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Econ 449 - American Economic Mobility Over Two Centuries

This course explores the evolution of economic inequality and mobility in the United States from the Civil War to modern times. We will evaluate different methods of measuring inequality and mobility and then use those measures to assess how major events, policy shifts and structural changes to the economy altered economic mobility for different groups. Particular attention will be given to econometric issues related to measurement and causal inference when working with historical microdata. We will explore the impacts of such events and policy changes as the Great Migration, the High School Movement, passage of the 19th Amendment, and school desegregation on inequality and mobility.

By the end of the course, students should be able to (i) identify major trends in mobility and inequality in the United States over time, (ii) discuss the different roles that government policies and individual actions have played in shaping those trends, (iii) have a working knowledge of the main historical datasets relevant for studying American mobility, and (iv) use those data and various econometric techniques to explore relationships between mobility and policy graphically and through regression analysis.

Requirements

Students should have completed Econ 303 and Econ 308. This course will draw on both the theoretical modeling of individual and household behavior covered in Econ 303 and the econometric tools and empirical methodology covered in Econ 308.

Grading

Grades for the class will be based based on class participation, two referee reports, two data projects and a final project. Given the substantial final project, there will be no final exam for the course. The weights for the graded assignments are as follows:

Class Participation:	15%
Referee Reports:	15% each
Du Bois Data Project:	15%
Williamsburg Data Project:	15%
Final Project:	25%

Numerical cutoffs for letter grades are the following: A (92-100), A- (90-91.99), B+ (87-89.99), B (83-86.99), B- (80-82.99), C+ (77-79.99), C (73-76.99), C- (70-72.99), D (60-69.99), F (below 60). These cutoffs will be applied to your overall numerical course grade, calculated from the numerical scores on individual assignments using the weights given above. As noted in the cutoffs, numerical grades up to the second decimal are used for determining the letter grade. There will be no rounding up or down to the nearest whole number.

While the numerical cutoffs above are the default I use for assigning letter grades, I will adjust the cutoffs downward if the distribution of letter grades is significantly lower than that of a typical grade distribution for economics courses at William & Mary. These adjustments will be made at the end of the semester based on the class distribution of overall numerical scores. If an adjustment is warranted, I will post the adjusted grade cutoffs when posting your final course grades to Blackboard. Note that I will not adjust the cutoffs upward; if the class performs unusually well I am happy to assign unusually high grades.

For the referee reports, data projects and final project, late assignments will incur a grade penalty. Each report and project is graded on a 20 point scale. One point is deducted for each day the project is late. An assignment submitted late but within 24 hours of the due date will incur a one point deduction, an assignment submitted between 24 and 48 hours late will incur a two point deduction and so on. This deduction is capped at five points: any work submitted more than ten days late but before the end of the semester will incur a five point deduction.

You have one week after graded material is first returned to raise any issues about the grading. Due dates for the assignments and projects are provided below in the 'Important Dates' section of the syllabus.

Full credit for the class participation portion of the grade requires regular attendance in class and regular engagement with the class material. The quality of this course is largely dependent on the quality of the contributions of you and your classmates. Perfect attendance is not necessary, I understand that sometimes illness, job interviews, family matters or life in general requires you to miss class. As for engagement with the class material, regular contributions to class discussion would be sufficient for full credit for class participation. While I want you to feel comfortable regularly engaging in class discussion, if there are reasons that form of participation is difficult you can also demonstrate engagement with course material by discussing it with me in office hours or sending me reflections on it by email.

Readings

A reading list is posted on Blackboard and provides details for both required and non-required readings. All of the readings are posted on Blackboard either as pdf files or as links to online versions of

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the papers. Note that the links may require that you be on the William & Mary network. If you are off campus, you may need to access articles by logging in through the Swem Library website. I will update you each class as to which readings will be covered in upcoming lectures.

When reading journal articles there are several things to keep in mind. I do not expect you to follow all of the technical details of the article. What you should focus on is identifying the following aspects of the article. What question is the author attempting to answer? Why is this an important question? What does previous research have to say about the question? What sort of evidence does the author rely on? Are there any drawbacks or limitations to this evidence? What conclusions does the author reach? What are the implications of these conclusions for larger economic questions?

Stata Assignments

Throughout the course, we will be working with historical data in class to identify and understand different mobility and inequality patterns. We will do all of our data analysis in Stata. Roughly every two weeks, I will post an optional assignment to complete an extension of the analysis we do in class. These are intended to be relatively short assignments to help you explore inequality and mobility on your own empirically as well as to prepare you for the empirical portion of your final project. These assignments are entirely optional but I encourage you to try them out, particularly if you are not already comfortable working with Stata. I am happy to provide comments on your work on the assignments or to simply sit down and talk through them with our laptops open.

Referee Reports

There are two graded referee reports. The purpose of these reports is to engage critically with the assigned journal articles. In your referee report you will summarize the main argument of a journal article and critically evaluate its strengths and weaknesses. Please refer to the handout 'Referee Report Guidelines' posted on Blackboard for complete details about the referee reports. We will go over these details during the third week of class.

Du Bois Data Project

For the Du Bois data project, each student will reproduce two figures from W.E.B. Du Bois' exhibit at the 1900 Paris Exposition and create a third original figure. This exhibit contained a series of charts, tables and maps depicting the socioeconomic conditions of the black population at the turn of the century. Several figures were specific to the population of Georgia while others focused on the

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entire country. Each student will find historical data to reproduce one of the Georgia figures for the black population of Virginia in 1900 and find modern data to reproduce one of the national figures for the current black population of the United States. Each student will also create one new figure in the spirit of the original exhibit capturing the relationship between race and socioeconomic status. We will have an online gallery displaying all of these updated figures. Details are provided in a handout on Blackboard and will be discussed during the second week of class.

Williamsburg Data Project

For the Williamsburg data project, the class will work together to construct two historical datasets. The first will be created by linking individuals across census records to create an intergenerational sample of Hampton Roads residents. The final dataset will be similar to the datasets covered in Section II (*Quantifying Historical Mobility and Inequality*) and Section IV (*Immigration and Economic Mobility*) of the course, containing information on outcomes for individuals and their parents. These data will allow the class to directly estimate historical mobility rates in the Hampton Roads area.

The second dataset will track changes in property ownership, zoning regulations and the general residential and commercial character of the Williamsburg area. These are the types of data relied on by several of the studies in Section V of the course (*Racial Gaps in Opportunities and Outcomes*). They will offer insight into the institutional constraints on mobility in the local area.

Each student will be responsible for a subset of the observations for each dataset. We will then combine each student's results into two master datasets for use by everyone in the class for the final project. Details are provided in a handout on Blackboard. We will also devote class time throughout the semester to discussing issues students encounter when working on these datasets.

Final Project

The final project will utilize the data gathered by the class or other similar historical data. You will use historical evidence to assess changes in mobility in Virginia over time. Your goal is to estimate a change in mobility or inequality using a measure of your choosing and then formulate and empirically test a hypothesis relating to why that change occurred.

You will produce two final products: (1), a technical paper presenting your analysis and, (2), a policy memo describing your findings. The technical paper should be written for an audience of economists familiar with both econometrics and the economic mobility literature. It will identify where your study falls within the academic literature on mobility and provide detailed discussions of the dataset construction, your estimation strategy and your empirical results. The policy memo should be written

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for a general audience that includes government officials and nonprofit directors. Details are provided in a handout on Blackboard.

Class Discussion

This class is a senior seminar, not a lecture. While I will lecture for part of the class time, introducing economic theory and empirical work for each section of the course, questions and comments are welcome at all times and significant time will be reserved for class discussion. I expect every student to be actively engaged, asking clarifying questions, pushing ideas I present further, pushing back on ideas I present, and debating with fellow classmates.

Given the subject matter of this course, including issues of poverty, discrimination, race, ethnicity, and gender, students may have strongly held opinions about certain subjects or very personal experiences with certain topics. It is essential that as a class we respect each other's experiences and opinions. To that end, we will adhere to the following guidelines for class discussion.

- Disagreement and debate are encouraged but should always be done respectfully. Be certain to listen to your classmates and respond constructively. Be careful not to speak over another classmate or respond in a way that could be construed as a personal attack.

- Assume that we all have good intentions in the classroom and recognize that you may not be aware of the past experiences that have shaped classmates' views or influenced their reactions to something in class.

- If a comment is out of line, I will do my best to set class discussion back on a productive track.

- If you are bothered by something in class said by me or a fellow student, or if you simply want to talk about course material one on one, please feel free to speak with me. I am always happy to engage in conversation in person or through email.

I expect students to be engaged during every lecture, both asking and answering questions. We will also have time set aside specifically for debate in class. These debates will occur at the end of each major section of the course as noted on the course outline below and will focus on a contentious issue of public policy related to inequality and mobility. For these debates, I want you to be prepared to defend both sides of the issue. You will have the opportunity to advocate for your personal position, but you will also be expected to argue the merits of alternative positions or identify the shortcomings of your own position.

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Office Hours

One effective way of getting the most out of this class is attending office hours. Office hours are a great opportunity to continue a discussion or debate from class, to talk about the literature in more depth, and to explore ideas for your research project. They are also crucial for efficiently working on the various projects. Often a tricky problem when trying to find data or produce a figure in Excel or Stata can take hours to figure out on your own and only minutes to resolve if we work through it together in office hours. I will always have a computer handy to show you different ways of obtaining and working with data.

Accommodations

Any student who feels they may need an accommodation based on the impact of a learning, psychiatric, physical, or chronic health diagnosis should contact Student Accessibility Services (SAS) staff at 757-221-2512 or at sas@wm.edu to determine if accommodations are warranted and to obtain an official letter of accommodation. For more information, please see the SAS website. I am happy to work with you to find the best way to implement accommodations to make your time in this class as successful and rewarding as possible.

Honor Code

You are expected to follow the William & Mary Honor Code. If I discover any academic misconduct, I will initiate an Honor Council proceeding and recommend failure of the course. Be particularly careful to avoid plagiarism when working on your homework assignments. This is one area where students can unknowingly commit serious honor code violations. It is very important that you cite all sources properly and fully acknowledge any help received, which includes help received through artificial intelligence applications such as ChatGPT. For the purposes of this class, you should consider appropriate uses of artificial intelligence in ways similar to appropriate ways to seek help from a friend or a librarian. For example, the following would be appropriate uses of outside help:

- You have been working to create a figure in Excel and cannot get the horizontal axis to start at zero. You ask your roommate, an Excel expert, where the option is to manually correct the axis and you acknowledge your roommate's assistance in the final writeup of your assignment.

- In the same situation, rather than ask your roommate you ask ChatGPT how to reformat a horizontal axis in Excel. You follow ChatGPT's advice, get the axis corrected, and acknowledge the assistance from ChatGPT in your final writeup.

6

- You are struggling to find data on historical interest rates. You make an appointment with one of the research librarians in Swem. During the appointment, the research librarian points you to several different databases. You then look at each database yourself and determine which is best for your assignment. In the final writeup of the assignment, you acknowledge the assistance of the research librarian.

- In the same situation, rather than go to Swem, you ask ChatGPT where you could find historical interest rates. ChatGPT gives you several suggestions that you then investigate yourself to vet for accuracy and appropriateness to the assignment. You acknowledge this assistance from ChatGPT in your final writeup.

Conversely, these would be examples of inappropriate outside help, whether from human or machine:

- You give your Excel-expert roommate your data and ask them to make your figure for you. Whether you acknowledge this help or not, this is a case of your roommate completing a core component of the assignment and is therefore unacceptable.

- You feed your data into an AI-powered app to have it create a figure. Once again, this is outsourcing a core task of the assignment and is unacceptable.

- Rather than ask a librarian or friend where to find passages from nineteenth century novels, you ask them to find the passages themselves. This is another case where you are using outside help not to set you on the right track for completing an assignment yourself but rather to outsource a core component of the assignment in an unacceptable way.

- In the same situation, rather than ask ChatGPT how to search for nineteenth century quotes, you directly ask ChatGPT to provide you with three passages from the nineteenth century. Once again, this is asking an outside entity to complete the work for you rather than helping you figure out how to do the work yourself.

If you have any questions about how the Honor Code relates to this course, feel free to talk to me or refer to the Student Handbook and the William & Mary Honor Council's website.

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Important Dates

Date	Assignment
January 31	Add/drop deadline
February 5	Du Bois project due at 5pm
February 19	Referee report 1 due at 5pm
March 19	Referee report 2 due at 5pm
March 24	Withdrawal deadline
April 21	Williamsburg project due at 5pm
May 12	Final project due at 5pm

Outline of Course

Below is the general outline we will follow for the course. For each general topic, there will be several readings posted on Blackboard. Complete details on these readings are provided in the reading list. I will update you at the beginning of each class as to where we are in the outline and which readings you should do for the upcoming lectures.

I. **The Measurement of Modern Mobility and Inequality**

- The American income and wealth distributions
- Equality of opportunity and equality of outcomes
- Measuring inequality
- Measuring intragenerational mobility
- Measuring intergenerational mobility
- Is modern America a land of opportunity?
- *Stata exercise: Working with the World Inequality Database*
- *Class debate: The best measure for policymakers*

II. **Quantifying Historical Mobility and Inequality**

- What can we measure with historical data?
- Who is represented in historical data?
- Trends in mobility over two centuries
- *Stata exercise: The socioeconomic content of names*

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III. **Education and Economic Outcomes**

- Schooling, equality of opportunity and mobility
- Returns to schooling over two centuries
- The race between education and technology
- *Stata exercise: Regional variation in the returns to schooling*
- *Class debate: Voucher programs*

IV. **Immigration and Economic Mobility**

- The Age of Mass Migration
- Who migrates and who returns?
- Immigrant assimilation and the channels of mobility
- *Stata exercise: Education and assimilation of immigrants*
- *Class debate: Skill-based immigration policies*

V. **Racial Gaps in Opportunities and Outcomes**

- Racial gaps in education, income and health in the modern United States
- The transition out of slavery
- The Great Migration
- Redlining and institutional barriers to mobility
- From Jim Crow to Brown v. Board of Education and beyond
- *Stata exercise: Discrimination in labor markets*
- *Class debate: Reparations for slavery*

VI. **Gender Gaps in Opportunities and Outcomes**

- Unique issues with measuring female inequality and mobility over time
- The Industrious Revolution in American context
- The 19th Amendment and public vs private provision of health and education
- Marriage, matching and mobility
- The power of the pill
- Modern American female mobility and inequality in international context
- *Stata exercise: Determinants of female labor force participation*
- *Class debate: Family leave policies*