

Econ 344--Seminar on
The Economics of Poverty and Discrimination

Fall 1998

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Course Outline

Format-- This course will be run as an upper division seminar. During the first part of the course I will present material . The last third will consist of a set of debates on public policy initiatives. The course requires active student participation and substantial writing.

Books-- The required texts for the course are:

There Are No Children Here by Alex Kotlowitz
Confronting Poverty by Sheldon Danziger, Gary Sandefur and Dan Weinberg
America Unequal Danziger and Gottschalk
Reading Packet (available from the Bookstore).

Grades-- Grades will be assigned on the basis of your class average, using the following weights:

Midterm	25%
Papers	
Paper #1	10
Paper #2	20
Paper #3	20
Final	<u>25</u>
	100

Class participation will make a crucial difference if you are on the borderline between two grades.

Papers-

Paper #1

You are to read There Are No Children and write a 2-3 page *well-written* p memo giving your policy prescriptions for dealing with the problems faced by the family in this book. You are not expected to do any library research for this paper. It is to reflect your current beliefs about what works and what does not work. The paper will be graded solely on the basis of the logic of the argument and the quality of the writing. The paper is **due in class Thursday September 10, 1998** .

Paper #2

Based on the material covered in class and your own library research you are to critically evaluate the policy proposals you offered in paper #1. What was wrong with your initial proposals? Were they consistent with the evidence? How would you modify your proposal. This memo should be 3 to 5 pages. The date for this paper will be announced in class.

Paper #3

Students will be divided into groups to debate a recent public policy issue. Each group will be asked to prepare a 10 page brief for or against a specific policy which was either proposed in the recent past or is currently being debated. The arguments in these papers should be based on fact not assertion. A key element will be building a factual case. Each group will distribute copies of its brief to each member of the class. Students will be expected to have read these briefs before coming to class where the topic will be debated. Deadlines that will be distributed once the debates are scheduled.

Deadlines

The ability to meet deadlines is an important part of this course. Failure to meet these deadlines will result in a 10 percentage point reduction in the final grade for that assignment for each day late, so be sure you can meet the deadline.

Sources and plagiarism

All sources must be documented carefully. This requires footnotes as well as citation in the bibliography. I have very high standards for academic honesty so, in case of doubt, either cite or ask me if it should be cited.

Primary sources should be used. Magazines and the internet should be used with caution since there is little or no assurance that this material has been screened for accuracy. For example, it is acceptable to use material from government documents on the internet but not from a personal web page. In case of doubt try to get a primary source to verify the information.

Syllabus

Introduction

Overview

The role of evidence and statistical analysis

Heckman and Smith "Assesing the Case for Social Experiments" (reading packet)
Burtless "The Case for Randomized Filed Trials in Economic and Policy Research"
(reading packet)
Gottschalk "Welfare to Work -- Deadend Jobs or Stepping Stones" (reading packet)
Also review hypothesis testing from your statistics book

The Background

Growth in Inequality

Facts

Danziger and Gottschalk America Unequal Ch 1,3, 6

Causes

Danziger and Gottschalk America Unequal Ch 7
Freeman "Are Your Wages Set in Beijing?" (in Reading Packet)

Persistent Discrimination

Facts

Kenney and Wissoker, "An Analysis of the Correlates of Discrimination Facing
Young Hispanic Job Seekers" AER, June 1994 (in Reading Packet)

Causes

Hamermesh and Rees "Pay Discrimination" (in Reading Packet)
Steele "A Threat in the Air" (in Reading Packet)

Policies

Bobo and Smith Ch 15 of Confronting Poverty

Poverty

Dimensions of the problem

Definition and measures of Poverty

Danziger et al in Ch 1 of Confronting Poverty
Gottschalk et al in Ch 4 of Confronting Poverty

The Underclass Debate

Mincy in Ch 5 of Confronting Poverty

Welfare dependency

Garfinkel and McLanahan Ch 8 of Confronting Poverty
Gottschalk et al in Ch 4 of Confronting Poverty (section on welfare dynamics)

Causes of the Problem

Increased Female Headship

Danziger and Gottschalk America Unequal Ch 4

Growth in Inequality

Danziger and Gottschalk America Unequal Ch 5

Misguided Policies

Danziger and Gottschalk America Unequal Ch 2
Murray Losing Ground Ch 12 (in Reading Packet)

Policy Responses

Income Transfers

The Facts

Programs

Burtless in Ch 3 of Confronting Poverty

Policies

Welfare Reform

Reading to be assigned

Earned Income Tax Credit

Danziger and Gottschalk America Unequal Ch 8

Social Security Reform

Quinn and Mitchell "Social Security on the Table" (in Reading Packet)

Education and Training

LaLonde "The Promise of Public Sector-Sponsored Training Programs" (in Reading Packet)

Murnane Ch 11 of Confronting Poverty

Employment Policies

Blank in Ch 7 of Confronting Poverty

Freeman and Gottschalk "Editor's Introduction" to Generating Jobs (in Reading Packet)

Gramlich and Heflin "The Spatial Dimension " (in Reading Packet)

Gottschalk "The Impact of Changes in Public Employment on Low Wage Labor Markets" (in Reading Packet)

Katz "Wage Subsidies for the Disadvantaged" (in Reading Packet)

Raising the Minimum Wage

Intro to ILRR Oct 92 (in Reading Packet)

Immigration Policies

Tienda and Liang Ch 13 of Confronting Poverty

Health Policies

Wolfe Ch 10 of Confronting Poverty

The Politics of Poverty Policies

Hecló in Ch 16 of Confronting Poverty

Memo

To : Peter Gottschalk
From: Your Name
Subject: Policy Proposal
Date: September 15, 1994

This memo identifies three problems faced by the Rivers family, offers three policy responses to these problems and describes the type of evidence necessary to evaluate these policies.

Problems

I focus on three problems:

- Education-- Lafayette and Pharoah will not be able to compete in the labor market because of the inadequate education they receive....
- Housing-- The Rivers family.....

- Crime--

Policy Proposal

To deal with these problems I would advocate the creation of one new program and the expansion of....

- Privatize schools--

Needed Evidence

To evaluate the effectiveness of these programs....