

University of Colorado at Boulder  
Department of Economics

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Economics 4626  
Syllabus and schedule  
6 January 2020

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

This course will meet on Tuesdays and Thursdays from 12:30 p.m. until 1:45 p.m. throughout the semester in Hellems 251. I will drop any student who misses any of the first three classes, on 14, 16 and 21 January. As a consequence, enrollment is effectively available only to students who have enrolled prior to the first class.

I will hold regular office hours between 2:00 p.m. and 4:00 p.m. on Tuesdays and between 2:00pm. and 3:00p.m. on Thursdays in Economics 111, my office. Appointments may be made for meetings at other times, if these are inconvenient. Course information will be posted on Canvas as needed. Notifications will be posted there as well, and sent via campus email. It is your responsibility to monitor both.

Course prerequisites:

This course requires previous completion of Economic \_\_\_\_\_

This course requires excellent auditory comprehension in the English language. Much of the important course material is presented orally in lectures. The ability to follow the discussion and, if at all possible, participate in it, is essential for successful course completion.

This course requires excellent reading comprehension in the English language. The remaining course material is presented in journal articles that are written for a general but well-prepared audience. While these articles are relatively short, they are also relatively dense. The ability to understand their content and extract what is most important is essential.

Finally, the ability to write effectively in the English language is very important. The graded elements of the course all require original composition. Approximately three-quarters of the course score is comprised of three examinations whose questions require original answers of approximately one to six sentences in length. The remaining part of the course score is comprised of two original essays.

#### Course requirements:

Performance in this course will be judged on the basis of five instruments. Three instruments are examinations. They will ordinarily consist of short essay questions addressing the material in lectures and readings. They may also include short computational exercises.

The final examination will take place on Saturday, 2 May, from 1:30 p.m. until 4:00p.m. It will require the full 2.5 hours and be worth 150 points. Any student who has three or more final examinations scheduled on 2 May has the right to reschedule all exams following the first two. Any student wishing to invoke this right must do so by 20 March.<sup>1</sup>

Two midterm examinations will each take 40 minutes, and be worth 40 points. They will take place on 11 February and 7 April unless class progress deviates significantly from expectations.

Two papers complete the course requirements. Each will analyze the issues presented in a case from the Harvard Business School, based on discussions in class and material in the readings. 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 format, will be penalized. These papers must be submitted electronically to my campus email address, [zax@colorado.edu](mailto:zax@colorado.edu), in the Adobe .pdf format. The computers in the computer lab in the basement of the Economics Building can create .pdf files from Word files. Make sure that you arrange to convert your papers to .pdf format before the deadline for submission. Speak with

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<sup>1</sup> University policies regarding multiple final examinations on the same day are available at <http://www.colorado.edu/policies/final-examination-policy>.

me in advance if you anticipate difficulty with this requirement. Only .pdf files will be accepted.

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21 January            3. Lorenz curves and Gini coefficients

## II. The Macroeconomics of Distribution

23 January            4. The effects of growth on inequality

Autor, David (2015) "Why are there still so many jobs?EW2II.

Cullen, Julie Berry, Steven D. Levitt, Erin Robertson and Sally Sadoff (2013) "What can be done to improve struggling high schools?", Journal of Economic Perspectives, Vol. 27, No. 2, Spring, 133-152.

18 February 10. Inequality as an incentive

20 February 11. 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, 189-206.

25 February 12. Intragenerational mobility

Essay on of Inequality and Globalization, Harvard Business School Case No. 9-705-040, is due.

27 February 13. The inheritance of economic status, intergenerational mobility and redistributive policy

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

3 March 14. 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.

5 March 15. 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 L. Glaeser and Jesse M. Shapiro (2003) "Why have Americans become more obese?", Journal of Economic Perspectives, Vol. 17, No. 3, Summer, 93-118.

10 March 16. Income, earnings and wage inequality



Kahneman, Daniel and Alan B. Krueger (2006) "Developments in the measurement of subjective well-being", Journal of Economic Per-



Heckman, James (1998) "Detecting discrimination", Journal of Economic Perspectives, Vol. 12, No. 2, Spring, 101-116.

Fryer, Roland G. Jr. and Glenn C. Loury (2005) "Affirmative action and its mythology", Journal of Economic Perspectives, Vol. 19, No. 3, Summer, 147-162.

- 28 April                    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.
- 30 April                    28. Discrimination in automobile and other markets
- 2 May                        Final examination 1:30p.m.-4:00p.m.

#### Required statement of University policies

Accommodation for disabilities: If you qualify for accommodations because of a disability, please submit your accommodation letter from Disability Services to your faculty member in a timely manner so that your needs can be addressed. Disability Services determines accommodations based on documented disabilities in the academic environment. Information on requesting accommodations is located on the Disability Services website. Contact Disability Services at 303-492-8671 or [dsinfo@colorado.edu](mailto:dsinfo@colorado.edu) for further assistance. If you have a temporary medical condition or injury, see Temporary Medical Conditions under the Students tab on the Disability Services website.

Classroom behavior: Students and faculty each have responsibility for maintaining an appropriate learning environment. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with race, color, national origin, sex, pregnancy, age, disability, creed, religion, sexual orientation, gender identity, gender expression, veteran status, political affiliation or political philosophy. For more information, see the policies on classroom behavior and the Student Code of Conduct.

Preferred student names and pronouns: CU Boulder recognizes that students' legal information doesn't always align with how they identify. Students may update their preferred names and pronouns via the student portal; those preferred names and pronouns are listed on instructors' class rosters. In the absence of such updates, the name that appears on the class roster is the student's legal name.

Honor code: All students enrolled in a University of Colorado Boulder