

ECON/POLS 282: Inequality and Public Policy

Haverford College
Department of Economics

Professor: Michael Levere (he/him) (mlevere@haverford.edu)

Class Meetings: MW, 2:30 pm-4:00 pm, Hilles 108

Office Hours: Thursday 4 pm-6 pm, Chase 218

Required Books: None. Readings will be posted on Moodle or available from the library.

COURSE DESCRIPTION

In this course we will explore the relationship between public policy and economic outcomes in the United States. We will examine causes of rising inequality over the last few decades and its effects on American democracy, applying our discussion to important policy topics. The first third of the course will focus on the causes and consequences of inequality, including the role of race, gender, and discrimination. We will discuss the role that inequality plays in voting and elections and the extent to which government represents the interests of Americans across the income distribution. We will then spend the remainder of the course examining eight applied policy topics – (1) taxes; (2) transfer programs; (3) employment; (4) education; (5) health; (6) housing; (7) environment; and (8) criminal justice. In each, we will assess levels of inequality, including the role of race and gender, as well as analyze policies that serve to ameliorate or exacerbate inequality. We will wrap up with a comprehensive assessment of ways the political and economic policy landscape can evolve over the coming decades to ensure equality of opportunity.

LEARNING OBJECTIVES

By the end of this course, you will be able to:

- Summarize recent trends in inequality in the United States
- Distinguish equality of opportunity from income and wealth inequality
- Evaluate the causes and consequences of political and economic inequality
- Judge the potential effects of proposed policies to reduce inequality
- Apply concepts of inequality to understand a range of policy topics

INFORMED PARTICIPATION (15%)

Our class meetings will include frequent opportunities for small group and large class discussions. You must come to class prepared to talk about the assigned readings. Informed participation refers to the quality of your contribution to these discussions.

TWO REACTION PAPERS (20%)

You will be expected to write two brief 1-2 page reaction papers – one to a reading in the first third of the course and one to a reading on an applied policy topic that you are *not* presenting on. Please summarize the reading and your reaction to it. The reaction paper

must be turned in *before* the class in which we discuss the reading.

IN CLASS PRESENTATION ON APPLIED TOPIC (30%)

I will expect you to become an expert on one of the eight policy topics. Together with one or two of your fellow classmates, you will give a brief 15-20 minute presentation summarizing the topic, why you think it is important, existing levels of inequality, and ways that policies can address inequality. I expect you to go beyond the assigned readings, presenting your own assessment of the most important trends pertaining to this topic. Please email me no later than **January 31** indicating your top three topics. More details to follow.

FINAL POLICY MEMO (35%)

In lieu of a final exam, you will be expected to write an 8-10 page policy memo. In it, you should design and advocate for an original public policy intervention aimed at reducing inequality. Your memo should provide an overview of the field your intervention targets, a clear and concise explanation of what the intervention will do, and a justification for why it will help reduce inequality. The memo should directly engage with research related to your topic (which can include readings from the course as well as other studies from academic journals or reports from government agencies/think tanks).

OTHER DETAILS

Inclusivity: I consider this classroom to be a place where you will be treated with respect, and I welcome individuals of all ages, backgrounds, beliefs, ethnicities, genders, gender identities, gender expressions, national origins, religious affiliations, sexual orientations, ability – and other visible and nonvisible differences. All members of this class are expected to contribute to a respectful, welcoming and inclusive environment for everyone in class.

Class website: All information and readings will be posted on the course Moodle page.

E-mail policy: I will always do my best to reply to any e-mail you send within 24 hours. My response will typically be of a similar length as your e-mail. If you have more detailed questions, I suggest you attend office hours. I am generally available outside my office hours as well, so please feel free to stop by my office or email to schedule an appointment.

Academic honesty: For any written assignments to be turned in, you may use any resources you like and can consult with classmates, provided that the work you turn in is your own and you acknowledge the names of helpful peers. Directly copying someone else's work, ideas, or answers is a violation of the honor code with serious consequences.

Additional support: I am committed to partnering with you on your academic and intellectual journey. I also recognize that your ability to thrive academically can be impacted by your personal well-being and that stressors may impact you over the course of the semester. If the stressors are academic, I welcome the opportunity to discuss and address

those stressors with you in order to find solutions together. If you are experiencing challenges or questions related to emotional health, finances, physical health, relationships, learning strategies or differences, or other potential stressors, I hope you will consider reaching out to the many resources available on campus. These resources include CAPS (free and unlimited counseling is available), the Office of Academic Resources, Health Services, Professional Health Advocate, Religious and Spiritual Life, the Office of Multicultural Affairs, the GRASE Center, and the Dean's Office. Additional information can be found at <https://www.haverford.edu/deans-office-student-life/offices-resources>

Additionally, Haverford College is committed to creating a learning environment that meets the needs of its diverse student body and providing equal access to students with a disability. If you have (or think you have) a learning difference or disability – including mental health, medical, or physical impairment – please contact the Office of Access and Disability Services (ADS) at hc-ads@haverford.edu. The Director will confidentially discuss the process to establish reasonable accommodations. It is never too late to request accommodations – our bodies and circumstances are continuously changing. Students who have already been approved to receive academic accommodations and want to use their accommodations in this course should share their accommodation letter and make arrangements to meet with me as soon as possible to discuss how their accommodations will be implemented in this course. Please note that accommodations are not retroactive and require advance notice in order to successfully implement.

Title IX: Haverford College is committed to fostering a safe and inclusive living and learning environment where all can feel secure and free from harassment. All forms of sexual misconduct, including sexual assault, sexual harassment, stalking, domestic violence, and dating violence are violations of Haverford's policies, whether they occur on or off campus. Haverford faculty are committed to helping to create a safe learning environment for all students and for the College community as a whole. If you have experienced any form of gender or sex-based discrimination, harassment, or violence, know that help and support are available. Staff members are trained to support students in navigating campus life, accessing health and counseling services, providing academic and housing accommodations, and more.

The College strongly encourages all students to report any incidents of sexual misconduct. Please be aware that all Haverford employees (other than those designated as confidential resources such as counselors, clergy, and healthcare providers) are required to report information about such discrimination and harassment to the Bi-College Title IX Coordinator: <https://www.haverford.edu/users/ktaylor4>.

Information about the College's Sexual Misconduct policy, reporting options, and a list of campus and local resources can be found on the College's website: <https://www.haverford.edu/sexual-misconduct>

Tentative Schedule

Lecture	Date	Day	Topic
1	January 19	Wednesday	Intro/Statistics crash course
2	January 24	Monday	Overview of income inequality
3	January 26	Wednesday	Overview of wealth inequality
4	January 31	Monday	Inequality causes and consequences
5	February 2	Wednesday	Inequality as a political problem
6	February 7	Monday	Inequality as a political problem
7	February 9	Wednesday	Economic voting
8	February 14	Monday	Beliefs about inequality
9	February 16	Wednesday	Unequal representation
10	February 21	Monday	Taxes
11	February 23	Wednesday	Taxes
12	February 28	Monday	Transfer programs
13	March 2	Wednesday	Transfer programs
14	March 14	Monday	Employment
15	March 16	Wednesday	Employment
16	March 21	Monday	Education
17	March 23	Wednesday	Education
18	March 28	Monday	Health
19	March 30	Wednesday	Health
20	April 4	Monday	Housing
21	April 6	Wednesday	Housing
22	April 11	Monday	Environment
23	April 13	Wednesday	Environment
24	April 18	Monday	Criminal justice
25	April 20	Wednesday	Criminal justice
26	April 25	Monday	Where do we go from here?
27	April 27	Wednesday	Where do we go from here?

Required readings

Please note: Readings DO NOT necessarily reflect my opinion about an issue. They are meant to be a launching point for our discussions, and are intended to present a broad perspective of viewpoints on a range of complex issues.

Overview of income inequality (January 24)

- Bartels, Larry. 2016. “The New Gilded Age” (Chapter 1) in *Unequal Democracy: The Political Economy of the New Gilded Age*. Princeton University Press.
- Mankiw, N. Gregory. 2013. “Defending the One Percent.” *Journal of Economic Perspectives*, volume 27, number 3: 21-34.
- Berman, Elizabeth Popp. 2014. “Inequality in the Skies.” *OrgTheory*.

Overview of wealth inequality (January 26)

- Fagereng, Andreas, Magne Mogstad, and Marte Rønning. 2021. “Why do wealthy parents have wealthy children?” *Journal of Political Economy*, volume 129, number 3: 703-756. **Sections I-III only**
- Hamilton, Darrick, William Darity Jr, Anne E. Price, Vishnu Sridharan, and Rebecca Tippet. 2015. “Umbrellas don’t make it rain: Why studying and working hard isn’t enough for Black Americans.” *Insight Center for Community Economic Development*.
- Saez, Emmanuel, and Gabriel Zucman. 2014. “Exploding Wealth Inequality in the United States.” *VoxEU*.

Inequality causes and consequences (January 31)

- Edwards, Chris, and Ryan Bourne. 2019. “Exploring wealth inequality.” *Cato Institute*. **Sections 2, 3, 5 only**
- Stiglitz, Joseph. 2016. “Inequality and Economic Growth” (Chapter 8) in *Rethinking Capitalism*. Wiley-Blackwell.

Inequality as a political problem (February 2 and 7)

Part I

- Bartels, Larry. 2016. “Partisan Political Economy” (Chapter 2) in *Unequal Democracy: The Political Economy of the New Gilded Age*. Princeton University Press.
- Bonica, Adam, Nolan McCarty, Keith T. Poole, and Howard Rosenthal. 2013. “Why Hasn’t Democracy Slowed Rising Inequality?” *Journal of Economic Perspectives*, volume 27, number 3: 103-124.

Part II - Democrats and Republicans

- Hacker, Jacob S., and Paul Pierson. 2011. “Democrats Climb Aboard” (Chapter 9) in *Winner-Take-All Politics: How Washington Made the Rich Richer – And Turned Its Back on the Middle Class*. Simon & Schuster.
- Hacker, Jacob S., Paul Pierson, and E.J. Dionne., Jr. 2020. “Jacob Hacker And Paul Pierson: How The Right Rules.” *Commonwealth of California talk*.

Economic Voting (February 9)

- Bartels, Larry. 2016. “Partisan Biases in Economic Accountability” (Chapter 3) in *Unequal Democracy: The Political Economy of the New Gilded Age*.. Princeton University Press.
- Ansolabehere, Stephen, Marc Meredith, and Erik Snowberg. 2014. “Mecro-economic voting: Local information and micro-perceptions of the macro-economy.” *Economics & Politics*, volume 26, number 3: 380-410.

Beliefs about Inequality (February 14)

- Bartels, Larry. 2016. “Do Americans Care About Inequality?” (Chapter 4) in *Unequal Democracy: The Political Economy of the New Gilded Age*.. Princeton University Press.
- Brosnan, Sarah. 2020. “Why monkeys (and humans) are wired for fairness.” *TED Salon: UNDP*.

Unequal Representation (February 16)

- Bartels, Larry. 2016. “Inequality and Representation” (Chapter 8) in *Unequal Democracy: The Political Economy of the New Gilded Age*.. Princeton University Press.
- Gilens, Martin and Benjamin I. Page. 2014. “Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens.” *Perspectives on Politics*, volume 12, number 3: 564-581.

Taxes (February 21 and 23)

Taxing the Super Rich

- Eisinger, Jesse, Jeff Ernsthausen, and Paul Kiel. 2021. “The secret IRS files: Trove never-before-seen records reveal how the Wealthiest avoid income Tax.” *ProPublica*.
- Huang, Chye-Ching, and Brandon DeBot. 2017. “Ten facts you should know about the federal estate tax.” *Center on Budget and Policy Priorities*.

- Irwin, Neil. 2021. “Proposed Tax on Billionaires Raises Question: What’s Income?” *New York Times*.

Other Features of the Tax Code

- Hoynes, Hilary W., and Ankur J. Patel. 2018. “Effective policy for reducing poverty and inequality? The Earned Income Tax Credit and the distribution of income.” *Journal of Human Resources*, volume 53, number 4: 859-890. **Sections 1, 2, 8 only**
- Brown, Dorothy A. 2021. “Married While Black” (Chapter 1) in *The Whiteness of Wealth*. Crown.
- Mettler, Suzanne. 2011. “The Politics of the Submerged State” (Chapter 2) in *The Submerged State*. The University of Chicago Press.

Transfer Programs (February 28 and March 2)

Pandemic programs and disability

- Joffe-Walt, Chana. 2013. “Trends with Benefits.” *This American Life*.
- Yglesias, Matthew. 2021. “Something really good is happening next month”. *Slow Boring*.
- Larrimore, Jeff, Jacob Mortenson, and David Splinter 2021. “Earnings Shocks and Stabilization During COVID-19,” Finance and Economics Discussion Series 2021-052. Washington: Board of Governors of the Federal Reserve System.

TANF, SNAP, and more

- Schmidt, Lucie, Lara Shore-Sheppard, and Tara Watson. 2016. “The Effect of Safety-Net Programs on Food Insecurity.” *Journal of Human Resources*, volume 51, number 3: 589-614. **Sections 1, 2, 5 only**
- Clark, Krissy. 2016. “What’s love (styles) got to do with it?” *The Uncertain Hour*.
- Lowrey, Annie. 2021. “The Time Tax.” *The Atlantic*.

Employment (March 14 and 16)

Minimum wage

- Derononcourt, Ellora and Claire Montialoux. 2020. “To Reduce Racial Inequality, Raise the Minimum Wage.” *New York Times*.
- Casselman, Ben and Jim Tankersley. 2021. “When Amazon Raises Its Minimum Wage, Local Companies Follow Suit.” *New York Times*.

- Luterma, Sara. 2020. “Why businesses can still get away with paying pennies to employees with disabilities.” *Vox*.
- Bartels, Larry. 2016. “The Eroding Minimum Wage” (Chapter 7) in *Unequal Democracy: The Political Economy of the New Gilded Age*. Princeton University Press.

Automation

- Kestenbaum, David and Jacob Goldstein. 2015. “When Luddites Attack.” *Planet Money*.
- Autor, David. 2015. “Why Are There Still So Many Jobs? The History and Future of Workplace Automation.” *Journal of Economic Perspectives*, volume 29, number 3: 3-30.
- Alexander, Brian. 2018. “Why robots helped Donald Trump win.” *MIT Technology Review*.
- Dizikes, Peter. 2020. “Study finds stronger links between automation and inequality.” *MIT News Office*.

Education (March 21 and 23)

Pre-K and primary/secondary schools

- Talbot, Margaret. 2015. “The Talking Cure.” *New Yorker*.
- Heckman, James J., Seong Hyeok Moon, Rodrigo Pinto, Peter A. Savelyev, and Adam Yavitz. “The rate of return to the HighScope Perry Preschool Program.” *Journal of Public Economics*, volume 94, number 1-2: 114-128. **Section 1 and 2 only**.
- Blumberg, Alex. 2012. “Pre K-O.” *This American Life*.
- Hannah-Jones, Nikole. 2014. “Segregation Now.” *ProPublica*.

College

- Moss-Racusin, Corinne A., John F. Dovidio, Victoria L. Brescoll, Mark J. Graham, and Jo Handelsman. 2012. “Science faculty’s subtle gender biases favor male students.” *Proceedings of the National Academy of Sciences*, volume 109, number 41: 16474-16479.
- Committee for a Responsible Federal Budget. 2021. “It’s Time to Wind Down the Student Loan Moratorium.”
- Cottom, Tressie McMillan and Lousie Seamster. 2021. “The Life-Altering Differences Between Black and White Debt.” *The Ezra Klein Show*.
- Goldin, Claudia and Lawrence Katz. 2009. “The future of inequality: The other reason education matters so much.” *Aspen Institute Congressional Program*.

Health (March 28 and 30)

Health care

- Aizer, Anna, and Janet Currie. 2014. “The intergenerational transmission of inequality: Maternal disadvantage and health at birth.” *Science*, volume 344, number 6186: 856-861.
- Alsan, Marcella, and Marianne Wanamaker. 2018. “Tuskegee and the health of black men.” *Quarterly Journal of Economics*, volume 133, number 1: 407-455. **Sections I and II only**
- Irwin, Neil, and Quoctrong Bui. 2016. “The Rich Live Longer Everywhere. For the Poor, Geography Matters.” *New York Times*.
- Barbaro, Michael. 2018. “A Life-or-Death Crisis for Black Mothers.” *The Daily*.

Health insurance

- Press, Eyal. 2020. “A Preventable Cancer is on the Rise in Alabama.” *The New Yorker*.
- Kliff, Sarah. 2019. “The I.R.S. Sent a Letter to 3.9 Million People. It Saved Some of Their Lives.” *New York Times*.
- Kaestner, Robert, and Darren Lubotsky. 2016. “Health Insurance and Income Inequality.” *Journal of Economic Perspectives*, volume 30, number 2: 53-78.

Housing (April 4 and 6)

Evictions

- Desmond, Matthew. 2016. “Home and Hope” (Epilogue) in *Evicted: Poverty and Profit in the American City*. Crown.
- Haas, Jacob, Jasmine Rangel, Juan Pablo Garnham, and Peter Hepburn. 2021. “Preliminary Analysis: Eviction Filing Trends After the CDC Moratorium Expiration.” *Eviction Lab Updates*.

Vouchers and Land Use Policy

- Chetty, Raj, Nathaniel Hendren, and Lawrence F. Katz. 2016. “The effects of exposure to better neighborhoods on children: New evidence from the moving to opportunity experiment.” *American Economic Review*, volume 106, number 4:855–902. **Skip section 4**
- Yglesias, Matthew and Jenny Schuetz. 2019. “America’s Two Housing Crises.” *The Weeds*.

Environment (April 11 and 13)

Climate change

- Garthwaite, Josie. 2019. “Climate change has worsened global economic inequality.” *Stanford Earth Matters Magazine*.
- Aronoff, Kate. 2020. “How to Make the Paris Agreement Really Work.” *The New Republic*.
- Environmental Protection Agency. 2021. “Climate Change and Social Vulnerability in the United States.” EPA report. **Executive Summary only**
- Klinenberg, Eric. 2012. “Adaptation.” *The New Yorker*.

Pollution and environmental justice

- Brown, Alex. “Landmark Climate Policy Faces Growing Claims of Environmental Racism.” *Stateline*.
- Banzhaf, Spencer, Lala Ma, and Christopher Timmins. 2019. “Environmental Justice: The Economics of Race, Place, and Pollution.” *Journal of Economic Perspectives*, volume 33, number 1: 185-208.

Criminal justice (April 18 and 20)

Incarceration

- Weaver, Vesla M., and Amy E. Lerman. 2010. “Political Consequences of the Carceral State.” *American Political Science Review*, volume 104, number 4: 817-833.
- Coates, Ta-Nehisi. 2015. “The Black Family in the Age of Mass Incarceration.” *The Atlantic*. **Sections I-III only**

Other topics

- Oliver, John. 2015. “Municipal Violations.” *Last Week Tonight with John Oliver*.
- Drum, Kevin. 2013. “Lead: America’s Real Criminal Element.” *Mother Jones*.
- Corbett-Davies, Sam, Emma Pierson, Avi Feller and Sharad Goel. 2016. “A computer program used for bail and sentencing decisions was labeled biased against blacks. It’s actually not that clear.” *Washington Post*.

Where do we go from here? (April 25 and 27)

- Lowrey, Annie. 2018. “\$1,000 a month” (Chapter 10) in *Give People Money: How a Universal Basic Income Would End Poverty, Revolutionize Work, and Remake the World*. Broadway Books.

- Coates, Ta-Nehisi. 2014. “The Case for Reparations.” *The Atlantic*.
- Rector, Robert, and Rachel Sheffield. 2011. “Understanding Poverty in the United States: Surprising Facts About America’s Poor.” *Heritage Foundation*.