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

Prof. Peter Gottschalk
Carney 334
(617)552-4517

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:

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<tr>
<th>Component</th>
<th>Weight</th>
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<tr>
<td>Midterm</td>
<td>25%</td>
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<td>Papers</td>
<td>10</td>
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<tr>
<td>Paper #1</td>
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<td>Paper #2</td>
<td>20</td>
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<td>Paper #3</td>
<td>20</td>
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<td>Final</td>
<td>25</td>
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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 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 Field 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**

Heclo 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....