

FRSEMR 71N: The Causes and Consequences of Inequality

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Bank of America building (next to Coop)

***Harvard IDs required to access the elevator in the lobby**

Monday 3-5 pm

Office Hours: by appointment

Overview

This is a survey course about economic and social inequality. The goals of the course are to 1) provide you with a broad and balanced perspective on what social science has to say about the causes and consequences of economic inequality; 2) introduce positive and normative frameworks for discussions about inequality; 3) understand how broad societal forces that are driving increasing inequality relate to specific policy choices at the global and U.S. Federal, state and local levels.

The course is offered weekly on Monday afternoons. Each course will cover a single topic and will begin with a short (~30 minute) overview by me to set the stage. The rest of class will be an in-depth discussion of the material for that week. The course will conclude with student presentations and a final paper.

Assignments

Newspaper Articles

There are so many important political and policy debates happening about inequality right now. We will weave current events into the course at several points throughout the semester by selecting current newspaper articles for the following week's discussion. I will assign you to pick an article from a set of reputable journalistic sources (e.g. the *New York Times*, *Wall Street Journal*, *Washington Post*, *The Atlantic*, *The New Yorker*, *Slate*, *BBC*, *The Economist*, *Foreign Affairs*, etc.) that speaks to some aspect of the weeks' readings. You will begin the discussion with a 5-10 minute introduction that summarizes the article, and then lead the discussion that follows. Each student will be responsible for picking at least one article throughout the semester.

Final Presentation and Paper

Each student will be responsible for developing a final paper throughout the semester. The final paper will be an opportunity for you explore more deeply an idea or line of research that we covered in class. I will discuss this more in class, but broadly speaking you will pick a theme within one of the topics of each week and dig more deeply into the research and policy issues surrounding it. This is a **framing paper** that is meant to develop your thinking around a topic that is of personal interest to you. I expect the paper to be roughly between 6 and 10 pages in length, but this will depend a bit on the format (in particular, whether you are using data or pursuing more of an essay format).

As part of this assignment, you will 1) meet with me periodically throughout the semester to discuss your ideas; 2) develop an outline of the final paper and submit it to me prior to the final class; 3) give a 15 minute presentation about your paper at a dinner during the last class of the semester; and 4) turn in a final version of your 6-10 page framing paper.

Readings and Course Schedule

All readings will be made available electronically on the course website. Please note that you may need to be logged in to Hollis+ to view some of the articles. It is absolutely critical that you complete the readings prior to each week's class. I am happy to provide additional readings on any topic, or to help curate among the sources that you are considering for your final paper.

- 9/9 Overview – Inequality in the U.S. and around the World
- 9/16 Normative Dimensions of Inequality and Intergenerational Mobility
- 9/23 Education and Skills – Macro Perspective
- 9/30 NO CLASS (Rosh Hashanah)
- 10/7 Families, Children and Early Environments
- 10/14 NO CLASS (Columbus Day)
- 10/21 K-12 and Postsecondary Education
- 10/28 Segregation and Neighborhoods
- 11/4 Race, Discrimination and Criminal Justice
- 11/11 NO CLASS (Veteran's Day)
- 11/18 The Top 1 Percent – Wealth Inequality, Taxation and Superstars
- 11/25 The Politics of Inequality – Elite Influence, Mass Media and Money in Politics
- 12/2 The Future of Inequality – A World Without Work?

Full disclosure – climate change and health care are two topics that I would love to cover, but just don't have the time or the expertise to do them justice.

Our final class will be a dinner at my house, where you will make short presentations of your final paper. The date and time are TBD, but it will be sometime between 12/3 and 12/10 (the end of reading period).

Course Overview - Inequality in the U.S. and around the World

Please read the [series of articles for *Slate* by Timothy Noah on "The Great Divergence"](#) (this is a great and highly readable introduction to the issues we will be discussing throughout the semester.) This set of articles is very U.S. focused.

For a global and long-run perspective, please also read the following topic chapters from the truly fantastic website [Our World in Data](#):

[Max Roser \(2019\) - "Economic Growth". Published online at OurWorldInData.org.](#)

[Max Roser and Esteban Ortiz-Ospina \(2019\) - "Global Extreme Poverty". Published online at OurWorldInData.org.](#)

[Max Roser \(2019\) - "Global Economic Inequality". Published online at OurWorldInData.org.](#)

Normative Dimensions of Inequality and Intergenerational Mobility

Kasy, M. 2015. *Empirical Research on Economic Inequality*, Chapter 2 “Justice and Research”.

Okun, Arthur M. *Equality and efficiency: The big tradeoff*. Brookings Institution Press, 2015 (NB – this link is to a short version with only key passages. I didn’t want to assign an entire book – but you should really read the whole thing!)

Singer, Peter. “The Singer Solution to World Poverty”, *New York Times Magazine*, September 5th, 1999.

Chetty, Raj, Nathaniel Hendren, Patrick Kline and Emmanuel Saez. 2014. “Where is the Land of Opportunity? The Geography of Intergenerational Mobility in the U.S.” Executive Summary.

Chetty, Raj, David Grusky, Maximilian Hell, Nathaniel Hendren, Robert Manduca and Jimmy Narang. 2016. “The Fading American Dream: Trends in Absolute Income Mobility Since 1940.” Executive Summary.

Education and Skills – Macro Perspective

Autor, David H. 2014. “Skills, Education, and the Rise of Earnings Inequality Among the ‘Other 99 Percent.’” *Science*, 344(6186), 843–851.

Max Roser and Esteban Ortiz-Ospina (2019) - "Global Rise of Education". *Published online at OurWorldInData.org*.

Max Roser and Mohamed Nagdy (2019) - "Returns to Education". *Published online at OurWorldInData.org*.

Please watch Paul Romer’s 2018 Nobel lecture, found [here](#). (It’s about 30 minutes long, and the really interesting bits start around minute 7). Please also read these two short, related articles for additional context:

<https://voxeu.org/article/new-ideas-about-new-ideas-paul-romer-nobel-laureate>

<https://voxeu.org/article/ideas-aren-t-running-out-they-are-getting-more-expensive-find>

Families, Children and Early Environments

Almond, Douglas and Janet Currie. 2011. “Killing Me Softly: The Fetal Origins Hypothesis,” *Journal of Economic Perspectives*,” 25(3): 153-172.

Wisconsin IRP Summary of Heckman, James J and Pedro Carneiro. “Human Capital Policy,” in *Inequality in America: What Role for Human Capital Policy?* MIT Press, 2003.

The full article can be found [here](#) if you want it for context.

Hendren, Nathaniel and Ben Sprung-Keyser. 2019. “A Unified Welfare Analysis of Government Policies.” Executive Summary.

Explore the interactive tool accompanying the paper [here](#).
Read the accompanying [Wall Street Journal](#) article

K-12 and Postsecondary Education

Duncan, Greg J. and Richard J. Murnane. 2011. "Introduction: The American Dream, Then and Now," in *Whither Opportunity? Rising Inequality, Schools, and Children's Life Chances*.

Reardon, Sean. 2013. "No Rich Children Left Behind", *New York Times*.

Rich, Motoko, Amanda Cox and Matthew Bloch. 2016. "Money, Race and Success: How Your School District Compares". *New York Times*.

Badger, Emily and Kevin Quealy. 2017. "How Effective is Your School District? A New Measure Shows Where Students Learn the Most". *New York Times*.

Chetty, Raj, John Friedman, Emmanuel Saez, Nicholas Turner and Danny Yagan. 2018. "Mobility Report Cards: The Role of Colleges in Intergenerational Mobility". Executive Summary.

Also read a [New York Times](#) summary by David Leonhardt and this [interactive tool](#) (look up your favorite college!)

Deming, David. *The Economics of Free College*. Policy brief for *Economists for Inclusive Prosperity*.

Also read my [Economic View](#) column on free college

Segregation and Neighborhoods

Card, David, Alexandre Mas and Jesse Rothstein. 2008. "Tipping and the Dynamics of Segregation," *Quarterly Journal of Economics*, 123(1): 177-218. (read Sections I, III, IV and VII only.)

Familiarize yourself with [this](#) application of the Schelling segregation model. Play around with different configurations (a tip – when the share of empty cells decreases, the model takes much longer to converge.) Plug in some of the estimated tipping points for major U.S. cities from the Card, Mas and Rothstein paper, and experiment with different white/nonwhite shares.

Chetty, Raj, John Friedman, Nathan Hendren, Maggie Jones and Sonya Porter. 2018. "The Opportunity Atlas: Mapping the Childhood Roots of Social Mobility." Executive Summary.

Also read the accompanying [New York Times](#) article

Billings, Stephen B., David J. Deming and Jonah Rockoff. 2014. "School Segregation, Educational Attainment and Crime: Evidence from the End of Busing in Charlotte-Mecklenburg," *Quarterly Journal of Economics*, 129(1): 435-476.

Race, Discrimination and Criminal Justice

Chetty, Raj, Nathan Hendren, Maggie Jones and Sonya Porter. 2018. "Race and Economic Opportunity in the United States." Executive Summary.

Also read the accompanying [New York Times](#) article

Travis, Jeremy and Bruce Western (eds.). 2014. *The Growth of Incarceration in the United States: Exploring Causes and Consequences*. National Academies Press (read the Summary from p.1-12 and Chapter 2 p.33-68 ONLY.)

Pager, Devah, Bruce Western and Bart Bonikowski. 2009. "Discrimination in a Low-Wage Labor Market: A Field Experiment," *American Journal of Sociology*, 74: 777-799.

Interview with Devah Pager about the paper

New York Times obituary, which summarizes her work

Agan, Amanda and Sonja Starr. 2017. "Ban the Box, Criminal Records, and Racial Discrimination: A Field Experiment," *Quarterly Journal of Economics*, forthcoming.

Short video interview with Amanda Agan about the paper

Economic View column by Sendhil Mullainathan about the paper

The Top 1 Percent - Wealth Inequality, Taxation and "Superstars"

Zucman, Gabriel. 2019. "Global Wealth Inequality", *Annual Review of Economics*.

Leonhardt, David. 2017. "Our Broken Economy, in one Simple Chart". *New York Times*.

Piketty, Thomas, Emmanuel Saez and Gabriel Zucman. 2016. "Economic growth in the United States: A tale of two countries," Washington Center for Equitable Growth, Dec 6th 2016.

(The blog post above is must-read. The underlying paper on Distributional National Accounts is optional background, but worth the effort.)

Alvaredo, Facundo, Anthony B. Atkinson, Thomas Piketty and Emmanuel Saez. 2013. "The Top 1 Percent in International and Historical Perspective," *Journal of Economic Perspectives*, 27(3): 3-20.

Rosen, Sherwin. 1982. "The Economics of Superstars," *The American Scholar*, 52(4): 449-460.

Mankiw, N. Gregory. 2013. "Defending the One Percent," *Journal of Economic Perspectives*, 27(3): 21-34.

Kaplan, Steven N. and Joshua Rauh. 2013. "It's the Market: The Broad-Based Rise in the Return to Top Talent," *Journal of Economic Perspectives*, 27(3): 35-56.

The Politics of Inequality – Elite Influence, Mass Media and Money in Politics

Bonica, Adam, Nolan McCarty, Keith T. Poole and Howard Rosenthal. 2013. "Why Hasn't Democracy Slowed Rising Inequality?," *Journal of Economic Perspectives*, 27(3): 103-124.

Martin, Gregory J. and Ali Yurukoglu. 2017. "Bias in Cable News: Persuasion and Polarization," *American Economic Review*, 107(9): 2565-2599. (can skip Section IV).

Skocpol, Theda and Alexander Hertel-Fernandez. 2016. "The Koch Network and Republican Party Extremism," *Perspectives on Politics*, 14(3): 681-699. (see also the Shifting Terrain website.)

Porter, Eduardo, and Karl Russell. 2018. "Migrants Are on the Rise Around the World, and Myths about them are Shaping Attitudes." *New York Times* (references this academic paper by Stefanie Stantcheva and coauthors)

The Future of Inequality: A World without Work?

Thompson, Derek. "A World Without Work," *The Atlantic*, July/August 2015.

Autor, David H. 2015. "Why are there still so many jobs? The history and future of workplace automation," *Journal of Economic Perspectives*, 29(3): 3-30.

Brynjolffson, Erik and Andrew McAfee. 2015. "Will Humans Go the Way of Horses? Labor in the Second Machine Age". *Foreign Affairs*.

Miller, Claire Cain. "Why What You Learned in Preschool is Crucial At Work," *New York Times*, October 16, 2015.

Deming, David J. 2015. "The Growing Importance of Social Skills in the Labor Market," *Quarterly Journal of Economics*, 132(4): 1593-1640. (skip Section II, skim Section III, skim Sections IV and V focusing on the main results, and read Section V.)