

University of Virginia
Fall Semester 2023

Economics 4440

Economic Inequality

Lecture

Tuesdays and Thursdays 5:00-6:15, Monroe 116

Instructor

Professor James Harrigan, james.harrigan@virginia.edu

<https://sites.google.com/view/jamesharrigan/home>

Monroe Hall Room 215

Office Hours

Tuesday and Thursday 2:00-3:15 and by appointment. In person and on [Zoom](#), meeting ID 986 8949 8128, passcode 123.

Teaching Assistant

Mr. Ashwin Nair, an2cg@virginia.edu, discussion sections Friday.

Prerequisites

Intermediate microeconomics (Econ 3010 or 3110) and introductory econometrics (Econ 3720) are *essential*. Familiarity with *Stata* is also required.

Required books & software

The Great Divergence, by Timothy Noah, 2012.

A World Without Work, by Daniel Susskind, 2020.

Stata, student pricing [here](#).

Grading

- three exams (22.5% of course grade each)
- nine homework assignments (1% of course grade each)
- final paper (22.5%)
- fill out course evaluation (1%)

Introduction

One of the most contentious and important issues about the U.S. economy is the growth in income and wealth inequality since 1980. Inequality has grown within the majority of the population (the proverbial “99 percent”), at the same time as the share of income going of the richest households (the “1 percent”) has risen. Much of the course will be aimed at understanding these two distinct phenomena as well as the relationships between them. Other topics studied will include racial and gender inequality and the rising economic return to education.

Economic inequality is an inherently and unavoidably contentious topic, with deep connections to political debates. This is a course in economic analysis, not a primer in ideology, and we will strive for a balanced and objective approach to inequality while not shying away from controversy.

The course will introduce students to

- *measurement*: the facts about economic inequality in the U.S., with an emphasis on the details of how inequality is measured.
- *theory*: the theoretical and empirical economics literature on the causes and consequences of income and wealth inequality.
- *policy*: the economic policy debate about what can and/or should be done about the growth of inequality in the United States.

At the end of the course, successful students will have a broad knowledge of the facts about economic inequality, the economic and political causes of growing inequality, and the role of public policy in exacerbating and/or ameliorating inequality.

Schedule

The following tentative class schedule is subject to revision. Required and optional readings, as well as homework assignments, will be assigned as the course proceeds.

Part 1 Measuring inequality

8 lectures on measuring inequality, August 22 to September 14.

Review Tuesday September 19

Exam 1 Thursday September 21

Part 2 Explaining inequality

7 lectures on theories of income and wealth inequality, including empirical evidence, September 26 to October 19

Review Tuesday October 24

Exam 2 Thursday October 26

Part 3 Economic policy and inequality

7 lectures on the role of economic policy in increasing or decreasing income and wealth inequality, including empirical evidence, October 31 to November 28.

Paper proposal due Friday November 17

Review Thursday November 30

Exam 3 Tuesday December 5

Final paper due 5:00pm Thursday December 14.

Course policies

Homework

Each assignment must be uploaded on time through the Assignments tool on *Canvas* on the day that it is due, usually Tuesday. Late homework submissions will not be accepted for any reason. Your lowest graded assignment will not be counted as part of your final homework grade.

You are encouraged to work together on your homework assignments, and up to two students may submit and receive credit together for a given assignment. If students collaborate, both students must understand and contribute to all the work handed in. Copying homework from other students, or failing to fully collaborate on joint assignments, will be regarded as an honor violation.

Homework will be graded by the teaching assistant. Grades assigned by the TA are not subject to appeal unless an error was made by the TA (in other words, please don't argue about how many points you think you should have received on a given problem). Your work is expected to be neat and legible, and typing your answers is encouraged. If the TA finds your work too sloppy and/or illegible, it will not be graded, or points will be taken off.

Exams

Exams are non-cumulative, and cover only material since the previous exam.

Paper

The paper will be an original work of empirical research on a current issue in inequality. Further details are available on *Canvas*. Late papers will not be accepted for any reason, so students are encouraged to plan to complete their paper at least one day in advance of the deadline. Up to two students may collaborate on a paper, subject to the same guidelines as with homework assignments.

Lectures

Attendance at all lectures is required. Lecture notes/slides will be posted to *UVACanvas*, usually no later than the night before the lecture is delivered. You are strongly encouraged to print out a copy of the slides before coming to class so you can follow along and take notes on your copies of the slides.

Posted lecture notes/slides do not contain all the material which will be discussed in class, and failure to attend all lectures means that you are guaranteed to miss important material. The use of electronic devices (laptop, tablets, phones, etc) during lectures is not permitted.

Honor policy

Professor Harrigan trusts every student in this course to fully comply with all of the provisions of the honor code, which is an institution that provides important benefits to all of us. On every exam and problem set, please write "Pledged", and sign your name. On exams, it is expected that you will neither receive nor give aid, nor access any material other than a non-programmed calculator. Your paper is expected to be original, non-plagiarized work.

All alleged honor violations brought to Professor Harrigan's attention will be forwarded to the Honor Committee. If, in his judgment, it is beyond a reasonable doubt that a student has committed an honor violation on an exam or homework assignment, that student will receive an immediate grade of zero for that exam or assignment, regardless of any subsequent action taken by the Honor Committee.

Exam and other accommodations

All students with special needs requiring accommodations should present the appropriate paperwork from the Student Disability Access Center (SDAC) to Professor Harrigan. It is the student's responsibility to present this paperwork in a timely fashion and follow up with the instructor about the accommodations being offered. Accommodations for test-taking (e.g., extended time) should be arranged with Professor Harrigan at least seven days before each exam.