

**Website:** <http://md4sg.com/workinggroups/inequality.html>

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**Overview:** This document contains the spring 2021 syllabus for the MD4SG Inequality Working Group. The semester built on the previous semester's theme, *targeting and provision of social services and benefits* and each week followed a sub-theme.

## **Week 1: Local Allocation of Scarce Resources**

Main Readings:

- Elster, Jon. "Local justice: how institutions allocate scarce goods and necessary burdens." *European Economic Review* 35, no. 2-3 (1991): 273-291.
- Nguyen, Quan, Sanmay Das, and Roman Garnett. "Scarce Societal Resource Allocation and the Price of (Local) Justice." In *Proceedings of the AAAI Conference on Artificial Intelligence*. 2021.

Related Readings:

- Elster, Jon. *Local justice: How institutions allocate scarce goods and necessary burdens*. Russell Sage Foundation, 1992.

## **Week 2: Intergenerational Mobility, Feedback Loops, and Shocks**

Main Readings:

- Aliprantis, Dionissi, and Daniel R. Carroll. "What Is Behind the Persistence of the Racial Wealth Gap?." *Economic Commentary* 2019-03 (2019).
- Mogstad, Magne. "The human capital approach to intergenerational mobility." *Journal of Political Economy* 125, no. 6 (2017): 1862-1868.
- Mouzannar, Hussein, Mesrob I. Ohannessian, and Nathan Srebro. "From fair decision making to social equality." In *Proceedings of the Conference on Fairness, Accountability, and Transparency*, pp. 359-368. 2019.

Related Readings:

- Aliprantis, Dionissi, Daniel Carroll, and Eric R. Young. "The dynamics of the racial wealth gap." (2019).
- Balboni, Clare, Oriana Bandiera, Robin Burgess, Maitreesh Ghatak, and Anton Heil. "Why Do People Stay Poor? Evidence on Poverty Traps from Rural Bangladesh." (2020).
- Becker, Gary S., and Nigel Tomes. "An equilibrium theory of the distribution of income and intergenerational mobility." *Journal of political Economy* 87, no. 6 (1979): 1153-1189.
- Becker, Gary S., and Nigel Tomes. "Human capital and the rise and fall of families." *Journal of labor economics* 4, no. 3, Part 2 (1986): S1-S39.

- Coate, Stephen, and Glenn C. Loury. "Will affirmative-action policies eliminate negative stereotypes?." *The American Economic Review* (1993): 1220-1240.
- Corak, M. (2013). Income inequality, equality of opportunity, and intergenerational mobility. *Journal of Economic Perspectives*, 27(3), 79-102.
- Ganong, Peter, Damon Jones, Pascal Noel, Fiona Greig, Diana Farrell, and Chris Wheat. "Wealth, race, and consumption smoothing of typical income shocks." *NBER Working Paper w27552* (2020).
- Grusky, David. *Social stratification, class, race, and gender in sociological perspective*. Routledge, 2019.
- Hansen, Lars Peter, and Thomas J. Sargent. *Robustness*. Princeton university press, 2008.
- Heidari, Hoda, and Jon Kleinberg. "Allocating Opportunities in a Dynamic Model of Intergenerational Mobility." *arXiv preprint arXiv:2101.08451* (2021).
- Houle, Jason N., and Fenaba R. Addo. "Racial disparities in student debt and the reproduction of the fragile black middle class." *Sociology of Race and Ethnicity* 5, no. 4 (2019): 562-577.
- Lee, Chul-In, and Gary Solon. "Trends in intergenerational income mobility." *The Review of Economics and Statistics* 91, no. 4 (2009): 766-772.
- Loury, Glenn C. "Intergenerational transfers and the distribution of earnings." *Econometrica: Journal of the Econometric Society* (1981): 843-867.
- Miranda-Pinto, Jorge, Daniel Murphy, K. Walsh, and E. Young. "Saving-Constrained Households." In 2019 Meeting Papers, no. 1456. *Society for Economic Dynamics*, 2019.
- Morduch, Jonathan, and Rachel Schneider. *The financial diaries: How American families cope in a world of uncertainty*. Princeton University Press, 2017.
- Mulder, Monique Borgerhoff, Samuel Bowles, Tom Hertz, Adrian Bell, Jan Beise, Greg Clark, Ila Fazio et al. "Intergenerational wealth transmission and the dynamics of inequality in small-scale societies." *science* 326, no. 5953 (2009): 682-688.
- Pfeffer, Fabian T., and Alexandra Killewald. "Generations of advantage. Multigenerational correlations in family wealth." *Social Forces* 96, no. 4 (2018): 1411-1442.
- Solon, Gary. "Intergenerational income mobility in the United States." *The American Economic Review* (1992): 393-408.
- Solon, Gary. "Intergenerational mobility in the labor market." In *Handbook of labor economics*, vol. 3, pp. 1761-1800. Elsevier, 1999.
- Spader, Jonathan S. "Beyond disparate impact: Risk-based pricing and disparity in consumer credit history scores." *The Review of Black Political Economy* 37, no. 2 (2010): 61-78.
- Wright, Erik Olin, ed. *Approaches to class analysis*. Cambridge University Press, 2005.

### **Week 3: Unions**

Main Readings:

- Farber, Henry S., Daniel Herbst, Ilyana Kuziemko, and Suresh Naidu. *Unions and inequality over the twentieth century: New evidence from survey data*. No. w24587. National Bureau of Economic Research, 2018.
- *Dissent*, Spring 2019 Issue <https://www.dissentmagazine.org/issue/spring-2019>

#### Related Readings:

- Graeber, David. "Debt: The first five thousand years." *New York: Melville House* (2011).
- North, Douglass C. "Economic performance through time." *The American economic review* 84, no. 3 (1994): 359-368.

### **Week 4: Barriers to Accessing Social Programs**

#### Main Readings:

- Bhargava, Saurabh, and Dayanand Manoli. "Psychological frictions and the incomplete take-up of social benefits: Evidence from an IRS field experiment." *American Economic Review* 105, no. 11 (2015): 3489-3529.
- Bertrand, Marianne, Sendhil Mullainathan, and Eldar Shafir. "Behavioral economics and marketing in aid of decision making among the poor." *Journal of Public Policy & Marketing* 25, no. 1 (2006): 8-23.

#### Related Readings:

- Alsan, Marcella, and Crystal Yang. *Fear and the safety net: Evidence from secure communities*. No. w24731. National Bureau of Economic Research, 2018.
- Auerbach, Alan J., David Card, and John M. Quigley, eds. *Public policy and the income distribution*. Russell Sage Foundation, 2006.
- Chernozhukov, Victor, Mert Demirer, Esther Duflo, and Ivan Fernandez-Val. *Generic machine learning inference on heterogenous treatment effects in randomized experiments*. No. w24678. National Bureau of Economic Research, 2018.
- Deshpande, Manasi, and Yue Li. "Who is screened out? application costs and the targeting of disability programs." *American Economic Journal: Economic Policy* 11, no. 4 (2019): 213-48.
- Duflo, Esther, and Abhijit Banerjee. *Poor economics*. Vol. 619. PublicAffairs, 2011.
- Finkelstein, Amy, and Matthew J. Notowidigdo. "Take-up and targeting: Experimental evidence from SNAP." *The Quarterly Journal of Economics* 134, no. 3 (2019): 1505-1556.
- Herd, Pamela, and Donald P. Moynihan. *Administrative burden: Policymaking by other means*. Russell Sage Foundation, 2019.
- Kleven, Henrik Jacobsen, and Wojciech Kopczuk. "Transfer program complexity and the take-up of social benefits." *American Economic Journal: Economic Policy* (2011)
- Mullainathan, Sendhil, and Eldar Shafir. *Scarcity: Why having too little means so much*. Macmillan, 2013.

## Week 5: Strategic Responses to Targeting

### Main Readings:

- Banerjee, Abhijit, Rema Hanna, Benjamin A. Olken, and Sudarno Sumarto. "The (lack of) distortionary effects of proxy-means tests: results from a nationwide experiment in Indonesia." *Journal of Public Economics Plus* 1 (2020): 100001.
- Hu, Lily, Nicole Immorlica, and Jennifer Wortman Vaughan. "The disparate effects of strategic manipulation." In *Proceedings of the Conference on Fairness, Accountability, and Transparency*, pp. 259-268. 2019.

### Related Readings:

- Björkegren, Daniel, Joshua E. Blumenstock, and Samsun Knight. "Manipulation-proof machine learning." *arXiv preprint arXiv:2004.03865* (2020).
- Jales, Hugo, and Zhengfei Yu. "Identification and estimation using a density discontinuity approach." *Regression Discontinuity Designs* (2017).
- Lambert, Nicolas S., John Langford, Jennifer Wortman, Yiling Chen, Daniel Reeves, Yoav Shoham, and David M. Pennock. "Self-financed wagering mechanisms for forecasting." In *Proceedings of the 9th ACM Conference on Electronic Commerce*, pp. 170-179. 2008.
- Li, Shengwu. "Obviously strategy-proof mechanisms." *American Economic Review* 107, no. 11 (2017): 3257-87.
- Kleinberg, Jon, and Manish Raghavan. "How Do Classifiers Induce Agents to Invest Effort Strategically?." *ACM Transactions on Economics and Computation (TEAC)* 8, no. 4 (2020): 1-23.
- Milli, Smitha, John Miller, Anca D. Dragan, and Moritz Hardt. "The social cost of strategic classification." In *Proceedings of the Conference on Fairness, Accountability, and Transparency*, pp. 230-239. 2019.
- Neilson, Christopher, Claudia Allende, and Francisco Gallego. "Approximating the Equilibrium Effects of Informed School Choice." (2019).

## Week 6: Corporate Tax Evasion and “Superstars”

### Main Readings:

- Autor, David, David Dorn, Lawrence F. Katz, Christina Patterson, and John Van Reenen. "The fall of the labor share and the rise of superstar firms." *The Quarterly Journal of Economics* 135, no. 2 (2020): 645-709.
- Zucman, Gabriel. "Taxing across borders: Tracking personal wealth and corporate profits." *Journal of economic perspectives* 28, no. 4 (2014): 121-48.

### Related Readings:

- Guyton, John, Patrick Langetieg, Daniel Reck, Max Risch, and Gabriel Zucman. *Tax Evasion at the Top of the Income Distribution: Theory and Evidence*. No. w28542. National Bureau of Economic Research, 2021.
- Kaplan, Steven N., and Joshua Rauh. "It's the market: The broad-based rise in the return to top talent." *Journal of Economic Perspectives* 27, no. 3 (2013): 35-56.
- Rosen, Sherwin. "The economics of superstars." *The American economic review* 71, no. 5 (1981): 845-858.
- Saez, Emmanuel. "Do taxpayers bunch at kink points?." *American economic Journal: economic policy* 2, no. 3 (2010): 180-212.