

PRELIMINARY READING LIST

EMPLOYMENT, POVERTY AND PUBLIC POLICY

Overview

This course will examine several issues concerning employment and poverty in the United States. Topics include: 1) the measurement and concept of employment and poverty; 2) trends in jobs, joblessness, poverty and inequality; 3) the link between jobs and poverty; 4) public policy concerning job creation, job quality and poverty. Student input will also be taken into account in adjusting the coverage of topics. For example, if time permits, discrimination and immigration could be added as topics.

The course will require one long term paper related to the topic of the class and participation in class discussions. Grades will be based on the term paper and class participation.

Schedule

Week 1: Measuring Employment and Poverty in the U.S. and world. CPS. CES. Census. Equilibrium Employment. US vs. Europe. World Poverty. Determinants of Employment.

Week 2: Inequality. Link between work and poverty. Reasons for rising inequality.

Week 3: Growing out of Poverty. Experience. Rising Tide.

Week 4: EITC and Welfare Reform. Negative Income Tax. Budget set. Evidence on labor supply.

Week 5: Minimum Wage. Effects on employment and poverty.

Week 6: Training Programs. Methods and evidence.

Readings (Incomplete):

Week 1

Norwood, Janet, "Politics and Federal Statistics," Pfizer Lecture, University of Connecticut , 2000.

Angus Deaton, "Measuring Poverty," mimeo, WWS, July 2004.

Shaohua Chen and Martin Ravallion, "How have the world's poorest fared since the early 1980s?" World Bank WP 3341, June 2004.

Alan Krueger and Jörn-Steffen Pischke, "Observations and Conjectures on the U.S. Employment Miracle," (with). In *Third Public German-American Academic Council Symposium*, 1998, Bonn Germany, pp. 99-125.

Sheldon Danziger and Robert Haveman, "Introduction," in S. Danziger and R. Haveman, *Understanding Poverty*, 2001.

Gary Burtless and Timothy Smeeding, "The Level, Trend and Composition of Poverty," in S. Danziger and R. Haveman, *Understanding Poverty*, 2001.

Smeeding, Timothy, Lee Rainwater and Gary Burtless. 2001. "United States Poverty in a Cross-National Context," in S. Danziger and R. Haveman, *Understanding Poverty*.

Week 2

Jencks, Christopher. "Does inequality matter?" *Daedalus*, Winter 2002, pp. 49-65.

*Lawrence Katz and David Autor, "Changes in the Wage Structure and Earnings Inequality," *Handbook of Labor Economics*, vol. 3A, edited by Orley Ashenfelter and David Card, 1999.

Frank Levy and Richard Murnane, "U.S. Earnings Levels and Earnings Inequality: A Review of Recent Trends and Proposed Explanations," *Journal of Economic Literature*, 30, Sept. 1992, pp. 1333-1381.

John Pencavel, "The Impact of Wives' Market Employment on Family Earnings Inequality," mimeo., Stanford University, 2004.

Levitan, Sar A., and Isaac Shapiro, *Working But Poor: America's Contradiction*, Baltimore, John Hopkins University Press, 1987. (1993 update).

JEP symposium.

Week 3

Kevin M Murphy and Finis Welch, "Empirical Age-Earnings Profiles," *Journal of Labor Economics*, pp. 202-29.

Gary Burtless paper.

Kathy Newman's new paper on wage growth and employment.

James R. Hines, Hilary Hoynes, and Alan Krueger, "Another Look at Whether a Rising Tide Lifts All Boats," (with). In *The Roaring '90s: Can Full Employment Be Sustained*, edited by Alan Krueger and Robert Solow, Russell Sage and Century Fund, 2001.

Richard Freeman, "The Rising Tide Lifts ..." in S. Danziger and R. Haveman, *Understanding Poverty*, 2001.

Week 4

David Ellwood, JEP.

Eissa, Nada and Jeffrey Liebman, "Labor Supply Response to the Earned Income Tax Credit," *Quarterly Journal of Economics*, May 1996, pp. 605-37.

Rebecca Blank.

Card and Robbins.

Week 5

David Card and Alan Krueger, *Myth and Measurement: The New Economics of the Minimum Wage*, Princeton, NJ: Princeton University Press, 1995.

David Lee, "Wage Inequality in the U.S. during the 1980s: Rising Dispersion or Falling Minimum Wage?" *Quarterly Journal of Economics*, 1999.

John Kennan, "The Elusive Effects of Minimum Wages," *Journal of Economic Literature*, December 1995.

Charles Brown, “Minimum Wages, Employment and the Distribution of Income,” Handbook of Labor Economics, vol. 3B, edited by Orley Ashenfelter and David Card, Chapter 32.

Week 6

*James Heckman, Robert Lalonde, and Jeffrey Smith, “The Economics and Econometrics of Active Labor Market Programs,” Handbook of Labor Economics, vol. 3A, edited by Orley Ashenfelter and David Card, Chapter 31.

Benjamin Friedman, editor, *Inequality in America: What Role for Human Capital Policies*, Cambridge, MA: MIT Press, 2004.