

UNIVERSITY OF ILLINOIS
DEPARTMENT OF AGRICULTURAL AND CONSUMER ECONOMICS
ACE 270: CONSUMER ECONOMICS
MONDAY, WEDNESDAY, AND FRIDAY, 1:00-1:50
SPRING 2018
1002 LINCOLN HALL

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Course Description (from catalog): Introduction to the study of the consumer in the American economy; sources of consumer information and consumer protection; and examination of current consumer issues within an economic framework.

Course Objectives: At the end of the semester each student should be able to:

1. Describe the decision-making processes of consumers;
2. Understand some of the key issues facing consumers today; and
3. Analyze how public policies influence consumers.

Texts: There is no textbook for the class. Instead, various readings will be posted on Compass. At least 12 hours before class, the slides for a particular lecture will be available on Compass.

Criteria for Student Evaluation: Your grade will be determined as follows:

Assignment	Points	Date Due
Exam 1	200 (or 75)	February 7
Project Proposal	75	February 14
Exam 2	200 (or 75)	March 2
Exam 3	200 (or 75)	April 6
Project Paper	250	April 27
Exam 4	200	May 2
Project Paper Rewrite		Time of scheduled final exam
Total	1000	

Letter grades will be assigned based on the following scale:

930 to 1000 points	= A
900 to 929 points	= A-
870 to 899 points	= B+
830 to 869 points	= B
800 to 829 points	= B-
770 to 799 points	= C+
730 to 769 points	= C
700 to 729 points	= C-
670 to 699 points	= D+
630 to 669 points	= D
0 to 629 points	= F

Semester Exams: There are four exams. Out of the first three exams, your two highest scores will count for 200 points and your lowest score will count for 75 points. As an example, if you get 160/200 on your first exam and 180/200 on your second and 185/200 on your third exam, you will receive $75 \times (160/200) = 60$ on your first exam and 180 on your second exam and 185 on your third exam. The fourth exam is worth 200 points. Exams cover information from all materials presented in class. The exam format will be multiple choice. There is no final exam.

Extra credit: The material we are covering in class reflects issues that are pertinent to current events. For extra credit, you can identify an article in a periodical that is relevant to the material covered in class. By writing a one paragraph description of the article followed by a one paragraph description of how the article is pertinent to something we have covered in class, you can earn up to 15 points extra credit. A second submission can earn up to 10 points extra credit. There must be at least three weeks between your first and second submissions and no submissions will be accepted after April 26th. The write-ups should be emailed to the TA at the address listed above.

Papers: There are two papers in this class, a two-to-three-page paper describing your project topic (Project Proposal) and an eight-to-ten-page paper where you analyze this project topic (Project Report). Your topic should address a real world issue that affects consumers in the United States or elsewhere that can be addressed both directly and indirectly by public policies.

The Project Proposal should include a discussion of the issue to be examined; the types of policies being used to address this issue; and references to 3 articles related to this issue. At least 1 of these articles must be from a scholarly journal *or* be written by someone who is in academia. (The list of references is not counted in the page limit.)

The Project Report should expand on your earlier Project Proposal. This version should include references to 6 articles to this issue; at least 3 of these must be from scholarly journals *or* be written by someone who is in academia. Each of these articles must be cited in the paper itself. (The list of references is not counted in the page limit.) The report should include, at a minimum, discussions of the following points: What issue is being addressed? Why is it relevant for consumers? What current policies are addressing this issue? How effectively are these policies addressing this issue?

I expect the highest quality writing befitting a college course. For the final paper, I will allow one rewrite of the paper which addresses the comments that have been made on your paper. This rewrite can lead to up to half the gap between your grade and the maximum grade. For example, if you received a score of 200/250, your rewrite could lead to an increase in your grade of up to 25 points.

Late Assignments: All assignments submitted late will be penalized 5 points per day. This penalty applies to Saturdays and Sundays, as well as weekdays.

Attendance: In order to learn the material in this course, it is imperative that you attend class. I will take attendance on days when exams are passed back and on days when papers are passed back. I may also pass around an attendance sheet on other days. For each day missed, 10 points will be subtracted from your score. At the start of the semester, every student will receive 10 bonus points. This means that those without any recorded absences will receive 10 extra credit points.

Use of Laptops: Laptops can be a useful tool for some students but they can also be a distraction for other students. If you wish to use a laptop during class, please send me an email and I will assign you to a section of the room where other students are using laptops such that your use of a laptop does not distract others.

Academic Integrity: The University of Illinois at Urbana-Champaign *Student Code* should also be considered as a part of this syllabus. Students should pay particular attention to Article 1, Part 4: Academic Integrity. Read the Code at the following URL: <http://studentcode.illinois.edu/>.

Academic dishonesty may result in a failing grade. Every student is expected to review and abide by the Academic Integrity Policy: <http://studentcode.illinois.edu/>. Ignorance is not an excuse for any academic dishonesty. It is your responsibility to read this policy to avoid any misunderstanding. Do not hesitate to ask the instructor(s) if you are ever in doubt about what constitutes plagiarism, cheating, or any other breach of academic integrity.

Students with Disabilities: To obtain disability-related academic adjustments and/or auxiliary aids, students with disabilities must contact the course instructor and the as soon as possible. To insure that disability-related concerns are properly addressed from the beginning, students with disabilities who require assistance to participate in this class should contact Disability Resources and Educational Services (DRES) and see the instructor as soon as possible. If you need accommodations for any sort of disability, please speak to me after class, or make an appointment to see me, or see me during my office hours. DRES provides students with academic accommodations, access, and support services. To contact DRES you may visit 1207 S. Oak St., Champaign, call 333-4603 (V/TDD), or e-mail a message to disability@uiuc.edu. <http://www.disability.illinois.edu/>.

Emergency Response Recommendations: Emergency response recommendations can be found at the following website: <http://police.illinois.edu/emergency-preparedness/>. I encourage you to review this website and the campus building floor plans website within the first 10 days of class. <http://police.illinois.edu/emergency-preparedness/building-emergency-action-plans/>.

Family Educational Rights and Privacy Act (FERPA): Any student who has suppressed their directory information pursuant to *Family Educational Rights and Privacy Act* (FERPA) should self-identify to the instructor to ensure protection of the privacy of their attendance in this course. See <http://registrar.illinois.edu/ferpa> for more information on FERPA.

Course Outline for ACE 270 (subject to revision)

Date	Topic	Reading
W, 1/17	Introductory material	Syllabus
F, 1/19	Student debt	"Student Loans: Do College Students Borrow Too Much or Not Enough?" / "Is Student Debt Too Great? Becker"
M, 1/22	Payday loans	"Are Payday Loans Harmful to Consumers?"
W, 1/24	Peer effects	"Peer Effects and Alcohol Use among College Students"
F, 1/26	Coursera Course (on-line, no class)	
M, 1/29	Large scale retailers	"The Causes and Consequences of Wal-Mart's Growth" / "Give Sam Walton the Nobel Prize"
W, 1/31	Consumer well-being	"Income, Health, and Well-Being around the World: Evidence from the Gallup World Poll"
F, 2/2	Middle class	"What is Middle Class about the Middle Classes around the World?"
M, 2/5	Well-being in historical perspective	"How the World Survived the Population Bomb: Lessons from 50 Years of Extraordinary Demographic History"
W 2/7	Exam 1	
F, 2/9	Recorded lecture (on-line, no class)	https://www.youtube.com/watch?v=gjN3UdZjG78
M, 2/12	Poverty	"Identifying the Disadvantaged: Official Poverty, Consumption Poverty, and the New Supplemental Poverty Measure" / "The Persistence of Poverty in the Context of Financial Instability: A Behavioral Perspective" / "Big Government Policies that Hurt the Poor and How to Address Them"
W, 2/14	Poverty (continued)	
F, 2/16	Poverty (continued)	
M 2/19	Inequality	"The Top 1 Percent in International and Historical Perspective" / "Defending the One Percent" / "It's the Market: The Broad-Based rise in the Return to Top Talent" / "Income Inequality, Equality of Opportunity, and Intergenerational Equality" / "Consumption Inequality" / "Mortality Inequality: The Good News from a County-Level Approach" / "Health Insurance and Income Inequality" / "Family Inequality: Diverging Patterns in Marriage, Cohabitation, and Childbearing"
W, 2/21	Inequality (continued)	
F, 2/23	Inequality (continued)	
M, 2/26	Inequality (continued)	
W, 2/28	Household financial risk – earnings	"The Rising Instability of U.S. Earnings"
F, 3/2	Exam 2	
M, 3/5	Household financial risk - medical	"The Evolution of Medical Spending Risk"

W, 3/7	Household financial risk - assets	"Changing Household Financial Opportunities and Economic Security"
F, 3/9	Regulation	"Liability for Harm Versus Regulation of Safety" / "The Rise of the Regulatory State"
M, 3/12	Regulation (continued)	
W, 3/14	Drug regulation	"Is the Food and Drug Administration Safe and Effective?"
F, 3/16	GMOs	"Agricultural Biotechnology: The Promise and Prospects of Genetically Modified Crops"
M, 3/26	Food issues	"Evaluating the Policy Proposals of the Food Movement" / "On the Measurement of Food Waste"
W, 3/28	Food issues (continued)	
F, 3/30	Health insurance	"Covering the Uninsured in the United States" / "Delivering Public Health Insurance Through Private Plan Choice in the United States" / "It is Time for Universal Coverage without Breaking the Bank" / Health Insurance Reform in the United States – What, How, and Why?"
M, 4/2	Health insurance (continued)	
W, 4/4	Health insurance (continued)	
F, 4/6	Exam 3	
M, 4/9	Health care costs – cost sharing	"Patient Cost-Sharing and Healthcare Spending Growth"
W, 4/11	Healthcare costs – malpractice	"Evaluating the Medical Malpractice System and Options for Reform"
F, 4/13	An accounting of obesity costs	"Who Pays for Obesity?" / "America's Moral Panic Over Obesity" / "Thining Thin" / "Obesity: An Overblown Epidemic?"
M, 4/16	Housing	"Is Housing Unaffordable? Why Isn't it More Affordable" / "Borrowing Constraints and Homeownership" / "A Lost Generation? Education Decisions and Employment Outcomes during the US Housing Boom-Bust Cycle of the 2000s" / "To Buy or Not to Buy: Consumer Constraints in the Housing Market"
W, 4/18	Housing (continued)	
F, 4/20	Retirement issues	"The Composition and Drawdown of Wealth in Retirement" / "How Longer Work Lives Ease the Crunch of Population Aging"
M, 4/23	Retirement issues (continued)	
W, 4/25	Long-term care	"Insuring Long-Term Care in the United States"
F, 4/27	Bankruptcy	"Bankruptcy Reform and Credit Cards" / "The Road to Bankruptcy"
M, 4/30	Annuities	"Annuitization Puzzles"
W, 5/2	Exam 4	

