

University of Colorado at Boulder
Department of Economics

Prof. Jeffrey S. Zax
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Economics 4626
Syllabus and schedule
14 May 2023

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, 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 inequality arises. We complete this discussion with examination of discrimination: inequality that arises when disadvantages are imposed through coercive denial of market opportunities.

Course presentation:

All lectures in this course will be presented as PowerPoint decks. These decks are narrated with synchronized animations. They should execute automatically, in their entirety, once initiated as slide shows. They can also be stopped and replayed at any point. Students must be able to access all aspects of each PowerPoint deck, the animations and the narrations, in order to participate in this course. Be aware that many applications that have some capacity to display PowerPoint decks are not able to correctly present the decks for this course and are not acceptable for course participation.

All assigned articles are from the Journal of Economic Perspectives. They are available as .pdf files on our Canvas website. These articles are distributed unevenly across lectures because the Journal of Economic Perspectives has not published articles that are relevant to some lectures and multiple articles that are relevant to others. Students are expected to understand the main themes of each article, but not to recall extensive details.

Course prerequis

Students may cooperate with each other in analyzing the questions. However, each student must submit their own answers, in their own words. Answers that share any substantial common text with any other will receive scores of zero.

Final examination

The second instrument will be the final examination. It will cover the entire semester. It will require three hours. Any other

Both papers must be type-written, double-spaced, with conventional margins. Papers that exceed the maximum lengths, either in physical length or because of compressed formats, will be penalized.

These papers must be submitted electronically through the course Canvas website in Adobe .pdf format. Be certain to convert your papers to .pdf format before the deadline for submission. Speak with me in advance if you anticipate difficulty with this requirement. Only .pdf files will be accepted.

The first term paper is a three-page discussion of Angola and the Resource Curse, Harvard Business School Case No. 106-PDF-ENG. It will be due on Wednesday, 21 June at 11:59p.m. MDT. It will be worth 20 points, or 4% of the final numerical grade.

The second paper is a three-page discussion of Chile: The Conundrum of Inequality, Harvard Business School Case No. 07411-PDF-ENG. It will be due on Wednesday, 12 July at 59p.m. MDT. It will be worth 30 points, or 6% of the final numerical grade.

Papers that are submitted after the associated deadline without my approval will be assessed a penalty of one point for each day or partial day beyond the deadline. Papers submitted more than five days late without my approval will receive a score of zero. If you anticipate difficulty meeting either of these deadlines, discuss your situation with me in advance.

Students may cooperate with each other in preliminary analysis of the cases. However, each student must submit their own paper, in their own words. If a paper shares any substantial common text with any other source, the submitting student will receive the grade of "F" for the course and will be reported to the Honor Code Council for violating our standards of academic integrity.

Students are encouraged to receive help with exposition from their Composition Hub (<https://www.colorado.edu/composition/>). Students may cooperate with each other in analyzing the cases. However, each student must submit their own paper, in their own words. If a paper shares any substantial common text with any other source, the student will receive the grade of "F" for the course and will be reported to the Honor Code Council for plagiarism.

Both cases may be purchased at

The score attained by each student, evaluated relative to those of other students and to the score that would be attained by an intelligent student of economics at this level, will determine final letter grades.

Course conduct:

This course will meet asynchronously online from 5 June through 28 July. The Canvas site requires students to proceed through all items in the order in which they are presented, with the exception of the items associated with the two term papers. Students can access each item in advance of the associated due date, but only if they have already accessed all previous items.

I will ordinarily hold regular office hours via Zoom on Tuesdays and Thursdays. They will ordinarily take place between 1:00p.m. and 2:30p.m. MDT (Zoom meeting ID 999 1994 1429, <https://cuboulder.zoom.us/j/99919941429>). I may modify this schedule occasionally to accommodate travel. Appointments may be made for evenings at other times if these are inconvenient.

Course information will be posted on Canvas as needed. Notifications will be posted there as well, or sent via Canvas or campus email. Students must monitor both.

All enrolled students must demonstrate that they can properly view the course PowerPoint decks during the first week of the course, on or before Friday, June 9. In order to do so, students must successfully execute the 13-second "Test.pptx" file, with continuous synchronized animation and narration. This file can be found in the "Course Information" module on in our Canvas course.

In order to confirm that this file executes properly, students must make a video of its execution with audio and send this video to my email address above. Any student who anticipates difficulty in fulfilling this requirement should contact me immediately. Students may also fulfill this requirement by demonstrating their ability to execute the "Test.pptx" file in office hours on 7 June or 9 June.

Under the Registrar's rules, any student who is not in "regular attendance" during the first two weeks can be dropped. For the purposes of this course, "regular attendance" will mean successful submission of a video demonstrating the correct execution of "Test.pptx", and completion of the assignments for lectures 2 and 3 by their respective deadlines of five or more out of ten points for each. Any student who does not fulfill these requirements is subject to being dropped.

Excuses for the course assignments will be granted only under extraordinary circumstances. If granted, the excused points will be reallocated to subsequent assignments.

All students must adhere strictly to all standards of academic integrity. This requires that you submit papers that consist largely of your own words, with proper attribution for text that originates from any other source. All methods of composition that rely in any way on artificial intelligence are prohibited. If I suspect that artificial intelligence has been employed in the composition of any paper, it will be the student's responsibility to demonstrate the contrary in order to avoid sanctions.

Any act of academic dishonesty will result in a grade of "F" for the course and referral to the Honor Code Office for possible non-academic sanctions. Information regarding the Honor Code academic integrity policy can be found at [the Honor Code Office website](#)

I am happy to discuss any issues of individual or group treatment during office hours or by appointment.

Lee, Ronald (2003) "The demographic transition in centuries of fundamental change", Journal of Economic Perspectives, Vol. 17, No. 4, Fall, 167-90.

Friday, June 16 8. Inter-country inequality

Pritchett, Lant (1997) "Divergence, big time", Journal of Economic Perspectives, Vol. 11, No. Summer, 37.

Wednesday, June 21 Essay on Angola and the Resource Curse due at 11:59p.m. MDT.

III. The Microeconomics of Distribution

Friday, June 23 9. Investments in human capital: Schooling, training, experience and the value of life

Deming, David J. (2022) "Four facts about human capital", Journal of Economic Perspectives, Vol. 36, No. Summer, 75-102.

Monday, June 26 10. Health inequality

Currie, Janet and Hannes 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 D. Glaeser and Jesse M. Shapiro (2003) "Why have Americans become more obese?", Journal of Economic Perspectives, Vol. 17, No. Summer, 9-118.

Monday, June 26 11. Inequality as an incentive

Wednesday, June 28 12. The inheritance of economic status and children's welfare

Aizer, Anna, Hilary Hoynes and Adriana Lleras-Muney (2022) "Children and the US social safety net: Balancing incentives for adults and benefits for children", Journal of Economic Perspectives, Vol. 36, No. 2, Spring, 149-174.

Corak, Miles (2013) "Income inequality, equality of opportunity, and intergenerational mobility", Journal of Economic Perspectives, Vol. 27, No. 3, Summer, 79-102.

Flood, Sarah, Joel McMurry, Aaron Sojourner and Matthew Wiswall (2022) "Inequality in early care experienced by US children", Journal of Economic Perspectives, Vol. 36, No. 2, Spring, 199-222.

Friday, June 30

13. Local externalities, peer effects and inequality

Kremer, Michael and Dan Levy (2008) "Peer effects and alcohol use among college students", Journal of Economic Perspectives, Vol. 22, No. 3, Summer, 199-206.

Friday, June 30

14. Intragenerational mobility

Monday, July 3

15. Income, earnings and wage inequality

Acemoglu, 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.

Hoffmann, Florian, David S. Lee and Thomas Lemieux (2020) "Growing income inequality in the United States and other advanced economies", Journal of Economic Perspectives, Vol. 34, No. 4, Fall, 52-78.

Wednesday, July 5

16. 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.

Wednesday, July 5

17. Equivalence scales

Lundberg, Shelly, Robert A. Pollak and Jenna Stearns (2016) "Family inequality: Diverging patterns in 50+ years in the United States", Journal of Economic Perspectives, Vol. 30, No. 4, Winter, 1-28.

Friday, July 21

25. Theories of discrimination

Lang, Kevin and Ariella Kahn-Lang Spitzer (2020) "Race discrimination: An economic perspective", Journal of Economic Perspectives, Vol. 34, No. 2, Spring, 68-89.

Small, Mario L. and Devah Pager (2020) "Sociological perspectives on racial discrimination", Journal of Economic Perspectives, Vol. 34, No. 2, Spring, 49-67.

Monday, July 24

26. Discrimination in labor markets

Heckman, James (1998) "Detecting discrimination", Journal of Economic Perspectives, Vol. 12, No. 2, Spring, 101-1

Fryer, Roland G. Jr. and Glenn C. Loury (2005) "Affirmative action and its mythology", Journal of Economic Perspectives, Vol. 19, No. 3, Summer, 47-162.

Wednesday, July 26

27. Housing segregation and its progeny: School busing, Fair Housing and environmental racism

Ladd, Helen F. (1998) "Evidence on discrimination in mortgage lending", Journal of Economic Perspectives, Vol. 12, No. 2, Spring, 41-62.

Wednesday, July 26

28. ~~racism~~

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