

Syllabus Spring 2022
Honors Seminar: Economics of Inequality
Professor Julia Schwenkenberg
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Time and Location: Tuesday & Thursday 2:30-3:50pm
ENG-301

Description:

We will study various dimensions of economic inequality. What does welfare economics tell us about distribution and fairness? What is the scale of wealth and income inequality today? We learn how to calculate measures of inequality and look at the data documenting economic inequality over the past decades. We investigate the connection between economic outcomes, institutions and policies to begin to understand both historically persistent racial inequalities as well as the recent rise in income inequality, including the extreme growth in incomes for the 1% relative to everyone else.

Learning Goals:

- Discuss Justice, Fairness, and Inequality
 - Learn how to define and measure inequality
 - Understand the assumptions economists make about preferences and markets
 - Learn about the income and wealth distribution in the US and changes to the distribution since 1900
 - Become able to discuss the causes and consequences of the most recent increase in economic inequality
 - Learn about racial inequality and understand the connection between segregation, income and wealth
 - Become able to analyze the interplay between economic outcomes and government policy
 - Being able to contrast different interpretations of evidence and economic theory and understand resulting different views on economic policy
 - Improve ability to understand past and present interrelationships among diverse political, social, racial/ethnic and/or gender groups
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Grading:	Assignments (4): 50%	90-100	A
	Presentation: 20%	85-89	B+
	Short Paper: 20%	75-84	B
	Participation: 10%	70-74	C+
		60-69	C
		50-59	D
		0-49	F

Policies:

- **Assignments:** There are 4 assignments that are weighted equally. The assignments are submitted on Canvas and have different formats. Two of the assignments will be based on data analysis. The other two will be a mix of problem solving and essay questions. All are based on material we cover in class first.
- **Presentations:** The course covers several dimensions of inequality but there are many issues that can be explored further. Some topics could be a course on their own! Each of you will further explore an issue and give a 15 minutes presentation to the class. You need to prepare PowerPoints for your presentation and then write up a short paper on the topic.
- **Short Paper:** You write up a 5 page paper on your topic that is due at the end of the semester (on Thursday May 5th). We will discuss details in class and I will post a rubric on Canvas.
- **Attendance:** You are expected to attend class and actively participate in seminar discussions.

Academic Integrity:

As an academic community dedicated to the creation, dissemination, and application of knowledge, Rutgers University is committed to fostering an intellectual and ethical environment based on the principles of academic integrity. Academic integrity is essential to the success of the University's educational and research missions, and violations of academic integrity constitute serious offenses against the entire academic community. The Academic Integrity Policy can be found here: <http://academicintegrity.rutgers.edu>

Tentative Course Outline— check Canvas for Updates

Wk	Dates	Module/Topic	DUE
1	T Jan. 18	Introduction	
	R Jan. 20	Preferences and Fairness	
2	T Jan. 25 R Jan. 27	Preferences and Fairness	Assignment 1
3	T Feb. 1 R Feb. 3	Measurement of Economic Inequality	
4	T Feb. 8 R Feb. 10	Measurement of Economic Inequality	Assignment 2
5	T Feb. 15 R Feb. 17	Income and Wealth Distribution in the US	
6	T Feb. 22 R Feb. 24	Income and Wealth Distribution in the US	Assignment 3
7	T March 1 R March 3	Intergenerational Mobility and the Geography of Opportunity	
8	T March 8 R March 10	Intergenerational Mobility and the Geography of Opportunity	Assignment 4
9	T March 15 R March 17	SPRING BREAK	
10	T March 22 R March 24	Discussion of Presentation and Short Paper Projects	
11	T March 29 R March 31	Segregation, Racism, and Opportunity	
12	T April 5 R April 7	Inequity and Health	
13	T April 12 R April 14	Education, Technology, Globalization	
14	T April 19 R April 21	Presentations	Power Points due on day of presentation
15	T April 26 R April 28	Presentations	Short Paper Due on May 5 th

References / Readings

Note: Subject to change. Specific reading assignments/ changes/ updates will be posted in Canvas in the Module Section.

Module 1: Preferences and Fairness

We cover material from The CORE team, The Economy. Available at: <https://www.core-econ.org> © CORE Economics Education (CORE) is licensed under the [Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License](https://creativecommons.org/licenses/by-nc-nd/4.0/).

Unit 4 “Social Interactions”

<https://www.core-econ.org/the-economy/book/text/04.html>

Unit 5 “Property and power: Mutual gains and conflicts”

<https://www.core-econ.org/the-economy/book/text/05.html>

Module 2: Measurement of Economic Inequality

Chapter 6, Economic Inequality, D. Ray "Development Economics", Princeton University Press update here:

<https://pages.nyu.edu/debraj/Courses/21UGDev/Handouts/RayIneqMeasurementUpdate.pdf>

Also see: <https://debrajray.com/2021/10/01/a-discussion-of-the-gini-coefficient/>

Unit 19 “Economic Inequality”

<https://www.core-econ.org/the-economy/book/text/19.html>

Core Insights: “A World of Differences”

<https://www.core-econ.org/insights/a-world-of-differences/text/a-world-of-differences.html>

Module 3: Income and Wealth Distribution in the US

"The Rise of Income and Wealth Inequality in America: Evidence from Distributional Macroeconomic Accounts" with Gabriel Zucman, Journal of Economic Perspectives 34(4), Fall 2020, 3-26 <https://eml.berkeley.edu/~saez/SaezZucman2020JEP.pdf>

Module 4: Intergenerational Mobility and the Geography of Opportunity

The Opportunity Atlas: Mapping the Childhood Roots of Social Mobility

Raj Chetty, John Friedman, Nathaniel Hendren, Maggie R. Jones, Sonya R. Porter

NBER working paper no. 25147, October 2018

<https://opportunityinsights.org/paper/the-opportunity-atlas/>

Module 5: Segregation, Racism, and Opportunity

Race and Economic Opportunity in the United States: An Intergenerational Perspective

Raj Chetty, Nathaniel Hendren, Maggie R. Jones, Sonya R. Porter

Quarterly journal of economics, volume 135, issue 2, may 2020, pages 711–783, March 2018

<https://opportunityinsights.org/paper/race/>

Rothstein, Richard, *The Color of Law: A Forgotten History of How Our Government Segregated America*, First edition. New York ; London: Liveright Publishing Corporation, a division of W.W. Norton & Company, 2017

<https://wwnorton.com/books/The-Color-of-Law/>

Module 6: Inequity and Health

How Economic Inequality Inflicts Real Biological Harm. This article was originally published with the title "The Health-Wealth Gap" in *Scientific American* 319, 5, 62-67, November 2018

<https://www.scientificamerican.com/article/how-economic-inequality-inflicts-real-biological-harm/>

Mortality and Morbidity in the 21st Century

Anne Case and Sir Angus Deaton, March 23, 2017

<https://www.brookings.edu/bpea-articles/mortality-and-morbidity-in-the-21st-century/>

Entire Paper <https://www.brookings.edu/wp-content/uploads/2017/08/casetextsp17bpea.pdf>

Alsan, Marcella, Amitabh Chandra, and Kosali Simon. 2021. "The Great Unequalizer: Initial Health Effects of COVID-19 in the United States." *Journal of Economic Perspectives*, 35 (3): 25-46. <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.35.3.25>

Module 7: Education, Technology, Globalization

Autor, D. H. "Skills, Education, and the Rise of Earnings Inequality Among the 'Other 99 Percent.'" *Science* 344, no. 6186 (May 22, 2014): 843–

851. <https://dspace.mit.edu/handle/1721.1/96768?show=full>

Goldin, Claudia, and Lawrence F. Katz. The race between education and technology: The evolution of US educational wage differentials, 1890 to 2005. No. w12984. National Bureau of Economic Research, 2007. <https://www.nber.org/papers/w12984>