glenn College of Public Affairs	10/31/2025

B. Response from the Academic Unit reviewing
Response: include a reaction to the proposal, including a statement of support or non-support (continued on the back of this form or a separate sheet, if necessary).

The John Glenn College of Public Affairs is happy to provide concurrence for ECON 8858 Public Economics. I expect that a number of our doctoral students will be interested in taking this course.

Signatures

	Name	Position	Unit	Date
1.	Rob Greenbaum	Associate Dean for Curriculum	John Glenn College	10/20/2025
2.				
3.				

Revised 5/27/14