

# **SPI 511c: Microeconomic Analysis for Policymakers (Advanced) Princeton University**

## **Professors:**

Owen M. Zidar, Henrik J. Kleven

## **Course Outline:**

This course provides an introduction to microeconomic policy analysis at an advanced level. The course will explore several policy areas and focus on applied economic and empirical methods to show how economists combine theory and data to evaluate policies. The goal is to enhance applied modeling skills, model-based thinking, and provide students with several practical examples of policy analysis. The first half of the course (taught by Professor Zidar) will analyze minimum wages, inequality, labor and capital markets, innovation, market power, and externalities with a focus on climate and vaccine policy. The second half of the course (taught by Professor Kleven) focuses on redistribution and social insurance policies, including taxation, welfare programs, parental leave policy, childcare policy, unemployment and health insurance.

## **Course Materials:**

Lecture notes will be made available online prior to each lecture. All required readings are available online and marked with [\*] in the reading list below. A useful background reference is the textbook by Jonathan Gruber, *Public Finance and Public Policy*, 6th edition, 2019 (or earlier editions), but this book is optional. Students are expected to read the media articles listed under each topic.

## **Restrictions and Prerequisites:**

- Basic algebra and calculus such as graphing equations, differentiation, solving two equations and two unknowns, and optimization.
- Any prior exposure to microeconomic and empirical tools will be helpful, but is not required. Slides on foundational tools will be provided and reviewed in section.

## **Grading:**

- Participation 10%
- Problem Sets and Policy Memos 40% (can drop the lowest PS or memo grade)
- Final Exam 50%

## **Schedule:**

Lectures: Mondays and Wednesdays 10:40-12:10pm

Classes: P01 Friday 10:30-12:00pm, P02 Tuesday 3:00-4:30pm

**Office Hours by appointment:** email [erinmb@princeton.edu](mailto:erinmb@princeton.edu) to schedule.

## **Policy Memos (subject to change):**

- Students will receive randomly assigned (pro or con) policy positions to defend in the discussion. They should prepare a one page, bullet point policy memo due midnight the

day before class on canvas, which will be made available to the class on the morning before class. The policy debate prompts are:

- 9/1 Minimum Wage:
  - “The United States should raise the federal minimum wage to \$20 per hour”
- 9/13 Inequality:
  - “The rise of inequality since 1980 is primarily due to technological change”
- 9/20 Capital:
  - “Since the rise in inequality in the 21<sup>st</sup> century is primarily due to differences in capital accumulation rather than in labor income, the United States should increase taxes on capital”
  - [Bonus discussion – not for memo]  
“Capitalism is the worst form of economic system, except for all of the others”
- 9/27 Subsidizing electric vehicles:
  - “The United States should increase the generosity of Electric vehicle (EV) subsidies (e.g., the 7.5K federal tax credit for new all-electric and hybrids)”
- 8/4 Antitrust:
  - “The U.S. should prevent big technology companies from acquiring other firms”
- 8/11 Vaccines and externalities:
  - “The U.S. should mandate that every citizen has to get a Covid-19 vaccine”
- Other memo topics forthcoming.

## **Background References**

### **Public Policy and Price Theory:**

Gruber, Jonathan (2019). *Public Finance and Public Policy*, 6th edition, Worth Publishers: New York.

Jaffe, Sonia, Robert Minton, Casey Mulligan, and Kevin Murphy (2019). [\*Chicago Price Theory\*](#). Princeton University Press: Princeton, NJ.

### **Empirical Methods:**

Angrist, Joshua D., and Jörn-Steffen Pischke (2009). *Mostly Harmless Econometrics: An Empiricist’s Companion*, Princeton University Press: Princeton.

Angrist, Joshua D., and Jörn-Steffen Pischke (2015). *Mastering Metrics: The Path from Cause to Effect*, Princeton University Press: Princeton.

## **Lecture Topics and Readings**

### **1. Labor Markets and the Minimum Wage Policy Debate [Zidar]**

**Media and Policy Readings:**

Dube, Arindrajit, (2021). "[No, a \\$15 minimum wage won't cost 1.4 million jobs.](#)" *Washington Post*, February 24.

Congressional Budget Office, (2021). "[The Budgetary Effects of the Raise the Wage Act of 2021](#)," February 8.

Derenoncourt, Ellora, and Claiame Montialoux, (2020). "[To Reduce Racial Inequality, Raise the Minimum Wage](#)," *New York Times*, October 25.

Krueger, Alan, (2015). "[The Minimum Wage: How much is too much?](#)" *New York Times*, October 9.

Hayes, Chris, (2021). "[Minimum Wage 101 with Arin Dube.](#)" *Why is this happening podcast*, March 26.

Romer, Christina, (2013). "[The Business of the Minimum Wage.](#)" *New York Times*, March 2.

**Academic Readings:**

Card, D. and B. Krueger, (1994). "[Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania.](#)" *The American Economic Review* 84.4: 772-793.

[\*] Harasztosi, Peter, and Lindner, Atilla, (2019). "[Who Pays for the Minimum Wage?](#)" *American Economic Review* 109.8: 2693-2727.

Derenoncourt, Ellora, and Montialoux, Claire, (2021). "[Minimum Wages and Racial Inequality.](#)" *Quarterly Journal of Economics*, 136.1: 169-228.

Cengiz, D., Dube, A., Lindner, A., and Zipperer, B., (2019). "[The effect of minimum wages on low-wage jobs.](#)" *Quarterly Journal of Economics*, 134(3), 1405-1454.

Derenoncourt, Ellora, Clemens Noelke, and David Weil, (2021). "[Spillover effects from voluntary employer minimum wages.](#)" *working paper*. Non-technical summary [here](#).

Council of Economic Advisors, (2016). "[Labor Market Monopsony: Trends, Consequences, and Policy Responses.](#)" October.

**2. Government Intervention, Market Failures, and Inequality [Zidar]**

**Media Readings:**

Deaton, Angus, (2021). "Inequality, Before and After Coronavirus." *Keynote Common Good Summit*, May 27.

Rodrik, Dani & Stantcheva, Stefanie, (2021). "[A Policy Matrix for Inclusive Prosperity.](#)" NBER working paper 28736.

Goldin, Claudia, (2017). "[How to Win the Battle of the Sexes Over Pay \(Hint: It Isn't Simple.\)](#)" *New York Times*, November 10.

Leonhardt, David, (2021). "[The Black-White Wage Gap Is as Big as It Was in 1950.](#)" *New York Times*, June 25.

Krugman, Paul, (2015). "[Challenging the Oligarchy.](#)" *The New York Review of Books* December 17.

### **Academic Readings:**

[\*] Saez, Emmanuel, (2021). "[Public Economics and Inequality: Uncovering Our Social Nature.](#)" *AEA Papers and Proceedings*, 111: 1-26.

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

Chetty, Raj, Hendren, Nathan, Jones, Maggie, and Porter, Sonya, (2020). "[Race and Economic Opportunity: An Intergenerational Perspective](#)" *Quarterly Journal of Economics* 135.2, 711-783.

[\*] Autor, David, (2014). "[Skills, education, and the rise of earnings inequality among the 'other 99 percent.'](#)" *Science* 23 May 2014: Vol. 344 no. 6186 pp. 843-851

### **Supplemental Academic Readings on Inequality:**

Farber, Henry S., Herbst, Daniel, Kuziemko, Ilyana, and Naidu, Suresh (2021). "[Unions and Inequality Over the Twentieth Century: New Evidence from Survey Data.](#)"

Autor, David H., Dorn, David, and Hanson, Gordon H., (2013). "[The China Syndrome: Local Labor Market Effects of Import Competition in the United States.](#)" *American Economic Review*, 103 (6): 2121-68.

Goldschmidt, Deborah and Schmieder, Johannes, (2017). "[The Rise of Domestic Outsourcing and the Evolution of the German Wage Structure.](#)" *The Quarterly Journal of Economics*, Volume 132, Issue 3, August 2017, Pages 1165–1217.

Card, David, Heining, Jorg, and Kline, Patrick, (2013). "[Workplace Heterogeneity and the Rise of West German Wage Inequality.](#)" *The Quarterly Journal of Economics*, Volume 128, Issue 3, August 2013, Pages 967–1015.

Card, David, Rute Cardoso, Ana, Heining, Joerg, and Kline, Patrick, (2018). "[Firms and Labor Market Inequality: Evidence and Some Theory.](#)" *Journal of Labor Economics* 36 (S1): S13–S70.

Song, Jae, Price, David J., Guvenen, Faith, Bloom, Nicholas, von Wachter, Till, (2018). "[Firming Up Inequality](#)." *The Quarterly Journal of Economics*, Volume 134, Issue 1, February 2019, Pages 1–50.

Derenoncourt, Ellora and Montialoux, Claire, (2021). "[Minimum Wages and Racial Inequality](#)." *The Quarterly Journal of Economics*, Volume 136, Issue 1, February 2021, Pages 169–228.

Bayer, Patrick, and Kerwin Kofi, Charles, (2018). "[Divergent Paths: A New Perspective on Earnings Differences Between Black and White Men Since 1940](#)." *The Quarterly Journal of Economics*, Volume 133, Issue 3, August 2018, Pages 1459–1501.

Goldin, Claudia, (2021). "[Career and Family: Women’s Century-Long Journey toward Equality](#)." *Princeton University Press*, October 5.

Kleven, Henrik, Landais, Camille, and Sogaard, Jakob, (2019) "[Children and Inequality: Evidence from Denmark](#)." *American Economic Journal: Applied Economics* 11 (4): 181-209.

Eika, L., Mogstad, M., & Zafar, B., (2019). "[Educational assortative mating and household income inequality](#)." *Journal of Political Economy*.

Finkelstein, Amy, Owen Zidar and Eric Zwick, (2021). "The Health Wedge and Labor Market Inequality."

### 3. Capital

#### Media Readings:

Economist (2014). "[The Privileged Few: Labor is steadily losing out to capital](#)." October 4.

Economist (2019). "[Measuring the 1% Economists are rethinking the numbers on inequality](#)." November 28.

[\*] Rubin, Richard, (2019). "[Democrats’ Emerging Tax Idea: Look Beyond Income, Target Wealth](#)." *Wall Street Journal*, August 27.

Bui, Quoc Trung, Quealy, Kevin, and Taylor, Rumsey, (2019). "[Are You Rich? Where Does Your Networth Rank in America?](#)" *New York Times*, August 12.

Bhutta, Neil, Chang, Andrew C., Dettling, Lisa J, and Hsu, Joanne W., (2020). "[Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances](#)." *FEDS Notes*. Washington: Board of Governors of the Federal Reserve System, September 28.

McIntosh, Kriston, Moss, Emily, Nunn, Ryan, and Shambaugh, Jay, (2020). "[Examining the Black-White Wealth Gap](#)." *The Hamilton Project*, February 26.

#### Academic Readings:

Jaffe, Sonia, Minton, Robert, Mulligan, Casey B., Murphy, Kevin M., (2019). “Chicago Price Theory.” Princeton University, Chapter 15. (Supplemental [Video](#)).

[\*] Levy, Jonathan, (2021). “Ages of American Capitalism: A History of the United States.” *Random House Publishing*, April 20. Intro.

Smith, Matt, Danny Yagan, Owen Zidar, Eric Zwick (2019). “[Capitalists in the Twenty-First Century](#)” *Quarterly Journal of Economics*, 134: 1675-1745.

Smith, Matt, Zidar, Owen, and Zwick, Eric, (2021). “[Top Wealth In America: New Estimates and Implications for Taxing the Rich](#),” working paper.

Zucman, Gabriel, (2019). “[Global Wealth Inequality](#).” *Annual Review of Economics* 11:109-38.

Brown, Dorothy, (2021). “[The Whiteness of Wealth: How the Tax System Improvises Black Americans—and How we can fix it](#).” *Crown Publishing*.

Kermani, Amir and Wong, Francis, (2021). “[Racial Disparities in Housing Returns](#).” August 4.

Jorda, Oscar, Knoll, Katharina, Kuvshinov, Dmitry, Schularick, Moritz, and Taylor, Alan M., (2019). “[The Rate of Return on Everything, 1870-2015](#).” *The Quarterly Journal of Economics*, Vol. 134, Issue 3, August. Pages 1225-1298.

#### **4. Microfoundations of Supply and Demand, Constrained Optimization, and Policy Applications**

##### **Media Readings:**

[\*] Davis, Lucas (2015). “[Air Conditioning and Global Energy Demand](#)” *Energy Institute at Haas*

##### **Academic Readings:**

Gruber, Jonathan, (2019). “Public Finance and Public Policy, 6th edition.” *Worth Publishers: New York*. Chapter 2, 22-23.

Borenstein, S. and Lucas Davis (2016). “[The Distributional Effects of U.S. Clean Energy Tax Credits](#)” *Tax Policy and the Economy*. 30. 191-234.

Davis, Lucas (2014). “[The Economic Costs of Global Fuel Subsidies](#)” 104 (5): 581-585.

Chetty, Raj, et. Al (2014). “[Active vs passive decisions and crowd-out in retirement savings accounts: Evidence from Denmark](#)” *Quarterly Journal of Economics* 129(3): 1141-219.

Kaplow, Louis (2015). “[Government Policy and Labor Supply with Myopic or Targeted Savings Decisions](#)” *Tax Policy and the Economy*. 29.1: 159-193.

## 5. Innovation Policy, Market Power, and Antitrust [Zidar]

### Media Readings:

Krugman, Paul, (1997). "[The Accidental Theorist.](#)" *Slate*, January 24.

Thiel, Peter (2014), "[Competition is for Losers.](#)" *Wall Street Journal*, September 12.

Jacob Goldstein and Noel King (2017). "[Episode 787: Google is Big. Is that Bad?](#)" *Planet Money, NPR*.

Thompson, Ben (2020) "[Anti-Monopoly vs. Antitrust](#)" *Stratechery*.

### Academic Readings:

Tirole, Jean, (2014). "[Market Failures and Public Policy.](#)" Nobel Prize lecture.

Tirole, Jean, (2020). "[Competition and the Industrial Challenge for the Digital Age.](#)" April 3.

Tirole, Jean (2017). "Economics for the Common Good." [Chapters 13-17.](#)

Eeckhout, Jan, (2021). "[The Profit Paradox.](#)"

Bloom, Nicholas, Van Reenen, John, and Williams, Heidi, (2019). "[A toolkit of policies to promote innovation.](#)" *Journal of Economic Perspectives* 33 (3): 163-84.

Budish, Eric, Roin, Ben, and Williams, Heidi, (2015). "[Do Firms Underinvest in Long-Term Research? Evidence from Cancer Clinical Trials.](#)" *American Economic Review* 105(7): 2044-2085.

Hsieh, Chang-Tai, Hurst, Erik, Jones, Chad, and Klenow, Pete, (2019). "[The Allocation of Talent and U.S. Economic Growth.](#)" *Econometrica* 87.5, 1439-1474.

Bryan, Kevin and Heidi Williams (2021). "[Innovation: Market Failures and Public Policy](#)" *NBER working paper 29173*.

Kline, Patrick, Neviana Petkova, Heidi L. Williams, and Owen Zidar. 2019. "[Who Profits from Patents? Rent-Sharing at Innovative Firms.](#)" *Quarterly Journal of Economics* 134 (3): 1343– 1404.

Chetty, Raj, John Van Reenen, Owen Zidar, and Eric Zwick (2021). "America's Missing Entrepreneurs"

## 6. Externalities and Climate Policy [Zidar]

### Media Readings:

Irfan, Umair, (2019). "[The law that's helping fuel Delhi's deadly air pollution.](#)" *Vox*, December 16. [Video](#).

Cicala, Steve, (2017). "[Regulations can be costly and inefficient, but that doesn't mean we should scrap them.](#)" *Forbes*, March 14.

Kaplan, Greg, Ben Moll, and Giovanni Violante (2020) "[A Tax-based Alternative to Lockdowns](#)" *BFI*.

### **Academic Readings:**

Currie, Janet and Walker, Reed, (2019). "[What do economists have to say about the Clean Air Act 50 Years after the establishment of the Environmental Protection Agency?](#)" *Journal of Economic Perspectives*, 33(4), 3-36.

Bovenberg, Lans and Goulder, Lawrence, (2002). "[Environmental Taxation and Regulation.](#)" *Handbook of Public Economics*, vol. 3, Chapter 23; Section 4. Pages 1471-1545.

Chay, Kenneth and Greenstone, Michael, (2005). "[Does Air Quality Matter? Evidence from the Housing Market.](#)" *Journal of Political Economy* 113(2): 376-424.

Cicala, Steve, (2019). "[Imperfect Markets versus Imperfect Regulation in US Electricity Generation.](#)" *American Economic Review*.

Keiser, David and Shapiro, Joseph, (2018). "[Consequences of the Clean Water Act and the Demand for Water Quality.](#)" *Quarterly Journal of Economics*. 134(1): 349-396.

Shapiro, Joseph and Walker, Reed, (2020). "[Is Air Pollution Regulation Too Stringent?](#)" NBER working paper 28199.

Ashley C. Craig and James R. Hines Jr. (2020), [Taxes as Pandemic Controls](#), *National Tax Journal*, 73:4, pp. 969-986

## **7. Low-Income Support: EITC and Welfare Programs [Kleven]**

### **Media Readings:**

The Economist (2006). "[From Welfare to Workfare.](#)" *The Economist*, July 27.

The Nation (2018). "[Moving Beyond the Earned Income Tax Credit.](#)" *The Nation*, November 15.

Edsall, Thomas B., (2014). "[Cutting the Poor Out of Welfare.](#)" *The New York Times*, June 17.

Irwin, Neil, (2014). "[A Big Safety Net and Strong Job Market Can Coexist. Just Ask Scandinavia.](#)" *The New York Times*, December 17.



Ferenstein, Greg, (2017). "[Wages are stagnating, robots are taking our jobs. This Democrat has a \\$1.4 trillion solution.](#)" *Vox*, September 16.

Matthews, Dylan, (2019). "[A major new study finds the biggest federal work subsidy doesn't promote work.](#)" *Vox*, October 3.

### **Academic Readings:**

Blank, Rebecca M., (2002). "[Evaluating Welfare Reform in the United States](#)", *Journal of Economic Literature* 40(4), 1105-1166.

[\*] Chetty, Raj, Friedman, John N., and Saez, Emmanuel, (2013). "[Using Differences in Knowledge Across Neighborhoods to Uncover the Impacts of the EITC on Earnings.](#)" *American Economic Review* 103(7), 2683-2721.

[\*] Eissa, Nada, and Liebman, Jeffrey B., (1996). "[Labor Supply Response to the Earned Income Tax Credit.](#)" *Quarterly Journal of Economics* 111(2), 605-637.

Gruber, Jonathan (2019). *Public Finance and Public Policy*, 6th edition, Worth Publishers: New York. Chapters 17 and 21.

[\*] Kleven, Henrik J., (2021). "[The EITC and the Extensive Margin: A Reappraisal.](#)" NBER Working Paper No. 26405, September 2021.

Meyer, Bruce D., (2010). "[The Effects of the Earned Income Tax Credit and Recent Reforms.](#)" *Tax Policy and the Economy* 24(1), 153-180.

## **8. Taxing the Rich: Inequality and Behavioral Responses [Kleven]**

### **Media Readings:**

The Economist (2011). "[Diving Into the Rich Pool.](#)" *The Economist*, September 24.

Krugman, Paul, (2008). "[Taxes and Revenues – Another History Lesson.](#)" *The New York Times*, January 16.

Mankiw, N. Gregory, (2012). "[I Can Afford Higher Taxes. But They'll Make Me Work Less.](#)" *The New York Times*, October 9.

Leonhardt, David, (2019). "[The Rich Really Do Pay Lower Taxes Than You.](#)" *The New York Times*, October 6.

Matthews, Dylan, (2019). "[How to Tax the Rich, Explained.](#)" *Vox*, March 19.

**Academic Readings:**

[\*] Feldstein, Martin S. (1995). "[The Effect of Marginal Tax Rates on Taxable Income: A Panel Study of the 1986 Tax Reform Act](#)", *Journal of Political Economy* 103(3), 551-572.

[\*] Kleven, Henrik J. (2014). "[How Can Scandinavians Tax So Much?](#)" *Journal of Economic Perspectives* 28(4), 77-98.

Saez, Emmanuel (2017). "[Taxing the Rich More: Preliminary Evidence from the 2013 Tax Increase](#)", *Tax Policy and the Economy* 31(1), 71-120.

[\*] Saez, Emmanuel, Joel B. Slemrod, and Seth H. Giertz (2012). "[The Elasticity of Taxable Income with Respect to Marginal Tax Rates: A Critical Review](#)", *Journal of Economic Literature* 50(1), 3-50.

**9. Tax Evasion and Tax Enforcement [Kleven]**

**Media Readings:**

Covert, Bryce, (2017). "[Paradise Papers Show How Misguided the G.O.P. Is on Taxes.](#)" *The New York Times*, November 12.

Surowiecki, James, (2011). "[Dodger Mania.](#)" *The New Yorker*, July 11.

Kumar, Nirmalya, (2016). "[Crisis of Trust: Why Indians Evade Taxes.](#)" *Scroll.in*, November 5.

Zucman, Gabriel, (2017). "[Fueling Inequality.](#)" *Süddeutsche Zeitung*, November 9.

**Academic Readings:**

[\*] Alstadsæter, Annette, Johannesen, Niels, and Zucman, Gabriel, (2019). "[Tax Evasion and Inequality.](#)" *American Economic Review* 109(6), 2073-2103.

[\*] Kleven, Henrik J. (2014). "[How Can Scandinavians Tax So Much?](#)" *Journal of Economic Perspectives* 28(4), 77-98.

[\*] Kleven, Henrik J., Knudsen, Martin B., Kreiner, Claus T., Pedersen, Søren, and Saez, Emmanuel, (2011). "[Unwilling or Unable to Cheat? Evidence from a Tax Audit Experiment in Denmark](#)", *Econometrica* 79(3), 651-692.

Luttmer, Erzo F.P., and Singhal, Monica (2014). "[Tax Morale.](#)" *Journal of Economic Perspectives* 28(4), 149-168.

Slemrod, Joel B., and Yitzhaki, Shlomo, (2002). "[Tax Avoidance, Evasion and Administration](#)," in Alan J. Auerbach and Martin S. Feldstein (eds.), *Handbook of Public Economics* vol. 3.

Zucman, Gabriel (2014). "[Taxing Across Borders: Tracking Personal Wealth and Corporate Profits](#)", *Journal of Economic Perspectives* 28(4), 121-48.

## 10. Optimal Taxation and Redistribution [Kleven]

### Media Readings:

Saez, Emmanuel and Piketty, Thomas, (2013). "[Why the 1% Should Pay Tax at 80%](#)." *The Guardian*, October 24.

Saez, Emmanuel and Zucman, Gabriel, (2019). "[How to Tax Our Way Back to Justice](#)." *The New York Times*, October 11.

### Academic Readings:

Akerlof, George A., (1978). "[The Economics of 'Tagging' as Applied to Optimal Income Tax, Welfare Programs, and Manpower Planning](#)." *American Economic Review* 68(1), 8-19.

[\*]Diamond, Peter, and Saez, Emmanuel, (2011). "[From Basic Research to Policy Recommendations: The Case for a Progressive Tax](#)." *Journal of Economic Perspectives* 25(4), 165-190.

Gruber, Jonathan (2019). *Public Finance and Public Policy*, 6th edition, Worth Publishers: New York. Chapter 20.

Nichols, Albert L., and Zeckhauser, Richard J., (1982). "[Targeting Transfers through Restrictions on Recipients](#)." *American Economic Review Papers & Proceedings* 72(2), 372-77.

[\*] Piketty, Thomas, and Saez, Emmanuel, (2013). "[Optimal Labor Income Taxation](#)." in Alan J. Auerbach, Raj Chetty, Martin S. Feldstein, and Emmanuel Saez (eds.), *Handbook of Public Economics* vol. 5.

[\*] Piketty, Thomas, Saez, Emmanuel, and Stantcheva, Stefanie, (2014). "[Optimal Taxation of Top Labour Incomes: A Tale of Three Elasticities](#)." *American Economic Journal: Economic Policy* 6(1), 230-271.

## 11. Gender Inequality and Family Policies [Kleven]

### Media Readings:

Dunlop, C., (2009). "[Female Power](#)." *The Economist*, December 30.

Allen, Katie, (2016). "[UK Women Still Far Adrift on Salary and Promotion As Gender Pay Gap Remains a Gulf](#)." *The Guardian*, August 23.

Cain Miller, Claire, (2015). "[Mounting Evidence of Advantages for Children of Working Mothers.](#)" *The New York Times*, May 15.

Goldin, Claudia, (2017). "[How to Win the Battle of the Sexes Over Pay.](#)" *The New York Times*, November 10.

Cain Miller, Claire, (2018). "[Even in Family-Friendly Scandinavia, Mothers Are Paid Less.](#)" *The New York Times*, February 5.

### **Academic Readings:**

[\*] Baker, Michael, Gruber, Jonathan, and Milligan, Kevin, (2008). "[Universal Child Care, Maternal Labor Supply, and Family Well-Being.](#)" *Journal of Political Economy* 116(4), 709-745.

Bertrand, Marianne, Goldin, Claudia, and Katz, Lawrence F., (2010). "[Dynamics of the Gender Gap for Young Professionals in the Financial and Corporate Sectors.](#)" *American Economic Journal: Applied Economics* 2(3), 228–255.

Carneiro, Pedro, Løken, Katrine V., and Salvanes, Kjell G., (2015). "[A Flying Start? Maternity Leave Benefits and Long-Run Outcomes of Children.](#)" *Journal of Political Economy* 123(2), 365-412.

[\*] Dahl, Gordon B., Løken, Katrine V., Mogstad, Magne, and Salvanes, Kari G., (2016). "[What Is The Case for Paid Maternity Leave?](#)" *Review of Economics and Statistics* 98(4), 655-670.

Fort, Margherita, Ichino, Andrea, and Zanella, Giulio, (2020). "[Cognitive and Non-Cognitive Costs of Daycare 0-2 for Children in Advantaged Families.](#)" *Journal of Political Economy* 128(1), 158-205.

Goldin, Claudia (2014). "[A Grand Gender Convergence: Its Last Chapter](#)", *American Economic Review* 104(4), 1091-1119.

[\*] Kleven, Henrik J., Landais, Camille, Posch, Johanna, Steinhauer, Andreas, and Zweimüller, Josef, (2019). "[Child Penalties Across Countries: Evidence and Explanations.](#)" *AEA Papers & Proceedings* 109, 122-126.

[\*] Kleven, Henrik J., Landais, Camille, and Søgaard, Jakob E., (2019). "[Children and Gender Inequality: Evidence from Denmark.](#)" *American Economic Journal: Applied Economics* 11, 181-209.

## **12.Social Insurance [Kleven]**

### **Media Readings:**

Thompson, Derek, (2010). "[The Case For and Against Unemployment Insurance.](#)" *The Atlantic*. July 20.

Weissmann, Jordan, (2013). "[Disability Insurance: America's \\$124 Billion Secret Welfare Program.](#)" *The Atlantic*, March 25.

Bagehot, (2015). "[Love and Other Drugs: The Case for Ditching the NHS.](#)" *The Economist*, October 23.

Paarlberg, Michael, (2010). "[On Moral Hazard and Unemployment.](#)" *The Guardian*, August 6.

Krugman, Paul, (2016). "[Health Reform Realities.](#)" *The New York Times*, January 18.

Frakt, Austin, (2019). "[Which Health Policies Actually Work? We Rarely Find Out.](#)" *The New York Times*, September 9.

Matthews, Dylan, (2018). "[In Defense of Social Security Disability Insurance.](#)" *Vox*, March 8.

### **Academic Readings:**

[\*] Aron-Dine, Aviva, Einav, Liran, and Finkelstein, Amy, (2013). "[The RAND Health Insurance Experiment, Three Decades Later.](#)" *Journal of Economic Perspectives* 27(1), 197-222.

[\*] Baicker, Katherine, Taubman, Sarah, Allen, Heidi, Bernstein, Mira, Gruber, Jonathan, Newhouse, Joseph, Schneider, Eric, Wright, Bill, Zaslavsky, Alan, and Finkelstein, Amy, (2013). "[The Oregon Experiment – Effects of Medicaid on Clinical Outcomes.](#)" *New England Journal of Medicine* 368(18), 1713-1722.

[\*] Chetty, Raj, and Finkelstein, Amy (2013). "[Social Insurance: Connecting Theory to Data.](#)" in Alan J. Auerbach, Raj Chetty, Martin S. Feldstein, and Emmanuel Saez (eds.), *Handbook of Public Economics* vol. 5, Elsevier: Amsterdam.

Chetty, Raj, and Saez, Emmanuel, (2010). "[Optimal Taxation and Social Insurance with Endogenous Private Insurance.](#)" *American Economic Journal: Economic Policy* 2(2), 85-114.

[\*] Einav, Liran, and Finkelstein, Amy, (2011). "[Selection in Insurance Markets: Theory and Empirics in Pictures](#)", *Journal of Economic Perspectives* 25(1), 115-138.

Gruber, Jonathan (2019). *Public Finance and Public Policy*, 6th edition, Worth Publishers: New York. Chapters 12, 14, and 15.