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Office Hours: Mondays 2-3 pm,
Wednesday 9-10 am, and by appointment

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Office hours: Tues 1-2 pm, Friday 9-10 am,
and by appointment

Syllabus for Economics 180.355, Fall 2020
Economics of Poverty and Inequality
Tuesday-Thursday 10:30-11:45

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). It is available as a print copy or as e-book.

The course meets Tuesdays and Thursdays, 10:30-11:45 am Baltimore time. The class will meet online at that time on the dates given on the schedule below. A Zoom link will be provided for the class. Class attendance via Zoom is expected, but excused absences for doctor appointments, religious holidays, and other events are allowed if the student emails the instructor in advance. Any student having connection, IT, or other issues that present a barrier to Zoom class attendance should also notify the instructor.

Each Lecture will be divided into two sublectures of 25-30 minutes each. At the end of each sublecture, there will be a 10-minute Q&A period where students in the course will ask questions about the material just presented in that sublecture.

The lecture portion of classes will be recorded, so that students can view the lectures later. The Q&A period for each class will not be recorded for purposes of student privacy. Students should also be aware that, during recording periods, they have the right to turn off their video. However, the instructor would prefer that students keep their video on during the lecture, so please inform the instructor privately if you plan to turn off your video for privacy purposes during the lecture portion of the classes.

The schedule of topics and readings is given below. Each of the 10 topics will consist of three activities: (i) lecture by the instructor (ii) class discussion of the lecture material, and (iii) class discussion of supplemental reading assignments, which will always take place on the last class for that lecture topic. The lectures will be posted on Blackboard one week ahead of the class and students are expected to have viewed the lecture and read the assigned material before class. All readings on the list other than the main textbook should be on MSE electronic reserve except those accessible with a public URL link or accessible through the course Blackboard website.

Please be aware that the Lectures will contain important material that is not in any of the readings.

The requirements for the course are (1) contributions to the Q&A periods during class, (2) written assignments related to the supplementary readings, (3) a midterm exam, (4) a final exam, and (5) general class participation, as follows:

(1) Students will be required to ask questions about the lecture material 4 times over the semester during the Q&A periods each class. The instructor will ask for volunteers one week ahead before assign students to ask questions.

(2) Students will be required to submit written commentaries on the 8 supplementary readings, to be uploaded to Blackboard before the class where the reading is discussed. Most students will have to write a commentary of 200-to-350 words. However, three-to-four students on each Supplemental-Reading Discussion Day will be assigned to lead the discussion and submit both a 500-700 word summary of the Reading(s), as well as a commentary. Only one such “long” written assignment will be required. A signup sheet for the “long” assignments will be provided.

Given the large number of writing assignments, this course should be considered a fairly writing-intensive course.

(3) An open-book midterm exam will given on Blackboard on the date indicated on the schedule below. The timing and nature of the exam will be discussed prior to the exam. Practice problems will be posted at the end of every lecture and Blackboard Discussion boards will be offered to discuss them.

(4) An open-book final exam will be given on Blackboard on the date to be determined by the Registrar. The timing and nature of the exam will be discussed prior to the exam. Practice problems will be posted at the end of every lecture and Blackboard Discussion boards will be offered to discuss them.

(5) General class participation of the lecture material and of the supplementary readings is encouraged.

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

Midterm	20%
Final	20%
Lecture questions	10%
Long written assignment	15%
Short written assignments	25%
General class participation	10%

The default grade this year will be S/U. Any student wishing to receive a letter grade has until 5:00 pm on January 10, 2021 to choose to receive such a grade instead of S/U. Letter grades for all courses are to be given to the Registrar at the end of the semester and the Registrar will make conversions to S/U as necessary.¹

Blackboard will be used for the course. It will be used for Announcements and both the lectures and many of the readings will be available there, as well as material about the Supplemental Readings and Discussion data assignments. The Blackboard Discussion Board will also be used by the instructor and TA to answer questions about the material at selected times which will be announced later. This syllabus will also be on Blackboard. Other miscellaneous material will be posted on Blackboard.

The office hours of the instructor and the TA are given at the top of this syllabus. Zoom links for both will be provided. Any student wishing to come in to talk to the instructor or the TA during their office hours should email them in advance to say they are coming in. The instructor and TA are also available at other times and students can email them to set up a different time.

The instructor and TA will respond to email questions about any aspect of the course within 36 hours of the email receipt.

Students who need to miss class for medical reasons should notify the instructor in advance if possible or as soon after class as possible. Students who must miss a class because of a religious holiday must inspect the class schedule for the semester, and inform me in advance by September 17th.

Any student with a disability who may need accommodation in this class must obtain an accommodation letter from the Office of Student Disability Services, 410-516-4720, studentdisabilityservices@jhu.edu.

There will be no Senior Option in the course.

Learning Goals for the Course. Learn the economics of inequality, poverty, intergenerational mobility, race differentials, human capital and education and their relationship to inequality and poverty, explanations for rising inequality, and how public policy can address inequality and poverty through taxation, transfers, and welfare reform. In general, (1) acquire knowledge of the extent and causes of poverty and inequality; (2) learn how to use the tools of economics to

¹ The Dean's Office has asked instructors to insert language about incomplete grades as follows: "The I grade may be given to students who, *due to compelling circumstances beyond their control*, are unable to complete the semester's work during the normal course of the semester, and only after conferring with the student about the final deadline for submitting the unfinished work. An I grade must be accompanied by a reversion grade, which is the grade that the student will receive if the missing work is not completed by the agreed-upon final deadline."

analyze poverty and inequality; (3) learn how to evaluate the pros and cons of different governmental approaches to reducing poverty and inequality; (4) learn how to contribute to public discussions of poverty and inequality; and (5) contribute to the requirements for majors toward which the course counts.

Academic integrity. 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 are aware of to the instructor. You may consult the associate dean of student conduct (or designee) by calling the Office of the Dean of Students at 410-516-8208 or via email at integrity@jhu.edu. For more information, see the Homewood Student Affairs site on academic integrity, <https://studentaffairs.jhu.edu/policies-guidelines/undergrad-ethics/>.

Note. If you are struggling with anxiety, stress, depression or other mental health related concerns, please consider contacting the JHU Counseling Center at <https://studentaffairs.jhu.edu/counselingcenter>. If you are concerned about a friend, please encourage that person to seek out their services. They can also be reached at 410-516-8278 (press 1 if after hours). Another good source of people to talk to are those at <https://www.timely.md/faq/mental-telehealth-faq/>. General wellness services can be found at <http://wellness.jhu.edu>. Students can also contact Student Outreach and Support at 410-516-7857 or email deanofstudents@jhu.edu.

Classroom Climate. The instructor is committed to creating a classroom environment that values the diversity of experiences and perspectives that all students bring. All students have the right to be treated with dignity and respect. Fostering an inclusive climate is important because research and experience shows that students who interact with peers who are different from themselves learn new things and experience tangible educational outcomes. Please join in creating a welcoming and vibrant classroom climate. Note, too, that you should expect to be challenged intellectually by the instructor, the TAs, and your peers, and at times this may feel uncomfortable. Indeed, it can be helpful to be pushed sometimes in order to learn and grow. But at no time in this learning process should someone be singled out or treated unequally on the basis of any seen or unseen part of their identity. If you ever have concerns in this course about harassment, discrimination, or any unequal treatment, or if you seek accommodations or resources, I invite you to share directly with the instructor or the TA, who will take your communication seriously and to seek mutually acceptable resolutions and accommodations. Reporting will never impact a student's course grade. You may also share concerns with the department chair (Professor Yingyao Hu, yhu@jhu.edu), the Director of Undergraduate Studies (Professor Bruce Hamilton, bruce.hamilton@jhu.edu), the Assistant Dean for Diversity and Inclusion (Darlene Saporu, dsaporu@jhu.edu), or the Office of Institutional Equity (oiie@jhu.edu). In handling reports, your privacy will be protected as much as possible, but faculty and staff are required to officially report information for some cases (e.g. sexual harassment).

9/30/20

Course Schedule

Date	Topic and Readings (All Readings other than the course textbook and those with a web link should be available on Blackboard under MSE course reserves)
Sept 1	<p>I. Introduction: Why Do We Care About Inequality and Poverty? 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 3,8, 10	<p>II. Income Inequality: How Do We Measure It? Wolff, Chap.2 (2.1, 2.2, 2.3, and 2.5 only), Chap 3 (except starred sections) Supplemental Readings 1 (Discussion Day: September 10): Deaton-Case, https://www.prospectmagazine.co.uk/economics-and-finance/rebottling-the-gini-why-this-headline-measure-of-inequality-misses-everything-that-matters Ferreira, https://blogs.worldbank.org/developmenttalk/defense-gini-coefficient</p>
Sept 15	<p>III. Intergenerational Mobility: What Is It and Is it Changing? Wolff, Chap.6.4 Chetty et al., “Is the United States Still a Land of Opportunity? Recent Trends in Intergenerational Mobility?” <u>American Economic Review</u> 104 (May 2014) 5: 141-147. Chetty et al., “The Fading American Dream: Trends in Absolute Income Mobility Since 1940.” http://voxeu.org/article/trends-us-absolute-income-mobility-1940</p>
Sept 17, 22	<p>IV. Poverty: What Is It? How Do We Measure It? Wolff, Chap.4 (except starred sections) 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 Supplemental Reading 2 (Discussion Day: September 22): Wimer et al., “Progress on Poverty?” https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5131790/</p>

<p>Sept 24, 29</p>	<p>V. Racial Differentials: How Does Economics Study Them? Wolff, Chapter 12., pp.422-425 only, and Chapter 13, pp. 471-477 only. Borjas, George, <u>Labor Economics</u>, 7th Ed., 2016, Chap.9, pp.382-398. Supplemental reading 3 (Discussion Day: September 29): Bertrand, Marianne and Sendhil Mullainathan, “Are Emily and Greg More Employable Than Lakisha and Jamal? A Field Experiment on Labor Market Discrimination,” <u>American Economic Review</u> 94(4): 991-1013.</p>
<p>Oct 1,6, 8,13</p>	<p>VI. 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. Supplemental Reading 4 (Discussion Day: October 13): 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>
<p>Oct 15</p>	<p>Midterm Examination</p>
<p>Oct 20, 27,29, Nov 3</p>	<p>VII. Explanations for Rising Earnings Inequality Wolff, Chap.11 (except 11.9 and 11.10) Goldin-Katz, <u>Race...</u>, Chap.3,8. Blau, Francine and Christopher Mackie, Eds., <u>The Economic and Fiscal Consequences of Immigration</u>. Washington: The National Academies, 2017, pp.1-7. 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): pp. 9-19 only. Supplemental Readings 5 (Discussion Day: November 3): 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): pp. 3-8, 22-28 only. Holzer, Harry, “Will Robots Make Job Training (and Workers) Obsolete?” https://www.brookings.edu/research/will-robots-make-job-training-and-workers-obsolete-workforce-development-in-an-automating-labor-market/</p>

Nov 5, 10,12	<p>VIII. Public Policy I: Taxation</p> <p>Wolff, Chap.16 (16.3,16.4,16.6,16.7 only)</p> <p>Gruber, Jonathan, <u>Public Finance and Public Policy</u>, Worth Publishers, 2nd Ed.,2007, pp.613-619 only.</p> <p>Supplemental Readings 6 (Discussion Day: Nov 12):</p> <p>Auerbach, Alan and Joel Slemrod, “The Tax Reform Act of 1986,” <u>Journal of Economic Literature</u>, June 1997, Sections I, III, IV.A., V.A</p> <p>Slemrod:, Joel, “Is This Tax Reform, or Just Confusion?” <u>Journal of Economic Perspectives</u> 32:4 (Fall 2018), pp.73-93.</p>
Nov 17, 19, Dec 1	<p>IX. Public Policy II: Transfers</p> <p>Wolff, Chap.15 (15.1 to 15.4 only)</p> <p>Gruber, <u>Public Finance...</u>, pp.314-341 except Applications and Section 12.4</p> <p>Gruber, “The Impacts of the Affordable Care Act: How Reasonable Are the Projections?,” <u>National Tax Journal</u> 64(3), pp.893-897 only.</p> <p>Supplemental Reading 7 (Discussion Day: December 1):</p> <p>Diamond, Peter and Peter Orszag, “Saving Social Security,” <u>Journal of Economic Perspectives</u> 19 (Spring 2005): 11-20 only.</p> <p>More textbook reading:</p> <p>Wolff, Chap.15 (15.6,15.7)</p> <p>Lang, Kevin, <u>Poverty and Discrimination</u>, Princeton University Press, 2007, pp.115-125 only.</p>
Dec 3,8	<p>X. Public Policy III: Welfare Reform</p> <p>Wolff, 16.5</p> <p>Borjas, <u>Labor Economics</u>, pp.55-65.</p> <p>Gruber, <u>Public Finance</u>,pp.488-507.</p> <p>Supplemental Reading 8 (Discussion Day: December 8):</p> <p>Hilary Hoynes and Jesse Rothstein, “Universal Basic Income in the United States and Advanced Countries,” <u>Annual Review of Economics</u> (2019) 11:929-58.</p>
Dec X	<p>Final Exam Date and time to be provided by the Registrar</p>