Description:
The course examines the causes and consequences of poverty and inequality in the U.S. and analyses policy responses. Topics include social welfare theory, poverty measurement, discrimination, rising wage inequality in labor markets, the working poor, and consequences of poverty for families and subsequent generations. A substantial part of the course will focus on cost-benefit analysis and experimental and non-experimental evaluations of current policy and options, especially welfare reform, education and training, and employment programs. The course will make limited use of comparisons to other countries.

Contact: My office is 112 Hubbard Hall, phone 725-3593, email jfitzger@bowdoin.edu
Office Hours: Tuesday and Wednesday 2:30-4, and by appointment.

Prerequisite: Economics 101. The course will make use of indifference curve analysis. The course will require interpretation of statistics and regression models and this will be taught in the course. No prior statistics background is assumed, but exams will cover this material.

Readings and Text. The required books are
Poverty and Discrimination by Kevin Lang, 2007.
Working Poor by David Shipler, 2005.

Many of the course required readings will be from articles and book chapters. These can be accessed from Blackboard. Login to your blackboard area, choose econ 211, and choose Readings. A copy of the syllabus is available under syllabus. Any non-electronic readings will be placed on reserve at Hawthorne Longfellow. Readings for the next class will be announced and should be completed prior to class.

Course Requirements and Grading

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Percentage</th>
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<tr>
<td>Midterm exam (March 10)</td>
<td>22%</td>
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<tr>
<td>Final exam (May 21, 9am)</td>
<td>30%</td>
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<tr>
<td>Paper 1 (Pre school policy)</td>
<td>10%</td>
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<tr>
<td>Paper 2 (Poverty Policy Analysis)</td>
<td>20%</td>
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<tr>
<td>Group Policy/Community based learning Project</td>
<td>8%</td>
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<tr>
<td>Class Problem Sets, Blog, Participation</td>
<td>10%</td>
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DO NOT BUY PLANE TICKETS TO LEAVE BEFORE MAY 21.

Class participation marks will be crucial in deciding borderline grade cases. Problem sets may be worked in groups of no more than 3 (unless assigned otherwise) with one copy turned in for the group.

The course is a writing project course which means that for Paper 1 and 2 you will have access to a trained writing assistant who will help improve your paper through drafts. Details will be provided later.

Working Poor Discussion Blog + Policy topics. During the first four weeks, read the Working Poor book, chapters 2-5,8-9. Each week a student must post a reaction/comment to that week’s reading from the book on the course discussion blog on blackboard for that week. Your comment may develop an idea or react to posts by others. A typical post should be at minimum two paragraphs and include specific examples/references from the book. The prompts are given on the discussion-blog page.

In the fifth week, submit a one or two page on-line response that will go only to me. In this response, you should reflect on the key problems that keep people impoverished based on the book and class materials. List two or three policy responses to these problems that you might want to pursue in your policy research paper (Paper 2). Although you will be permitted to change policy topics for your paper 2, with my permission, early and careful consideration of interesting policy options will help you develop a good topic.

Paper 1. Pre-school evaluation. A number of studies have shown positive net benefits for offering enriched preschool for low-income children. Consider a proposal to offer universal public preschool for all children aged 3-5 in Maine. Based on the studies below (on blackboard), write a short paper explaining whether or not this
Public preschool policy should be adopted. This is not a library research project, but rather an exercise in synthesizing and evaluating studies on a policy topic and writing about it. You should limit your research to the articles provided and the course textbook. (Be careful not to plagiarize and carefully cite both ideas and facts, even if they came from other sources.) Note that these studies do not evaluate this proposal directly, but are related. You will need to reason by analogy using the evidence in these papers to evaluate the universal public preschool proposal. You can, and should, consider issues that are not addressed in the papers, such as benefits and costs for non-poor children. In your paper, explain the direct and indirect benefits and how they should be measured. Be clear about your counterfactual. Assume that the cost would be in line with current per pupil expenditures, $6000 per child. In your analysis, evaluate the quality of the evidence you use and its applicability to the proposal. That is, some aspects of these papers are relevant and some not, and some aspects of the studies are open to criticism. The paper will be graded on clarity of thesis, logic and organization, use of evidence, and writing quality, and originality of the arguments. The paper should be 1800 words or less, roughly 6 pages with 12-point font and 1 inch margins. The paper is due March 3, and final version due March 29.


**Paper 2. Policy Research Paper.** Based on your course reading and material covered in class, choose a policy that you believe will improve the well being of the low income population and evaluate it. It could be an improvement or expansion of an existing program (or one that has been tried) or it could be a new policy. The policy topic can be from any area except pre-school education, but keep in mind that the more specific the policy is, the easier it will be to analyze, and the easier it will be to find relevant good research. In this case, a narrow focus is good. The policy can have multiple dimensions if you feel it is necessary. The policy could spend, say, several billion a year (which doesn’t go as far as you’d think), but your projects might spend considerably less. Focus on the policy and whether it’s worth what we will spend on it, not where the funds will come from. This proposal should be evaluated according to the criteria that we will discuss in class and be evidence based. The content grade will be on the quality of your evaluation. This will involve research beyond class materials. You must back up your claims with evidence and evaluate the strengths and weaknesses of the evidence. A typical paper will use at least 8 quality sources. Additional details will follow. This paper should be less than 3000 words long (use a word count, about 10 pages with 1 inch margins and 12 point font). Final version must be submitted on paper as well as electronically on blackboard. Due April 12 at beginning of class; final version due April 26.

**Group Policy Paper/Community Based Learning Project Report.** During the semester students will choose to participate in a community based learning project (materials attached) or a group policy research paper. May 3 and May 5 will be an in class symposium on poverty policies. Your group will present either a report on your service learning project, or an analysis of policy proposals on a topic of common interest to your group. You will do one of the following:

Group Policy Presentation/Paper. I will organize the groups based on your research paper topics. The analysis should formulate a policy proposal and (a) justify the proposal and discuss problems that will be addressed and why they are significant, (b) describe the benefits of the policy based on evidence, (c) describe the costs of the policy to the extent they are known, (d) discuss potential problems with the proposal and why the policy is superior to alternatives that address the same issues. Each group should plan a 20 minute presentation on its proposal which will be followed by class discussion. The group will submit a written report (approx. 10 pages) due on May 10. These reports will be made available to the class and this material will be covered on the final. I will assign a group grade and adjust it up or down for individuals based on anonymous peer evaluations from your group.

Community based learning presentations. See project sheet for description of final projects. In addition, for all groups except 1A, you must prepare a poster/presentation to be given at the campus-wide Community-based Courses Symposium to be held Friday, May 13. The community presentation can be the same as your in class presentation.
Poverty and Redistribution Syllabus

Poverty and Discrimination by Kevin Lang, 2007.

Abbreviation: Focus 2009 for
“Changing Poverty and Changing Antipoverty Policies,” Focus 26(2), Fall 2009,
Institute for Research on Poverty, University of Wisconsin. (on Blackboard).

(Lang readings always required. Bullets indicate other required readings; asterisks indicate optional reading)

I. Causes and Consequences of Poverty

A. What is poverty? Who is Poor? Measurement of Poverty and Background
- Lang, 2.1-2.12
- Meyer and Wallace, “Poverty Levels and trends in comparative perspective”, Focus 2009
  Economics Policy Institute, Click on resources, then "Basic Family Budget Calculator".

B. Poverty Dynamics, Inequality, and Mobility
   Lang 2.13-2.15
- Janti, “Mobility in the US in Comparative Perspective” Focus 2009.
- *Danziger and Haveman, Ch. 4, "Mobility, Persistance, and the Intergenerational Determinants of Children's Success." by Cochoran, pp. 127-134.

C. Trends and Causes
- Introduction to Regression, Lang appendices 1.10 and 4.7
- Lang Ch. 4

D. Child Poverty and Intergenerational Links
II. Social Welfare and Policy Evaluation

A. Why do we care about Poverty or Inequality? Ethics and Social Welfare

- Friedman, "Created Equal", Ch.5 in Free to Choose.
*Rawls, Justice as Fairness, Ch 1., Theory of Justice. pp. 3-33.

B. Overview of Programs
- Lang 3.1

C. Evaluation Methods

1. Cost Benefit Analysis and Welfare Economics
- Gramlich, "Human Investment" Ch 9 in A Guide to Benefit Cost Analysis

2. Social Experiments and Non-experimental Methods

3. Application Examples: Teach for America, Jobs for Graduates

4. Preschool Programs
- Lang .69,6.10

III. Earnings and Labor Market Policies

A. Changing Labor Markets, Growth in Inequality, and Trends in Poverty
- Lang 5.1
Film: Waging a Living  (Bonus Film: check out Roger and Me on reserve at library)

**B. Labor Market Policy**

1. **Minimum Wage, Living Wage**
   Lang 5.2-5.3
   - "The Economic Effects of Living Wage Laws: A Provisional Review."

2. **Earned Income Tax Credit**
   Lang 3.3
   - Greenstein and Shapiro "New Research Finding on EITC"
   - Holt, “The Earned Income TaxCredit at Age 30: What We Know “
   Brookings Institution Research Brief,
   http://www.brookings.edu/~media/Files/rc/reports/2006/02childrenfamilies_holt/20060209_Holt.pdf

3. **Training programs**
   Lang 5.4-5.9
   - Holzer, “Workforce Development Programs as an Anti-Poverty Strategy: What we know and what we should know,’ Focus 2009.

**IV. Neighborhood Effects, Education, and Associational Redistribution**

**Membership Theory of Poverty**
   - Durlauf "Membership Theory of Poverty" in Focus 21:2 (Fall 2000).
   - Neighborhood Effects and Housing
     - Lang 7.1-7.6, 13.1
• Education Reforms and School Choice
  • Lang 8.3, 12.2
  • Jacob and Ludwig, “Improving Educational Outcomes for Poor Children,” Focus 2009.
  • Harlem Children’s Zone website: http://www.hcz.org/
  • * Dobbie and Fryer, “Are High Quality Schools Enough to Close the Achievement Gap? Evidence from a Social Experiment in Harlem.” NBER WP 15473 (Nov 2009)
  • Otterman, “Lauded Harlem Schools Have Their Own Problems” NYT 10-12-2010.
  * Friedman, "What's Wrong with our Schools," Free to Choose, Ch.6

V. Negative Income Tax and Comprehensive Wage Subsidy Programs

The Negative Income Tax ,
  Lang 1.2

Comprehensive Subsides: New Hope
  • "The New Hope Projects Lessons for American Public Policy" April 1999, mimeo. (Board of Directors, The New Hope Project; Milwaukee WI)

VI. In-kind aid: Foodstamps

  Foodstamps
  Lang 3.4

VII. Discrimination

  Theory
  Lang 10
  Measurement
  Lang 11,14
VIII. Family Structure and Single Mothers

- Lang 6.1-6.7

IX. Welfare and Welfare Reform

- Lang 9
  - MDRC, "National Evaluation of Welfare to Work Strategies" (December 2000)
  * Welfare Reform Experiments (http://www.mdrc.org/Welfare-Reform/FTP.htm)

X. Health and Health Insurance

- Lang 6.12
  * Danziger and Haveman, Ch. 8, Mullahy and Wolfe. "Health Policies for the Nonelderly Poor"

XI. Topic Choice

a. Childcare

  Wolfe and Lowe Vandell, "Child care for low income working families" in Focus 22:1 "Reauthorizing TANF" (Special Issue 2002)

b. Public Job Creation /Economic Development

  Lang 7.7
c. **Homeless**

d. **Child Support**

e. **Comparison to Selected Countries**

**XII. The Future of Poverty Policy: Incremental or Universal, Targeted or Universal**

- Lang 15
- Burtless, "The View from the Policy Arena", Poverty Research News Fall 1997