

University of Colorado at Boulder
Department of Economics

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Economics 4626
Syllabus and schedule
5 January 2018

Welcome. I am Prof. Jeffrey S. Zax. This is Economics 4626, The Economics of Inequality and Discrimination.

Course description:

The purpose of this course is to investigate the extent of inequality, its causes and its consequences. This investigation occurs at both the macroeconomic and microeconomic levels. At the macroeconomic level, we discuss the relationship between inequality and growth and the effects of different national institutions on this relationship. At the microeconomic level, we discuss inequality in multiple dimensions. We analyze the individual choices from which and economic contexts in which it arises. We complete this discussion with an examination of the ways in which the government can address the unequal distribution of market opportunities.

This course requires previous completion of Economics 3070, Intermediate Microeconomic Theory, or its equivalent. This prerequisite will be enforced. Anyone uncertain with regard to their preparation should contact me.

This course will meet on Tuesdays and Thursdays from 12:30 p.m. until 1:45 p.m. throughout the semester in Economics 119. You should expect to attend every class. I will drop any student who is enrolled at the beginning of the semester but does not attend the first class.

Tuesdays and between 2:00 p.m. and 3:00 p.m. on Thursdays in Economics 111, my office. Appointments may be made for meetings at other times, if these are inconvenient. Course information will be posted on Desire2Learn, as needed. Notifications will be posted there as well, and sent via campus email. It is your responsibility to monitor both.

Course requirements

Performance in this course will be judged on the basis of five instruments. The first three instruments are examinations. They will ordinarily consist of short essay questions addressing the material in lectures and readings. They may also include short computational exercises.

The final examination will take place on Sunday, 6 May, from 4:30 p.m. until 7:00p.m. It will require the full 2.5 hours and be worth 150 points. Any student who has three or more final examinations scheduled on 6 May has

purposes. Improper use may be penalized by dismissal from the lecture, grade penalties or both.

The tentative schedule of lectures below also includes the list of

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- 27 February 12. Intragenerational mobility
- Essay on Angola and the Resource Curse, Harvard Business School Case No. 9711-016 issue.
- 1 March 13. The inheritance of economic status, intergenerational mobility and redistributive policy
- Corak, Miles (2013) "Income inequality, equality of opportunity, and intergenerational mobility", Journal of Economic Perspectives, Vol. 27, No. 3, Summer, 79-102.
- Solon, Gary (2002) "Cross-country differences in intergenerational earnings mobility", Journal of Economic Perspectives, Vol. 16 No. 3, Summer, 59-66.
- 6 March 14. Wealth inequality
- Kopczuk, Wojciech (2015) "What do we know about the evolution of top wealth shares in the United States", Journal of Economic Perspectives, Vol. 29, No. 1, Winter, 47-66.
- 8 March 15. Health inequality
- Currie, Janet and Hanes Schwandt (2016) "Mortality inequality: The good news from a county-level approach", Journal of Economic Perspectives, Vol. 30, No. 2, Spring, 29-52.
- Cutler, David M., Edward L. Gleser and Jesse M Shapiro (2003) "Why have Americans become more obese?", Journal of Economic Perspectives, Vol. 17, No. 3, Summer, 39-58.
- 13 March 16. Income, earnings and wage inequality
- Açemoglu, Daron and James A. Robinson (2015) "The rise and decline of the general laws of capitalism", Journal of Economic Perspectives, Vol. 29, No. 1, Winter, 3-28.
- Piketty, Thomas and Emmanuel Sæz (2007) "How progressive is the U.S. federal tax system? A historical and international perspective", Journal of Economic Perspectives, Vol. 21, No. 1, Winter, 3-24.

- 15 March 17. Equivalence scales
- Lundberg, Shelly, Robert A. Pollak and Jenna Stearns (2016) "Family inequality: Diverging patterns in marriage, cohabitation, and childbearing", Journal of Economic Perspectives, Vol. 30, No. 2, Spring, 79-102.
- 20 March 18. Consumption inequality
- Attanasio, Orazio P. And Luigi Pistaferri (2016) "Consumption inequality", Journal of Economic Perspectives, Vol. 30, No. 2, Spring, 3-28.
- 22 March 19. Poverty
- Hoynes, Harry W., Marianne E. Pagan and Ann Huff, (2006) "Poverty in America: Trends and explanations", Journal of Economic Perspectives, Vol 20, No. 1, Winter, 47-68.
- Smeeding, Timothy (2006) "Poor people in rich nations: The United States in comparative perspective", Journal of Economic Perspectives, Vol 20, No. 1, Winter, 69-90.
- 3 April 20. Children's welfare
- Duncan, Greg J and Katherine Magnuson (2013) "Investing in preschool programs", Journal of Economic Perspectives, Vol. 27, No. 2, Spring, 109-32.
- Edmonds, Eric V. and Nina Pavcnik (2005) "Child labor in the global economy", Journal of Economic Perspectives, Vol. 19 No. 1, Winter, 199-220.
- 5 April 21. Well-being
- Kahneman, Daniel and Alan B. Krueger (2006) "Developments in the measurement of subjective well-being", Journal of Economic Perspectives, Vol 20, No. 1, Winter, 3-24.
- Deaton, Angus (2008) "Income, health, and well-being around the world: Evidence from the Gallup poll", Journal of Economic Perspectives, Vol. 22, No. 2, Spring, 53-72.

10 April

Midterm examination

IV. Evaluating inequality

12 April

22. Social welfare functions and societal choice

17 April

23. Preferences for redistribution and feasible redistribution

Diamond, Peter and Emmanuel Sæz (2011) "The case for a progressive tax: From basic research to policy recommendations", Journal of Economic Perspectives, Vol. 25, No. 4, pp. 165-190.

Bonica Adam, Nolan McCarty, Keith T. Poole and Howard Rosenthal (2013) "Why hasn't democracy slowed rising inequality" _____

- 1 May 27. Housing segregation and its progeny: School busing, Fair Housing and environmental racism
- Ladd, Helen F. (1988) "Evidence on discrimination in mortgage lending", Journal of Economic Perspectives, Vol. 12, No. 2 Spring, 41-62.
- 3 May 28. Discrimination in automobile and other markets
- 6 May Find examination 4:30p.m.-7:00p.m.

University policies:

The University adheres to the standards for student privacy rights and requirements as stipulated in the Federal Rights and Privacy Act (FERPA) of 1974.² Campus policy regarding disabilities requires that faculty adhere to the recommendations of Disability Services. In addition, campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly accommodate all students who, because of religious obligations, have conflicts with scheduled examinations, assignments or required attendance. Any student eligible for and needing academic adjustments or accommodations because of disability or religious practice should arrange to meet with me immediately. Those with disabilities should immediately submit a letter from Disability Services describing appropriate adjustments or accommodations.³

Students and faculty share responsibility for maintaining an appropriate learning environment. All are subject to the University's policies on Sexual Harassment and Amorous Relationships.⁴ Students who fail to adhere to appropriate behavioral standards may be subject to

² A description is available at <http://www.colorado.edu/registrar/resources/family-educational-rights-and-privacy-act-ferpa>.

³ University policies regarding religious practice are available at <http://www.colorado.edu/policies/observance-religious-holidays-and-absences/classesandorexams>. University policies regarding disabilities are available at <http://disabilityservices.colorado.edu>. Disability Services can be contacted by telephone at 303-492-8671, or in person at Wilard 322.

⁴ University policies regarding Sexual Harassment and Amorous Relationships are available at <http://www.colorado.edu/institutionalequity/policies>. The Office of Institutional Equity and Compliance can be reached by telephone at 303-492-2127 or at <http://www.colorado.edu/institutionalequity/>. The Office of Student Conduct and Conflict Resolution can be reached by telephone at 303-492-5550 or at

discipline. Faculty have the professional responsibility to treat students with understanding, dignity and respect, to guide classroom discussion and to set reasonable limits on the manner in which students express opinions. I am happy to discuss any issues of individual or group treatment in office hours or by appointment.

All students of the University of Colorado at Boulder are responsible for knowing and adhering to this institution's policy regarding academic integrity. Contact your instructor if you have any questions.