

The Future of Fiscal Policy: American Economic Policy Debates in the 21st Century

Princeton University
Spring 2021, Session I

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(subject: SPI-593i)

Overview

This course will evaluate fiscal policies that governments will likely consider in the 21st century, from both empirical and theoretical perspectives. Recent economic developments (including technological change, the rise of robots, and geographic sorting) present many challenges for policymakers. After briefly reviewing some of these developments, the course will focus on assessing several likely policy responses: taxing capital and top-income earners, the safety net and redistribution, and place-based policies that aim to address spatial disparities in opportunity.

Course Outline (subject to change)

1. U.S. Fiscal Policy and the Deficit Debate
 - a. Fiscal policy, debt, and deficits
 - b. Government Intervention in the Economy
 - c. *Policy discussion: do we need to address rising US debt and deficits? If so, how?*
2. Capital taxation in the 21st century: taxation of wealth and investment income
 - a. Background on wealth inequality, capital gains taxation, wealth and estate taxes
 - b. *Policy discussion: should we introduce a top wealth tax? Or is it better to reform capital gains and estate taxation and if so how (e.g., mark-to-market, higher rates, exemption changes, etc)?*
3. Capital taxation in the 21st century: corporate taxation
 - a. Background on corporate taxation
 - b. *Policy discussion: how much should we tax corporations? Who benefits from corporate tax cuts? Should we broaden the base and lower rates?*
4. Taxing top earners in the 21st century
 - a. Background on labor, top income taxation, and key tax expenditures
 - b. *Policy discussion: How high should top income tax rates be? How large should tax expenditures be? Should we eliminate the state and local tax deduction?*
5. Place-based policies and local economic development
 - a. Background on place-based policies and spatial disparities in opportunity
 - b. *Policy discussion: What is the economic case (if any) for targeting places instead of people? Should we invest in economic development for places or simply move people away from depressed areas?*
6. Tax and labor market policy toward low-income families
 - a. Background on EITC, minimum wage, and universal basic income
 - b. *Policy discussion: How generous should the safety net be? And how should we do*

it? Specifically, should we expand the EITC, increase the minimum wage, or provide everyone with a universal basic income, or something else?

Office Hours:

Office hours will be by appointment

Grades:

The course grade will be determined as follows:

Weekly participation	25%
Weekly one-page policy memos	40%
One in class policy presentation	15%
Four-page policy proposal memo	20%

Course Format and Requirements:

The first week of class will be different from the remaining classes. The first week of class will give an overview of fiscal policy, describe the course, and then provide an introductory policy discussion on upcoming fiscal challenges.

Starting with the second week of classes, each week will have three components outlined below. The goal is to have an engaging, informative, and policy relevant discussion of central fiscal policy issues. Through in-class participation, students will put themselves into the shoes of policymakers sorting through tough policy decisions using economic analysis, evidence, and theory as a basis for debate.

1. Lecture component framing the key economic issues
2. Student-led presentation of background material on the policy
3. Interactive class discussion about the merits of different policy options to accomplish prescribed goal.

Participation

Attendance and participation in class discussion are very important components of the class. Students are expected to come to class having read and thought about the assigned materials. Students who are most successful will be those who come to class with initial perspectives on the topics presented grounded in the readings.

One in class policy presentation

Starting with the second week of class, each class session will have one group of students jointly present background information for the policy discussion that week. The presentation should include information on: (1) the goal of the policy and the problem it is trying to solve, (2) a description of how the policy works (e.g., what are the policy parameters, eligibility rules, etc.), (3) how have these policy rules evolved overtime, why did they change, and what are they currently, (4) who are the relevant stakeholders, what do they want, and who benefits from the policy, and (5) how well is the policy working and how does it impact economic activity?

Four one-page policy memos

Students who are not presenting that week will receive randomly assigned policy positions to defend in the discussion. They should prepare a one page, bullet point policy memo due midnight the day before class, which will be circulated to the class the morning before class.

Four-page policy proposal due at the end of the term

Each student should write a four-page policy proposal memo making the case to enact to new policy or to eliminate an existing policy that was not covered in the course. Similar to the policy presentation, the memo should include information on: (1) the goal of the policy and the problem it is trying to solve, (2) a description of how the policy works or would work (e.g., what are the policy parameters, eligibility rules, etc.), (3) who are the relevant stakeholders, what do they want, and who benefits from the policy, and (4) how does/ would the policy impact economic activity? (5) how much would it impact the budget?

Lecture Schedule and Readings (subject to change):

Week 1: U.S. Fiscal Policy, the deficit debate, and government intervention in the economy

A. U.S. Fiscal Policy and Fiscal Outlook

(*) Gale, William, 2019, *Fiscal Therapy: Curing America's Debt Addition and Investing in the Future. Chapters 1-3.*

<https://www.oxfordscholarship.com/view/10.1093/oso/9780190645410.001.0001/oso-9780190645410#.XWbNQQITZC0.gmail>

Congressional Budget Office, 2019, "The Budget Outlook: 2019 to 2029,"

<https://www.cbo.gov/system/files/2019-03/54918-Outlook-3.pdf>

Piketty, Thomas, Emmanuel Saez, and Gabriel Zucman, 2018, "Distributional National Accounts: Methods and Estimates for the United States," *Quarterly Journal of Economics*, 2018, 133(2): 553-609.

<http://gabriel-zucman.eu/files/PSZ2018QJE.pdf>

B. Policy Discussion: Addressing US fiscal challenges

Elmendorf, Doug, and Greg Mankiw, 1999, "Government Debt" *Handbook of Macroeconomics*, Vol 1, Taylor, J.B., and M. Woodford, eds, Elsevier Science, B.V., pp. 1615-1699.

<https://www.sciencedirect.com/science/article/pii/S1574004899100387>

(*) Furman, Jason and Larry Summers, 2019, "Who's Afraid of Budget Deficits? How Washington should end its debt obsession," *Foreign Affairs*.

<https://www.foreignaffairs.com/articles/2019-01-27/whos-afraid-budget-deficits>

Furman, Jason and Larry Summers, 2019, "Further Thinking on the Costs and Benefits of Deficits."

<http://larrysummers.com/2019/04/23/further-thinking-on-the-costs-and-benefits-of-deficits/>

Elmendorf, Douglas, 2019, "Should we reduce federal budget deficits now?"

<https://www.hks.harvard.edu/more/about/leadership-administration/deans-office/deans-presentations/should-we-reduce-federal>

Auerbach, Alan, William Gale, Aaron Krupkin, 2019, "If not now, when? New estimates for the Federal Budget Outlook"

<https://eml.berkeley.edu/~auerbach/AGK%202.11.19.pdf>

Blanchard, Olivier, 2019, "Public Debt and Low Interest Rates"

<https://www.aeaweb.org/articles?id=10.1257/aer.109.4.1197>

Mankiw, Greg, 2019. “The National Debt is still a problem.” *New York Times*.
<https://www.nytimes.com/2019/06/20/business/national-debt-trump.html>

Krugman, Paul, 2019. “Melting Snowballs and the Winter of Debt.” *New York Times*.
<https://www.nytimes.com/2019/01/09/opinion/melting-snowballs-and-the-winter-of-debt.html>

Gale, William, 2019. “Fiscal policy with high debt and low interest rates.”
<https://www.brookings.edu/wp-content/uploads/2019/08/Gale-Aspen-revised.pdf>

Batchelder, Lily, and David Kamin, 2019. “Taxing the Rich: Issues and Options”

Matthews, Dylan, 2019, “How to tax the rich, explained”
<https://www.vox.com/2019/3/19/18240377/estate-tax-wealth-tax-70-percent-warren-sanders-aoc>

Week 2: Taxing Capital: Taxation of wealth and investment income

A. Economic Background

Saez, Emmanuel and Gabriel Zucman, 2016, “Wealth Inequality in the United States Since 1913: Evidence from Capitalized Income Tax Data,” *Quarterly Journal of Economics*, 131(2): 519-578.
<http://gabriel-zucman.eu/files/SaezZucman2016QJE.pdf>

Saez, Emmanuel and Gabriel Zucman, 2019, “How would a progressive wealth tax work? Evidence from the economics literature <https://eml.berkeley.edu/~saez/saez-zucman-wealthtaxobjections.pdf>

(*) Kopczuk, Wojciech, 2015, “What do we know about the evolution of top wealth shares in the united states? *Journal of Economic Perspectives*, 29(1): 47-66.
<https://www.aeaweb.org/articles?id=10.1257/jep.29.1.47>

Smith, Matt, Owen Zidar, and Eric Zwick, 2019, “Top Wealth In the United States: New Estimates and Implications,” working paper.
https://scholar.princeton.edu/sites/default/files/zidar/files/szz_wealth_19_07_19.pdf

Kopczuk, Wojciech, 2016, “U.S. capital gains and estate taxation: a status report and directions for reform”
<http://www.columbia.edu/~wk2110/bin/CapitalGainsAndEstateTax.pdf>

Gravelle, Jane, 2018, "Capital Gains Taxes: An Overview" *Congressional Research Service Report 7-5700*. 96-769. <https://fas.org/sgp/crs/misc/96-769.pdf>

Poterba, Jim, 1989, "Venture Capital and Capital Gains Taxation" *Tax Policy and the economy*. <https://www.journals.uchicago.edu/doi/pdfplus/10.1086/tpe.3.20061783>

(*) Agersnap, Ole, and Owen Zidar, 2020, "The Tax Elasticity of Capital Gains and Revenue Maximizing Rates," *American Economic Review: Insights*.
<https://scholar.princeton.edu/sites/default/files/zidar/files/capgains.pdf>

(**) Sarin, Natasha, Larry Summers, Owen Zidar, Eric Zwick (2020), "Rethinking how we score capital gains tax reform," working paper.

B. Policy Discussion

(**) Saez, Emmanuel, and Gabriel Zucman, 2019, Progressive Wealth Taxation. *Brookings Papers on Economic Activity*. September.
<https://www.brookings.edu/bpea-articles/progressive-wealth-taxation/>

(*) Saez, Emmanuel and Gabriel Zucman, 2019, Scoring of Warren Wealth Tax Proposal
<https://eml.berkeley.edu/~saez/saez-zucman-wealthtax-warren-online.pdf>

(*) Sarin, Natasha and Larry Summers, 2019, "A 'wealth tax' presents a revenue estimation puzzle," *Washington Post*.
<https://www.washingtonpost.com/opinions/2019/04/04/wealth-tax-presents-revenue-estimation-puzzle/>

Saez, Emmanuel and Gabriel Zucman, 2019, "Response to Summers and Sarin, 'A wealth tax presents a revenue estimation puzzle,' Washington Post, April 4"
<http://gabriel-zucman.eu/files/saez-zucman-responseto-summers-sarin.pdf>

Sarin, Natasha and Larry Summers, 2019, "Be very skeptical about how much revenue Elizabeth Warren's wealth tax could generate" *Washington Post*
<https://www.washingtonpost.com/opinions/2019/06/28/be-very-skeptical-about-how-much-revenue-elizabeth-warrens-wealth-tax-could-generate/>

Kamin, David, 2016, "Taxing Capital: Paths to a fairer and broader US Tax System"
<https://equitablegrowth.org/wp-content/uploads/2016/08/081016-kamin-taxing-capital.pdf>

Kamin, David, 2019, “How to Tax the Rich” *Tax Notes*.

<https://taxprof.typepad.com/files/kamin.pdf>

(**) Batchelder, Lily, and David Kamin, 2019. “Taxing the Rich: Issues and Options”

Huang, Chye-Ching and Chloe Cho, 2017, “Ten Facts you should know about the Federal Estate Tax” *Center on Budget and Policy Priorities*.

<https://www.cbpp.org/research/federal-tax/ten-facts-you-should-know-about-the-federal-estate-tax>

Joint Committee on Taxation, 2015, “History, Present Law, and Analysis of the Federal Wealth Transfer Tax System,”

<https://www.jct.gov/publications.html?func=startdown&id=4744>

Batchelder, Lily, 2016, “The ‘Silver Spoon’ Tax: How to Strengthen Wealth Transfer Taxation,” Washington Center for Equitable Growth, Delivering Equitable Growth: Strategies for the Next Administration, October 31.

<https://ssrn.com/abstract=2862144>

Avenancio-Leon, Carlos, and Troup Howard, 2020, “The Assessment Gap: Racial Inequalities in Property Taxation”

http://www.trouphoward.com/uploads/1/2/7/7/127764736/the_assessment_gap_-_racial_inequalities_in_property_taxation.pdf

Hamilton, Darrick, and William Darity. 2010. “Can ‘Baby Bonds’ Eliminate the Racial Wealth Gap in Putative Post-Racial America?” *The Review of Black Political Economy*

<https://link.springer.com/article/10.1007/s12114-010-9063-1>

C. Supplemental Readings

Cassidy, John, 2019 “Why Elizabeth Warren’s Wealth Tax Would Work” *New Yorker*.

<https://www.newyorker.com/news/our-columnists/elizabeth-warrens-wealth-tax-is-an-old-idea-and-its-time-has-come>

Olorunnipa, Toluse, 2019 “Warren’s ambitious agenda relies on a massive wealth tax that the rich may evade” *Washington Post*.

https://wapo.st/2wbHyLx?tid=ss_mail&utm_term=.0d75afd0b9c2

Sarin, Natasha and Larry Summers, 2019, “A broader tax base that closes loopholes would raise more money than plans by Ocasio-Cortez and Warren” *Boston Globe*.

Sarin, Natasha and Larry Summers, 2019, “Fair comprehensive tax reform is the right path forward” *Boston Globe*.

Cowen, Tyler, 2013, "Wealth Taxes: A Future Battleground" *New York Times*.
<https://www.nytimes.com/2013/07/21/business/wealth-taxes-a-future-battleground.html>

Boadway, Robin, and Pierre Pestieau, 2019, "Over the Top: Why an annual wealth tax for Canada is unnecessary."
<https://t.co/uuvjf25PTh?amp=1>

Bui, Quoc Trung, Kevin Quealy, and Rumsey Taylor, 2019, "Are you rich? Where does your networth rank in America?" *New York Times*.
<https://www.nytimes.com/interactive/2019/08/12/upshot/are-you-rich-where-does-your-net-worth-rank-wealth.html>

Logan and Cook 2020. Racial Inequality. <https://econfip.org/wp-content/uploads/2020/07/27.Racial-Inequality.pdf>

Addo, Fenaba, Jason Houle, and Daniel Simon. 2016. "Young, Black, and (Still) in the Red: Parental Wealth, Race, and Student Loan Debt." *Race and Social Problems*, 8(1), 64-76. <https://link.springer.com/article/10.1007/s12552-016-9162-0>

Kerwin Charles and Erik Hurst 2002. "The Transition To Home Ownership And The Black-White Wealth Gap," *Review of Economics and Statistics*, 84.2, 281-297.
<https://www.mitpressjournals.org/doi/abs/10.1162/003465302317411532?journalCode=rest&>

U.S. Financial Diaries Project. <https://www.usfinancialdiaries.org>. Click on "Meet the Households."

Week 3: Taxing Capital: Corporate Taxation

A. Economic Background

(*) Furman, Jason, 2014. "Business Tax Reform and Economic Growth."
https://obamawhitehouse.archives.gov/sites/default/files/docs/business_tax_reform_and_economic_growth_jf.pdf

(*) Cooper, Michael, John McClelland, James Pearce, Richard Prisinzano, Joe Sullivan, Danny Yagan, Owen Zidar, and Eric Zwick, 2016, "Business in the United States: Who Owns it and How Much Tax Do They Pay?" in *Tax Policy and the Economy*, Cambridge: MIT Press, Vol 30: 90-128, Brown.
<https://scholar.princeton.edu/sites/default/files/zidar/files/cmppsyz-2016.pdf>

Auerbach, Alan, and Kevin Hassett, 2015, “Capital Taxation in the 21st Century.”
<https://eml.berkeley.edu/~auerbach/Auerbach-Hassett%201-8-15.pdf>

Zucman, Gabriel, 2014, “Taxing Across Borders: Tracking Personal Wealth and Corporate Profits,” *Journal of Economic Perspectives*, 28(4): 121-148.
<http://gabriel-zucman.eu/files/Zucman2014JEP.pdf>

Clausing, Kim, 2017, “Does Taxing US Corporations Make Sense in a Global Economy?” *Econofact*.
<http://econofact.org/does-taxing-u-s-corporations-make-sense-in-a-global-economy>

Suárez Serrato, Juan Carlos, and Owen Zidar, “Who Benefits from State Corporate Tax Cuts? A Local Labor Market Approach with Heterogeneous Firms” *American Economic Review*, 106(9): 2582-2624, September 2016.

Fuest, Clemens, Andreas Peichl, and Sebastian Siegloch. 2017. “Do Higher Corporate Taxes Reduce Wages?” forthcoming, *American Economic Review*.

Barro, Robert and Jason Furman, 2018, “The macroeconomic effects of the 2017 tax reform,” *Brookings Papers on Economic Activity*. https://www.brookings.edu/wp-content/uploads/2018/03/4_barrofurman.pdf

(**) Council of Economic Advisers, 2017. “Corporate Tax Reform and Wages: Theory and Evidence”
<https://www.whitehouse.gov/sites/whitehouse.gov/files/documents/Tax%20Reform%20and%20Wages.pdf>

B. Policy Discussion

(**) The President’s Economic Recovery and Advisory Board, 2010, “The Report on Tax Reform Options: Simplification, Compliance, and Corporate Taxation,” pg 65-80.
<https://www.treasury.gov/resource-center/tax-policy/Documents/Report-Tax-Reform-Options-2010.pdf>

Summers, Larry, 2017, “One last time on who benefits from corporate tax cuts”
https://www.washingtonpost.com/news/wonk/wp/2017/10/22/lawrence-summers-one-last-time-on-who-benefits-from-corporate-tax-cuts/?utm_term=.bd5d8bfff55b

(*) Furman, Jason, 2017, “How to make tax reform bipartisan,” *WSJ*.
<https://www.wsj.com/articles/how-to-make-tax-reform-bipartisan-1491164051>

(*) Mankiw, Greg, 2017. “How to best tax businesses,” *New York Times*.
https://www.nytimes.com/2017/04/21/upshot/tax-code-business.html?_r=0

(*) Smith, Noah, “There’s a lot to like about cutting corporate taxes,” *Bloomberg*.
<https://www.bloomberg.com/view/articles/2017-05-04/there-s-a-lot-to-like-about-cutting-corporate-taxes>

US Treasury Office of Tax Analysis, 2017. “The Case for Responsible Business Tax Reform,” *Office of Tax Analysis working paper*.
<https://www.treasury.gov/resource-center/tax-policy/Documents/Report-Responsible-Business-Tax-Reform-2017.pdf>

C. Supplemental:

Mankiw, Greg, 2014, “One way to fix the corporate tax: Repeal it,” *New York Times*.
<https://www.nytimes.com/2014/08/24/upshot/one-way-to-fix-the-corporate-tax-repeal-it.html>

Kotlikoff, Laurence, 2014, “Abolish the Corporate Income Tax,” *New York Times*.
https://www.nytimes.com/2014/01/06/opinion/abolish-the-corporate-income-tax.html?_r=0

Auerbach, Alan, 2010, “A Modern Corporate Tax” *Hamilton project paper*.
http://www.hamiltonproject.org/papers/a_modern_corporate_tax

Suárez Serrato, Juan Carlos and Owen Zidar, 2014, “Do Not Abolish the Corporate Income Tax,” *Washington Post Wonkblog*.
https://www.washingtonpost.com/news/wonk/wp/2014/01/21/want-to-help-the-middle-class-dont-kill-corporate-taxes/?utm_term=.8c1afad2b760

Krugman, Paul, 2014, “Wealth over work,” *New York Times*.
https://www.nytimes.com/2014/03/24/opinion/krugman-wealth-over-work.html?_r=0

Jarass, Lorenz, Anthony Tokman, and Mark Wright, 2017, “The Burden of Taxation in the US and Germany,” *Chicago Fed letter, no 382*.
<https://chicagofed.org/publications/chicago-fed-letter/2017/382>

Murray, Alan, and Jeffrey Birnbaum, 1988. *Showdown at Gucci Gulch: Lawmakers, Lobbyists, and the Unlikely Triumph of Tax Reform*.

<https://www.amazon.com/Showdown-Gucci-Gulch-Lawmakers-Lobbyists/dp/0394758110>

Piketty, Thomas, 2015, *Capital in the Twenty-First Century*.
<https://www.amazon.com/Capital-Twenty-First-Century-Thomas-Piketty/dp/1491591617>

Week 4: Taxing top earners

A. Economic Background

(*) Mankiw, N Gregory. 2013. "Defending the One Percent." *Journal of Economic Perspectives*, 27(3): 21-34.

<https://www.aeaweb.org/articles.php?f=s&doi=10.1257/jep.27.3.21>

(*) Diamond, Peter, and Emmanuel Saez. 2011. "The Case for a Progressive Tax: From Basic Research to Policy Recommendations." *Journal of Economic Perspectives*, 25(4): 165-90. <http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.25.4.165>

Autor, David, 2014. "Skills, education, and the rise of earnings inequality among the 'other 99 percent,'" David Autor. *Science* 23 May 2014: Vol. 344 no. 6186 pp. 843-851
<http://www.sciencemag.org/content/344/6186/843.full>

Murphy, Kevin, and Bob Topel, 2016, "Human capital investment, inequality, and growth," NBER Working Paper No 21841.
<http://www.nber.org/papers/w21841>

Kaplan, Steve and Josh Rauh, 2013, "It's the Market: The Broad-based rise in the return to top talent" *Journal of Economic Perspectives*, 27(3), 35-56.
<https://www.aeaweb.org/articles?id=10.1257/jep.27.3.35>

Smith, Matt, Danny Yagan, Owen Zidar, Eric Zwick, 2019, "Capitalists in the Twenty-First Century," *Quarterly Journal of Economics*.
<https://scholar.princeton.edu/sites/default/files/zidar/files/syzz-capitalists.pdf>

Zidar, Owen, 2019, "Tax Cuts for Whom? Heterogeneous Effects of Tax Changes on Growth and Employment." *Journal of Political Economy*.
https://scholar.princeton.edu/sites/default/files/zidar/files/zidar_tcfw_jpe_2019.pdf

Jones, Chad, 2019, "Taxing Top Income in a World of Ideas," working paper.
<https://web.stanford.edu/~chadj/slides-toptax.pdf>

Akcigit, Ufuk, et al, 2018, "Taxation and innovation in the 20th century, working paper
https://scholar.harvard.edu/files/stantcheva/files/taxation_and_innovation_in_the_20th_century_vox_cepr_policy_portal.pdf

Piketty, Thomas, and Emmanuel Saez, 2007, “How progressive is the US Federal Tax System? A Historical and International Perspective, *Journal of Economic Perspectives* 21(1) 3-24. <https://eml.berkeley.edu/~saez/piketty-saezJEP07taxprog.pdf>

B. Policy Discussion

(**) CBO, 2013, “Options for Reducing the Deficit: 2014 to 2023” Revenues, Options 1-11, pg 99-128) <http://www.cbo.gov/sites/default/files/cbofiles/attachments/44715-OptionsForReducingDeficit-3.pdf>

CBO, 2013 “The Distribution of Major Tax Expenditures in the Individual Income Tax System” https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/43768_DistributionTaxExpenditures.pdf

(*) Cullen, Julie, and Roger Gordon, 2008, “Deductibility of State and Local Taxes: Is there a case for continuing this tax expenditure?” Working Paper <http://econweb.ucsd.edu/~jbcullen/research/deductibility.pdf>

(**) CBO, 2008, “The Deductibility of State and Local Taxes: https://www.cbo.gov/sites/default/files/110th-congress-2007-2008/reports/02-20-state_local_tax.pdf

Walczak, Jared, 2017, “The State and Local Tax Deduction: A Primer” <https://files.taxfoundation.org/20170315142330/Tax-Foundation-FF545.pdf>

Sammartino, Frank and Kim Rueben, 2016, “Repeal of the State and Local Tax Deduction: Tax Debate 2017.” <http://www.taxpolicycenter.org/publications/revisiting-state-and-local-tax-deduction/full>

Report of the President’s Advisory Panel on Federal Tax Reform, 2005, “Simple, Fair, and Pro-Growth: Proposals to Fix America’s Tax System.” <https://www.treasury.gov/resource-center/tax-policy/Documents/Report-Fix-Tax-System-2005.pdf>

Saez, Emmanuel and Gabriel Zucman, 2019, “AOCs Tax Hike Idea is not about soaking the rich,” *New York Times*. <https://www.nytimes.com/2019/01/22/opinion/ocasio-cortez-taxes.html>

Week 5: Place-based policy

A. Economic Background

Chetty, Raj, Nathan Hendren, Pat Kline, Emmanuel Saez, “Where is the land of opportunity? Intergenerational mobility in the US?” *Voxeu.org* <http://voxeu.org/article/where-land-opportunity-intergenerational-mobility-us>

Swanson, Ana, 2016, “They’re some of the unluckiest places in America – and may confirm what’s wrong with the economy” *Washington Post* (on the research of Yagan)
https://www.washingtonpost.com/news/wonk/wp/2016/06/23/the-most-unlucky-places-in-america/?utm_term=.3686313df17a

Davis, Bob, and Jon Hilsenrath, “How the China Shock, Deep and Swift, Spurred the Rise of Trump” *WSJ* (on the research of Autor, Dorn, and Hanson)
<https://www.wsj.com/articles/how-the-china-shock-deep-and-swift-spurred-the-rise-of-trump-1470929543>

B. Policy Discussion

(*) Kline, Pat, and Enrico Moretti, 2014, “People, Places, and Public Policy: Some Simple Welfare Economics of Local Economic Development Policies,” *Annual Review of Economics*, August, 629-662.
<http://www.annualreviews.org/doi/full/10.1146/annurev-economics-080213-041024>

(*) Glaeser, Edward and Joshua D. Gottlieb, 2008. "The Economics of Place-Making Policies," *Brookings Papers on Economic Activity*, Economic Studies Program, The Brookings Institution, vol. 39 (Spring), pages 155-253.
https://www.brookings.edu/wp-content/uploads/2008/03/2008a_bpea_glaeser.pdf

(*) Busso, Matias, Jesse Gregory, Pat Kline, 2014, “Results of the federal urban Empowerment Zone program”
<http://www.irp.wisc.edu/publications/focus/pdfs/foc301d.pdf>

(*) Austin, Benjamin, Ed Glaeser, Larry Summers, 2018, “Saving the heartland: Place-based policies in 21st century America” *Brookings Papers on Economic Activity*
https://www.brookings.edu/wp-content/uploads/2018/03/3_austinetal.pdf

Suárez Serrato, Juan Carlos, and Owen Zidar, “Who Benefits from State Corporate Tax Cuts? A Local Labor Market Approach with Heterogeneous Firms” *American Economic Review*, 106(9): 2582-2624, September 2016.
<https://www.aeaweb.org/articles?id=10.1257/aer.20141702>

Kline, Pat, and Enrico Moretti, 2013, “Local Economic Development, Agglomeration Economies, and the big push: 100 years of evidence from the Tennessee Valley Authority” *Quarterly Journal of Economics*, 129 (February), pp. 275-331.
https://eml.berkeley.edu/~pkline/papers/TVA_web.pdf

Derenoncourt, Ellora, 2019, "Can you move to opportunity? Evidence from the Great Migration" https://www.dropbox.com/s/134h2avpjomylr/b/derenoncourt_2019.pdf?dl=0

C. Supplemental

Bartik, Tim, 1991. *Who Benefits from State and Local Economic Development Policies?* Kalamazoo, MI: W.E. Upjohn Institute for Employment Research.

Glaeser, Edward, 2012, "Urban Public Finance," NBER working paper no. 18244.
<http://www.nber.org/papers/w18244>

Moretti, Enrico, 2012, *The New Geography of Jobs*. Houghton Mifflin Harcourt.

Glaeser, Edward, 2011. *Triumph of the city: How our greatest invention makes us richer, smarter, greener, healthier, and happier*. Penguin.

Week 6: The Safety Net

A. Background on Earned Income Tax Credit, Minimum Wage, Universal Basic Income

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