Econ 621/821: Non-Market Valuation
Christopher Timmins

Time: MW 8:30-9:45
Location: Online
Instructor: Christopher Timmins
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Office Hours:
https://docs.google.com/spreadsheets/d/1zjvPad_jt1kI1GAc2uY2B2iz_AbgtVHbNjFUA9GUvgc/edit?usp=sharing

Summary

This course will cover non-market valuation techniques typically used to measure the value of local public goods and (dis)amenities. These techniques are used to determine the “benefits” side in a cost-benefit analysis and are central to the formulation of regulatory policy in the U.S. In addition, they play an important role in local public finance, urban and environmental economic analysis.

Topics covered include hedonics (property value and wage hedonics), techniques based on weak complementarity (travel cost) and weak substitutability (defensive expenditures), stated preference (contingent valuation), and estimable equilibrium Tiebout sorting models. Papers will be both theoretical and applied. Applications will focus on questions in public finance, urban and environmental economics, with a strong focus on the latter.

Mode of Delivery

The course will by taught in a synchronous online environment during the COVID-19 pandemic. This mode of course delivery was chosen as it will allow for the greatest flexibility with respect to class discussion while still facilitating participation by those located away from Duke Campus. Online delivery will also allow students and the instructor to continue to participate in these activities even if unable to attend due to quarantine or illness.
Assessment

One may enroll in this course at either the Masters or Ph.D. level. Students enrolled at the Masters level will receive grades based on a midterm and (non-cumulative) final exam along with a referee report and a group presentation on an applied paper. Ph.D. students must complete the MA requirements along with a pair of extended empirical problem sets that will require programming in a language such as Matlab, Python, Julia, C++, or Fortran. The problem set is intended to build familiarity with programming tools and numerical techniques that can be useful to you in your dissertation research. Finally, class participation is strongly encouraged – while it is not a formal part of the course grade, it may be used at the instructor’s discretion to make borderline grade decisions.

Readings

Some good general texts for reference are:


**Topics and Specific Readings**

1. Sources of Value and Applied Welfare Analysis


   Executive Orders on Regulation:

   · Executive Order 12044 (Carter)
   · Executive Order 12291 (Reagan)
   · Executive Order 12866 (Clinton)
   · Executive Order 13422 (Bush)
   · Executive Order 13563 (Obama)
   · Executive Order 13771 (Trump)

2. Hedonics (Theory)


3. Causal Identification


4. Hedonics (Applied)


5. Wage-Hedonics


6. Sorting Models (Theory)


7. Vertical Sorting Models: Applications


8. Horizontal Models: Applications


9. Sorting Models: Dynamics, High Dimensional Sorting, Housing Supply & Model Validation


10. Weak Substitutes (Travel Cost)


11. Weak Complements (Defensive Expenditures)


12. Contingent Valuation


13. Horizontal Models – Extensions


15. Application: Ricardian Analysis


16. Application: Benefit Transfer


17. Happiness and Sentiment Analysis
