Professor Hilary Hoynes, hoynes@berkeley.edu

**Office Hours:** Tues 3-5pm in GSPP Room 345, use https://www.wejoinin.com/hilaryhoynes

This course is the second in a two semester course series in public economics. I am co-teaching the course with Reed Walker. We will each teach 7 lectures: Hoynes 1/16/18-2/27/18 and Walker 3/6/18-4/24/18. Part I of the course covers poverty, inequality and the role of government, taxes and labor supply, the social safety net for the low income population, and public health programs.

**Course web site:** https://bCourses.berkeley.edu. Most readings are hyperlinked in the syllabus. For others, they should be on the website. You will also find there the syllabus, lecture notes (powerpoint), and problem sets. At the end of the term I will move all of the files to my main website.

**Class meetings:** Tuesdays 10pm-12pm, Room 597 Evans Hall

**Prerequisites:** First year graduate microeconomics (Economics 201A,B), First year graduate econometrics (Economics 240A), and first public sector microeconomics class 230A.

**Course Requirements (collectively with Hoynes + Walker portions):**

- **Final Exam** 35%
- **Research Proposal** 15%
- **[Hilary] Paper Reports** 25%
- **[Reed] TBD** 25%

**Research Proposal for Restricted Use Data:** Write a proposal that could be submitted to the SSA, the BEA, the Census Bureau, a Research Data Center, a government agency, a foreign country government, etc., applying for restricted access data. The proposal should include a research question and a design for the project. Increasingly empirical public economics uses restricted data, and there are practical barriers to getting that data (making connections, bureaucracy, facility at nontechnical writing, etc.). It is good to get practice with this. This doesn’t have to be a breakthrough paper, though it can be. You don't need to submit the proposal, but you can. **Due at the end of the semester, aim for 5 single spaced pages max.**

**Paper reports:** Each class I will identify 2-3 key papers that you are required to read before class. Each week you will prepare a short written response on one of those required papers. The first paragraph should summarize the paper and cover the research question, the motivation for why it's important. The second paragraph should provide an overview of the data and design used to answer the question and the key result. The rest of the report is an analytical reaction to the paper. Things you can address: (a) identify flaws and/or things that you wanted to see that weren’t there, (b) is the research design reasonable and are the necessary assumptions believable? (c) what questions do you have or things you don’t understand? and (d) what do you think of the paper? Do you see any extensions? How (if at all) might this paper help you in your research? You don’t have to answer all of these questions for each paper! **Due at 9am on the day of each lecture, aim for 1-1.5 pages single spaced max.** Don’t worry about how polished these reports are. I just want you to think about the paper and tell me what you think.
Questions to think about when reading empirical papers:
What question does it ask?
What data is used? What are the key variables?
What empirical model is used? What is the key parameter to be identified?
What is the variation in the treatment? Do you believe this variation?
What are the results and their interpretation? Is there an alternative interpretation?
How does the paper contribute to the literature?
How could I extend this paper; or swap out an element to make a new paper?

General Reference –
A. Auerbach and M. Feldstein, eds., Handbook of Public Economics, 4 Volumes, Amsterdam: North Holland.

Popular undergraduate textbooks -

References for applied econometrics methods used in this course -

COURSE READINGS AND SCHEDULE:
I will require no more than 3 required readings per lecture. I expect you to carefully read these required papers and to be prepared to discuss them in class. The required readings are in bold.
LECTURE 1 [January 16, 2018]: POVERTY, INEQUALITY AND SOCIAL MOBILITY IN THE U.S.


D. Autor “Skills, education, and the rise of earnings inequality among the “other 99 percent””, Science 2014, pp 844-845


LECTURE 2 [January 23, 2018]: TAXES AND LABOR SUPPLY I

History and Review of Empirical Tax


Kinks, Notches and Bunching


LECTURE 3 [January 30, 2018]: TAXES AND LABOR SUPPLY II

Taxes and the Low Income Population

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<th>EITC Literature Reviews:</th>
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Taxes and High Income Taxation


Micro Macro


LECTURE 4 [February 6, 2018]: CASH TRANSFERS

Economic Models and the Importance of Take-up


Empirical Effects of Cash Transfers

**AFDC/TANF Literature Reviews:**

**SSI Literature Reviews:**


LECTURE 5 [February 13, 2018]: IN KIND TRANSFERS

SNAP Literature Reviews:

Public Housing Literature Reviews:
Rationales for in-kind transfers


Empirical Findings: Food and Nutrition Programs


K. Meckel, “Is the Cure Worse than the Disease? Unintended Consequences of Fraud Reduction in Transfer Programs,” January 2016


Empirical Findings: Housing Policies


LECTURE 6 [February 20, 2018]: PUBLIC HEALTH CARE

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<th>Medicaid Literature Reviews:</th>
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Valuing In-Kind Transfers


Empirical Findings: Medicaid and Adults


**Empirical Findings: Medicaid and Children**


**Empirical Findings: Medicare and Elderly**


**LECTURE 7 [February 27, 2018]: LONG TERM EFFECTS OF THE SOCIAL SAFETY NET**


