

Recent Advances in Inequality Research

Prof. Dr. Teodora Boneva

University of Bonn

Overview

This course will provide an overview of recent advances in inequality research. The first part of the course will present recent evidence on the drivers of socioeconomic inequality. We will discuss the role of neighborhoods and parental investments, and examine the evidence on the effectiveness of educational interventions designed to narrow socioeconomic achievement gaps. The second part of the course will focus on gender inequality. We will examine recent empirical evidence on child penalties and the effectiveness of family policies in reducing them, study the role of social norms, and explore gender differences in workplace preferences. In the third part of the course we will cover recent papers that shed light on heterogeneity in economic preferences, moral values, and policy preferences.

The emphasis of this course will lie on empirical evidence and the methods that have been used in the literature on economic inequality. The course is intended for PhD students and Master students with a strong interest in economic research who are comfortable with formal economic modelling and applied econometric methods. The course is designed to equip students with the ability to critically assess research in applied microeconomics, and to provide them with a better understanding of the frontier of inequality research and the methods that are used in this research.

The reading list consists of papers that have recently been published or are forthcoming in leading economic journals, as well as recent working papers. Students are expected to read the papers on this reading list.

Assessment

Assessment will be based on one homework assignment (60%) and one presentation (40%). More details will be made available during the lecture.

Course Outline

Topic 1: Socioeconomic Inequality

Lecture 1: Neighborhoods

Chetty, R., Hendren, N., Kline, P., and Saez, E. (2014). Where is the land of opportunity? Geography of intergenerational mobility in the United States. *Quarterly Journal of Economics*, 129(4):1553–1623

Chetty, R., Hendren, N., and Katz, L. (2016). The effects of exposure to better neighborhoods on children’s long-term outcomes. *American Economic Review*, 106(4):855–902

Bergman, P., Chetty, R., DeLuca, S., Hendren, N., Katz, L., and Palmer, C. (2020). Creating moves to opportunity: Experimental evidence on barriers to neighborhood choice. *NBER Working Paper 26164*

Lecture 2: Parental Investments

Attanasio, O., Cattan, S., and Meghir, C. (2021). Early childhood development, human capital and poverty. *NBER Working Paper 29362*

Boneva, T. and Rauh, C. (2018). Parental beliefs about returns to educational investments - the later the better? *Journal of the European Economic Association*, 16(6):1669–1711

Lecture 3: Pre-school, elementary school, and adolescent interventions

Heckman, J., Pinto, R., and Savelyev, P. (2013). Understanding the mechanisms through which an influential early childhood program boosted adult outcomes. *American Economic Review*, 103(6):2052–2086

Alan, S., Boneva, T., and Ertac, S. (2019). Ever failed, try again, succeed better: Results from a randomized educational intervention on grit. *Quarterly Journal of Economics*, 134(3):1121–1162

Chetty, R., Friedman, J. N., Hilger, N., Saez, E., Whitmore Schanzenbach, D., and Yagan, D. (2011). How does your kindergarten classroom affect your earnings? Evidence from Project STAR. *Quarterly Journal of Economics*, 126(4):1593–1660

Falk, A., Kosse, F., and Pinger, P. (2020). Mentoring and schooling decisions: Causal evidence. *IZA DP 13387*

Carlana, M. and La Ferrara, E. (2021). Apart but connected: Online tutoring and student outcomes during the COVID-19 pandemic. *CEPR Discussion Paper 15761*

Lecture 4: University education

Bettinger, E. P., Long, B. T., Oreopoulos, P., and Sanbonmatsu, L. (2012). The role of application assistance and information in college decisions: Results from the H&R Block FAFSA experiment. *Quarterly Journal of Economics*, 127(3):1205–1242

Dynarski, S., Libassi, C. J., Micheltore, K., and Owen, S. (2021). Closing the gap: The effect of reducing complexity and uncertainty in college pricing on the choices of low-income students. *American Economic Review*, 111(6):1721–1756

Topic 2: Gender Inequality

Lecture 5: Child penalties and family policies

Bertrand, M., Goldin, C., and Katz, L. (2010). Dynamics of the gender gap for young professionals in the financial and corporate sectors. *American Economic Journal: Applied Economics*, 2:228–255

Kleven, H., Landais, C., and Sogaard, J. E. (2019). Children and gender inequality: Evidence from Denmark. *American Economic Journal: Applied Economics*, 11(4):181–209

Kleven, H., Landais, C., Posch, J., Steinhauer, A., and Zweimüller (2021). Do family policies reduce gender inequality? Evidence from 60 years of policy experimentation. *NBER Working Paper 28082*

Lecture 6: Workplace preferences

Mas, A. and Pallais, A. (2017). Valuing alternative work arrangements. *American Economic Review*, 107(12):3722–3759

Wiswall, M. and Zafar, B. (2018). Preference for the workplace, investment in human capital, and gender. *Quarterly Journal of Economics*, 133(1):457–507

Lecture 7: Social norms

Bursztyn, L., Fujiwara, T., and Pallais, A. (2017). ‘Acting Wife’: Marriage market incentives and labor market investments. *American Economic Review*, 107(11):3288–3319

Bursztyn, L., Gonzalez, A. L., and Yanagizawa-Drott, D. (2020). Misperceived social norms: Women working outside the home in Saudi Arabia. *American Economic Review*, 110(10):2997–3029

Topic 3: Preferences and Values

Lecture 8: Global evidence on economic preferences

Falk, A., Becker, A., Dohmen, T., Enke, B., Huffman, D., and Sunde, U. (2018). Global evidence on economic preferences. *Quarterly Journal of Economics*, 133(4):1645–1692

Falk, A. and Hermle, J. (2018). Relationship of gender differences in preferences to economic development and gender inequality. *Science*, 362(307)

Lecture 9: Moral values, economic preferences, and policy preferences

Enke, B. (2020). Moral values and voting. *Journal of Political Economy*, 128(10):3679–3729

Andre, P., Boneva, T., Chopra, F., and Falk, A. (2021). Fighting climate change: The role of norms, preferences, and moral values. *IZA Discussion Paper 14518*

Lectures 10-12: Student presentations