

Economics 180.355
Economics of Poverty and Inequality
Fall 2015
Tu Th 10:30-11:45, Hodson 313
TA: Alanna Bjorklund-Young,
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Instructor: R. Moffitt
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Mergenthaler 429
Office Hours: Wed 9:00-11:00

Syllabus

This course focuses on the economics of poverty and inequality. It covers the measurement of poverty and inequality, facts and trends over time, the causes of poverty and inequality with a focus on those related to earnings and the labor market, and public policy toward poverty and inequality, covering both taxation and government expenditure and programs. By the nature of the material, the course is fairly statistical and quantitative. Several sections make use of intermediate microeconomic concepts, so Economics 301 or an equivalent is a prerequisite. Basic knowledge of regression analysis is also helpful.

The text for the course is Poverty and Income Distribution, by Edward N. Wolff, Wiley-Blackwell, 2nd Ed., 2009 (ISBN 978-1-4051-7660-6). Required supplemental readings are on electronic reserve at MSE. The course has a Blackboard website where this syllabus, the lectures, and miscellaneous materials are posted.

The schedule of lectures and readings is given below. In general, each topic will begin with lectures by the instructor and will be followed by a class discussion, usually of some scholarly economics article related to the topic. All readings on the list other than the main text are on MSE electronic reserve.

The requirements for the course are a midterm, a final, and several items for Discussion Days: one long written assignment, several short written assignments, and class participation. For the long written assignment, every student will have to write one for one of the Discussion Days and submit to me at the end of that Discussion Day class. It should be two-to-three pages in length (single-spaced). The first half should be a summary of the readings and the second half should be a Comment on, or Critique of, the readings. On each Discussion Day, the students who have been assigned the long written assignments will begin the discussion by orally summarizing their written material. On every Discussion Day, students not doing a long assignment must do a short written assignment on the readings, approximately ½ to 1 page in length (single-spaced). It should consist only of a Comment or Critique on the readings, with no summary. Students doing short written assignments will turn theirs in at the beginning of that class period, not at the end. All assignments must be in hard copy, not electronic.

The overall course grade will be based on the following distribution:

Midterm	25%
Final	30%
Long written assignment	15%
Short written assignments	20%
Class participation (during Discussions)	10%

In addition, class attendance is expected and a record of poor attendance will result in a lowering of the grade.

The final exam will be given on Friday, December 11, from 9:00 am to 10:15 am. NOTE: NO EARLY FINAL EXAMS WILL BE GIVEN. YOU MUST REMAIN ON CAMPUS UNTIL THE EXAM DATE.

The use of computers, tablets, or smart phones or other electronic devices is not permitted in class at any time.

Make-up exams will be considered for documented medical reasons only or for religious holidays. Students who must miss a class or an examination because of a religious holiday must inspect the class schedule for the semester, and inform me in advance by September 14th. Any student with a disability who may need accommodation in this class must inform me by September 14th and obtain an accommodation letter from the Office of Student Disability Services, 385 Garland, 410-516-4720, studentdisabilityservices@jhu.edu. The senior option is not available.

Academic dishonesty: The strength of the university depends on academic and personal integrity. In this course, you must be honest and truthful. Ethical violations include cheating on exams, plagiarism, reuse of assignments, improper use of the Internet and electronic devices, unauthorized collaboration, alteration of graded assignments, forgery and falsification, lying, facilitating academic dishonesty, and unfair competition. Report any violations you witness to the instructor. You may consult the Associate Dean of Student Affairs and/or the chairman of the Ethics Board beforehand. See the guide on “Academic Ethics for Undergraduates” and the Ethics Board Web site (<http://ethics.jhu.edu>) for more information.

10/20/15

Course Schedule

Date	Topic and Readings
Aug 27	<p>Introduction Wolff, Chap.1 (will not discuss), Chap.16.2 Mankiw, N. Gregory, <u>Principles of Economics</u>, 5th Edition, pp.442-445. Gruber, Jonathan, <u>Public Finance and Public Policy</u>, Worth Publishers, 2nd Ed.,2007, pp.50-55.</p>
Sept 1,3	<p>Measuring Income Inequality Wolff, Chap.2 (except 2.4 and 2.6 and Appendix), Chap 3 (except starred sections)</p>
Sept 8	<p>Discussion Alvaredo, Atkinson, Piketty, and Saez, “The Top 1 Percent in International and Historical Perspective,” <u>Journal of Economic Perspectives</u> 27 (Summer, 2013) 3: 3-20. Mankiw, N. Gregory, “Defending the One Percent,” <u>Journal of Economic Perspectives</u> 27 (Summer, 2013) 3: 21-34.</p>
Sept 10	<p>Measuring Poverty Wolff, Chap.4 (except starred sections)</p>
Sept 15	<p>Discussion Short, Kathleen, “The Supplemental Poverty Measure: Examining the Incidence and Depth of Poverty in the U.S. Taking Account of Taxes and Transfers,” Paper presented at the 86th Annual Conference of the Western Economic Association, June, 2011 Bavier, Richard, “From NRC to SPM: What Has Not Changed?”, Unpublished paper, April, 2011</p>
Sept 17	<p>Measuring Wealth Inequality and the Life Cycle Model Wolff, Chap.5 and Chap. 10.1-10.3</p>
Sept 22	<p>Discussion Piketty, Thomas and Emmanuel Saez, “Inequality in the Long Run,” <u>Science</u> 344: 6186 (May 23, 2014). Summers, Lawrence, “The Inequality Puzzle.” <u>Democracy Journal</u>, Summer 2014, http://www.democracyjournal.org/33/the-inequality-puzzle.php.</p>

Sept 24,29 Oct 1	<p>Human Capital and Education Wolff, Chap.8 (except 8.7) Borjas, George, <u>Labor Economics</u>, Fourth Edition, McGraw-Hill Irwin, 2008, pp.12-20 Goldin, Claudia and Lawrence F. Katz, <u>The Race Between Education and Technology</u>, Cambridge: Harvard University Press, 2008, Chap.1.</p>
Oct 6	<p>Discussion Goldin, Claudia et al., “The Homecoming of American College Women: The Reversal of the College Gender Gap,” <u>Journal of Economic Perspectives</u>, 20:4 (Fall 2006), pp.133-56.</p>
Oct 8	<p>Midterm Examination</p>
Oct 13	<p>Unemployment and Unions Wolff, Chap.7 (7.1,7.2,7.5,7.6,7.7 only), Chap.9 (9.1,9.2 only, except starred section)</p>
Oct 20,22,27	<p>Explanations for Rising Earnings Inequality Wolff, Chap.11 (except 11.9 and 11.10) Goldin-Katz, <u>Race...</u>, Chap.3,8.</p>
Oct 29	<p>Discussion Autor, David, “The Polarization of Job Opportunities in the U.S. Labor Market,” Center for American Progress and the Hamilton Project, April 2010, pp.1-7 and Conclusions. Autor, David, “Why Are There Still So Many Jobs? The History and Future of Workplace Automation,” <u>Journal of Economic Perspectives</u> 29:3 (Summer 2015): 9-14.</p>
Nov 3,5	<p>Public Policy: Taxation Wolff, Chap.16 (16.3,16.4,16.6,16.7 only) Gruber, Jonathan, <u>Public Finance and Public Policy</u>, Worth Publishers, 2nd Ed.,2007, pp.613-619.</p>
Nov 10	<p>Discussion Auerbach, Alan and Joel Slemrod, “The Tax Reform Act of 1986,” <u>Journal of Economic Literature</u>, June 1997, Section IV.A only (pp.594-597). Hausman, Jerry and James Poterba, “Household Behavior and the Tax Reform Act of 1986, “ <u>Journal of Economic Perspectives</u> 1:1 (Summer 1987): 101-109 only.</p>
Nov 12	<p>Public Policy: Transfers I Wolff, Chap.15 (15.1 to 15.4 only) Gruber, <u>Public Finance...</u>, pp.314-341 except Applications and Section 12.4</p>

Nov 17	<p>Public Policy: Transfers II Wolff, Chap.15 (15.6,15.7) Lang, Kevin, <u>Poverty and Discrimination</u>, Princeton University Press, 2007, pp.115-125 only.</p>
Nov 19	<p>Discussion Diamond, Peter and Peter Orszag, “Saving Social Security,” <u>Journal of Economic Perspectives</u> 19 (Spring 2005): 11-20 only.</p>
Dec 1	<p>Public Policy: Welfare Reform Wolff, 15.5,16.5 Borjas, <u>Labor Economics</u>, pp.55-65. Gruber, <u>Public Finance</u>,pp.488-507.</p>
Dec 3	<p>Discussion Murray, Charles, <u>Losing Ground</u> New York: Basic Books, 1984; pp.3-9; Chap.16; pp.227-233. Mead, Lawrence, <u>Beyond Entitlement</u>, London: The Free Press, 1985, Chap 1. Ellwood, David, <u>Poor Support</u>, New York: Basic Books, 1988, Chap.1, Chap.2 (pp.14-26), pp.236-243</p>
Dec 11	<p>Final Exam: 9:00-10:15 am</p>