

BRIEF CONTENTS



Contents vii

Preface xvii

PART I Introduction and Background

- 1 Why Study Public Finance? 1
- 2 Theoretical Tools of Public Finance 27
- 3 Empirical Tools of Public Finance 65
- 4 Budget Analysis and Deficit Financing 93

PART II Externalities and Public Goods

- 5 Externalities: Problems and Solutions 123
- 6 Externalities in Action: Environmental and Health Externalities 153
- 7 Public Goods 191
- 8 Cost-Benefit Analysis 219
- 9 Political Economy 241
- 10 State and Local Government Expenditures 275
- 11 Education 305

PART III Social Insurance and Redistribution

- 12 Social Insurance: The New Function of Government 335
- 13 Social Security 367
- 14 Unemployment Insurance, Disability Insurance, and Workers' Compensation 403
- 15 Health Insurance I: Health Economics and Private Health Insurance 433
- 16 Health Insurance II: Medicare, Medicaid, and Health Care Reform 471
- 17 Income Distribution and Welfare Programs 511

PART IV Taxation in Theory and Practice

- 18 Taxation: How It Works and What It Means 549
- 19 The Equity Implications of Taxation: Tax Incidence 585
- 20 Tax Inefficiencies and Their Implications for Optimal Taxation 619
- 21 Taxes on Labor Supply 657
- 22 Taxes on Savings 683
- 23 Taxes on Risk Taking and Wealth 713
- 24 Taxation of Business Income 739
- 25 Fundamental Tax Reform and Consumption Taxation 777

Glossary G-1

References R-1

Index I-1