

Economics 180.355  
Economics of Poverty and Inequality  
Fall 2019  
Tu Th 10:30-11:45, Hodson 203  
TA: Emma Kalish, [ekalish1@jhu.edu](mailto:ekalish1@jhu.edu)  
Office hours: Wed 1:00-3:00 and by appt  
Location: Greenhouse Annex

Instructor: R. Moffitt  
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Wyman Park 526  
Office Hours: Wed 9:00-11:00  
and by appointment

## 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, 2<sup>nd</sup> 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, organized by topic. Each topic will begin with 1 or 2 Lectures by the instructor, followed by a Discussion Day where the class will discuss 1 or 2 scholarly research papers related to the topic. All readings on the list other than the main textbook are on MSE electronic reserve unless otherwise noted.

The requirements for the course are (1) a midterm, (2) a final, (3) written assignments related to the Discussion Days, and (4) class participation.

For the written assignments, every student is required to turn in a written document on the Discussion Day on the article(s) assigned for discussion. Most students will only have to turn in a short written assignment of 1/2-to-1 single-spaced page with a Comment on the article(s). But every student will also have to turn in a longer written assignment (2 to 3 single-spaced pages) on one of the 8 Discussion Days which also summarizes the article(s) as well as making a Comment. The students doing the long written assignments for each Discussion Day will also be required to begin the class discussion with a 5-minute oral summary of the article(s). More guidance on these assignments will be given during the course.

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

For class participation, students are expected to participate in the discussion on Discussion Days. In addition, several students will be assigned to ask a question during each of the Lectures on those days when the instructor is giving a Lecture.

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	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 Thursday, December 12, 6:00 pm - 7:15 pm. 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. My views are close to those of an economics professor at Michigan: <https://www.nytimes.com/2017/11/22/business/laptops-not-during-lecture-or-meeting.html>.

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 24th. Any student with a disability who may need accommodation in this class must inform me by September 24th and obtain an accommodation letter from the Office of Student Disability Services, 385 Garland, 410-516-4720, [studentdisabilityservices@jhu.edu](mailto:studentdisabilityservices@jhu.edu).

There will be no Senior Option in the course.

Learning Goals for the Course. (1) Acquire knowledge of the extent and causes of poverty and inequality; (2) learn how to use the tools of economics to 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 witness to the instructor. You may consult the Office of the Dean of Students at 410-516-8208 or via email at [integrity@jhu.edu](mailto:integrity@jhu.edu). For more information, see the Homewood Student Affairs site on

academic ethics:

<https://studentaffairs.jhu.edu/student-life/student-conduct/academic-ethics-undergraduate>  
or the e-catalog entry on the undergraduate academic ethics board:

<http://e-catalog.jhu.edu/undergrad-students/student-life-policies/#UAEB>.

Note. If you are struggling with anxiety, stress, depression or other mental health related concerns, please consider visiting the JHU Counseling Center. If you are concerned about a friend, please encourage that person to seek out their services. The Counseling Center is located at 3003 North Charles Street in Suite S-200 and can be reached at 410-516-8278 and online at <http://studentaffairs.jhu.edu/counselingcenter>.

9/10/19

## Course Schedule

Date	Topic and Readings
Sept 3	<p><b>Introduction</b>  Wolff, Chap.1 (will not discuss), Chap.16.2  Mankiw, N. Gregory, <u>Principles of Economics</u>, 5<sup>th</sup> Edition, pp.442-445.  Gruber, Jonathan, <u>Public Finance and Public Policy</u>, Worth Publishers, 2<sup>nd</sup> Ed.,2007, pp.50-55.</p>
Sept 5,10	<p><b>Measuring Income Inequality</b>  Wolff, Chap.2 (except 2.4 and 2.6 and Appendix), Chap 3 (except starred sections)</p>
Sept 12	<p><b>Discussion: Income Inequality</b>  Atkinson, Piketty, and Saez, “Top Incomes in the Long Run of History”  <u>Journal of Economic Literature</u> 49 (March 2011) 1: 3-7, 40-50, 62-67.</p>
Sept 17	<p><b>Intergenerational Mobility</b>  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.”  <a href="http://voxeu.org/article/trends-us-absolute-income-mobility-1940">http://voxeu.org/article/trends-us-absolute-income-mobility-1940</a></p>
Sept 19	<p><b>Measuring Poverty</b>  Wolff, Chap.4 (except starred sections)</p>
Sept 24	<p><b>Discussion: Poverty Measurement</b>  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 86<sup>th</sup> Annual Conference of the Western Economic Association, June, 2011  Baviera, Richard, “From NRC to SPM: What Has Not Changed?”, Unpublished paper, April, 2011</p>
Sept 26	<p><b>Measuring Wealth Inequality and the Life Cycle Model</b>  Wolff, Chap.5 and Chap. 10.1-10.3</p>

Oct 1	<p><b>Discussion: Wealth Inequality</b>  Zucman, Gabriel, "Wealth Inequality," <u>Pathways: The Poverty and Inequality Report 2016</u>. Stanford Center on Poverty and Inequality, 2016.  Yellen, Janet, "Perspectives on Inequality and Opportunity from the Survey of Consumer Finances," <u>Russell Sage Foundation Journal of the Social Sciences</u> 2 (2016) 2: 44-59.</p>
Oct 3,8, 10	<p><b>Human Capital and Education</b>  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 15	<p><b>Discussion: Education</b>  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 17	<p><b>Midterm Examination</b></p>
Oct 22, 24,29	<p><b>Explanations for Rising Earnings Inequality</b>  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.</p>
Oct 31	<p><b>Discussion: Earnings Inequality</b>  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?" <a href="https://www.brookings.edu/research/will-robots-make-job-training-and-workers-obsolete-workforce-development-in-an-automating-labor-market/">https://www.brookings.edu/research/will-robots-make-job-training-and-workers-obsolete-workforce-development-in-an-automating-labor-market/</a></p>
Nov 5,7	<p><b>Public Policy: Taxation</b>  Wolff, Chap.16 (16.3,16.4,16.6,16.7 only)  Gruber, Jonathan, <u>Public Finance and Public Policy</u>, Worth Publishers, 2<sup>nd</sup> Ed.,2007, pp.613-619.</p>

Nov 12	<p><b>Discussion</b></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 14	<p><b>Public Policy: Transfers I</b></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>
Nov 19	<p><b>Public Policy: Transfers II</b></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>
Nov 21	<p><b>Discussion</b></p> <p>Diamond, Peter and Peter Orszag, “Saving Social Security,” <u>Journal of Economic Perspectives</u> 19 (Spring 2005): 11-20 only.</p>
Dec 3	<p><b>Public Policy: Welfare Reform</b></p> <p>Wolff, 15.5,16.5</p> <p>Borjas, <u>Labor Economics</u>, pp.55-65.</p> <p>Gruber, <u>Public Finance</u>,pp.488-507.</p>
Dec 5	<p><b>Discussion</b></p> <p>Hoynes, Hilary, “The Earned Income Tax Credit”, 2019.*</p> <p>Schanzenbach, Diane, “Exploring Options to Improve the Supplemental Nutrition Assistance Program,”2019.*</p>
Dec 12 6:00- 7:15	<p><b>Final Exam</b></p>

\*On Blackboard.