

**William & Mary
Poverty in America
Syllabus**

ECON 453
Spring 2020
Tues., Thurs.
3:30 – 4:50 p.m. in Tyler 121

Peter McHenry
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Course description and objectives

America is one of the wealthiest countries in the world yet continues to struggle with high rates of poverty. Even our cherished Williamsburg has a homelessness problem. This course will consider poverty in America with particular attention to public policies that mitigate or exacerbate the problem. Students will learn about details of public policies such as cash assistance, housing assistance, food stamps, minimum wages, healthcare provision, and discrimination law. Students will quantify the scale and distribution of poverty by using government data to measure family incomes, work hours, health outcomes, and housing characteristics. We probably won't end poverty, but we'll move in the right direction by understanding it better.

The course is designed as a capstone for the economics or public policy major, drawing upon prior courses about economic theory, statistics, and data analysis. The course fulfills the COLL 400 requirement. Students will take initiative in synthesis and critical analysis of poverty statistics, solve problems associated with how social scientists and policy makers should measure poverty, create original measurements of poverty in America, and communicate effectively with a diversity of audiences through an op-ed piece and other writings.

Prerequisite courses are Intermediate Microeconomic Theory (ECON 303) and Econometrics (ECON 308).

Course Materials (available online for free)

John Iceland. 2013. *Poverty in America: A Handbook*. 3rd ed. U of California P. *For access:* Go to <https://libraries.wm.edu/> and select the "Course Reserves" tab in the catalog search section. Navigate to this course (e.g., search for McHenry as instructor).

Selected readings posted at the course Blackboard site

Determinants of the Final Grade

Project 1: Calculation of the official poverty rate	10%
Project 2: Criticism of the official poverty rate	10%
Project 3: Social statistic comparison	20%
Project 4: Poverty policy op-ed	20%
Project 5: Poverty rate design and calculation	25%
Class participation	15%
	100%

Writing Assignments

Students will complete five projects. See the separate document called “Guide for Projects” for details. Projects involve a mixture of written work to be submitted and presentations in class. Essays will be evaluated for economic content and writing style. Late submission earns a reduced grade.

The Writing Resources Center, located on the first floor of Swem Library, is a free service provided to W&M students. Trained consultants offer individual assistance with writing, presentation, and other communication assignments at any stage, from generating ideas to polishing a final product, and across disciplines. To make an appointment, visit the WRC webpage www.wm.edu/wrc.

Class Participation

Class meetings are most productive when students participate in an active way. Part of the course grade will reflect the frequency and quality of a student’s participation in the class, especially during class meetings. Students should study reading assignments prior to the relevant class meetings. To facilitate this, I will distribute questions for class preparation; students should prepare responses to them and come to class ready to discuss their responses.

Grading Standards

Letter grades for the course will be based on a standard 100-point scale where the range [93-100] implies an A, [90-93) implies an A-, [88-90) implies a B+, [83-88) implies a B, and so on.

Office Hours and Other Access to the Instructor

I will be available in my office (Tyler 256) from 1:30 to 3 p.m. each Monday and Wednesday during the semester. Please let me know if you would like to schedule a meeting outside those times. E-mail is an excellent way to contact me (pmchenry@wm.edu).

Honor Code

I encourage you to collaborate in your studies and discussion of course material. However, plagiarism on a writing assignment is a violation of the Honor Code. Plagiarism is presenting someone else’s words or ideas as your own. When you write a document and distribute it, you imply that its words and ideas are your own, except where explicitly noted in the text (as with citations to others’ work). Please do not plagiarize. If you have questions about plagiarism, please ask me.

A common impetus for plagiarism is desperation. When a student waits until the night before a due date to begin work on an assignment, and his computer crashes at 3 a.m. leaving no back-up file, he is often tempted to find someone else’s work and submit it as his own. Please avoid such temptation by spreading your writing process over several days (or weeks).

More resources about plagiarism (and writing in general) are available through the Writing Resources Center (see above).

Reading list (files posted at our Blackboard page, except for Iceland, 2013)

George A. Akerlof and Robert J. Shiller (2009) “Introduction” and “Why Is There Special Poverty among Minorities” (Chapter 13) in *Animal Spirits: How Human Psychology Drives the Economy, and Why It Matters for Global Capitalism* (Princeton UP).

- David H. Autor, David Dorn, and Gordon H. Hanson. 2019. “When Work Disappears: Manufacturing Decline and the Falling Marriage Market Value of Young Men” *American Economic Review: Insights*, 1(2): 161-178.
- Richard V. Burkhauser, Kevin Corinth, James Elwell, and Jeff Larrimore. 2019. “Evaluating the Success of President Johnson’s War on Poverty: Revisiting the Historical Record Using a Full-Income Poverty Measure.” NBER working paper 26532.
- Raj Chetty, Nathaniel Hendren, Frina Lin, Jeremy Majerovitz, and Benjamin Scuderi. 2016. “Childhood Environment and Gender Gaps in Adulthood” *American Economic Review: Papers & Proceedings*, 106(5): 282-288.
- Janet M. Currie. 2006. “Welfare vs. ‘Making Work Pay’” chapter 1 in *The Invisible Safety Net: Protecting the Nation’s Poor Children and Families*. Princeton UP.
- Janet M. Currie. 2006. “In Sickness and in Health: The Importance of Public Health Insurance” chapter 2 in *The Invisible Safety Net: Protecting the Nation’s Poor Children and Families*. Princeton UP.
- Janet M. Currie. 2006. “Feeding the Hungry: Food Stamps, School Nutrition Programs, and WIC” chapter 3 in *The Invisible Safety Net: Protecting the Nation’s Poor Children and Families*. Princeton UP.
- William A. Darity Jr. 2013. “From Here to Full Employment” *Review of Black Political Economy*. 40:115-120.
- Matthew Desmond. 2016. “Epilogue: Home and Hope” in *Evicted: Poverty and Profit in the American City*. New York: Crown Publishers.
- Matthew Desmond. 2016. “Lobster on Food Stamps” chapter 18 in *Evicted: Poverty and Profit in the American City*. New York: Crown Publishers.
- Jennifer L. Doleac. 2019. “Empirical Evidence on the Effects of Ban the Box Policies: The State of the Literature in 2019” Testimony prepared for the U.S. House Committee on Oversight and Government Reform.
- Chloe Gibbs, Jens Ludwig, and Douglas L. Miller. 2013. “Head Start Origins and Impacts” chapter 2 in Martha J. Bailey and Sheldon Danziger, eds. *Legacies of the War on Poverty*. Russell Sage Foundation.
- Harry J. Holzer. 2013. “Workforce Development Programs” chapter 5 in Martha J. Bailey and Sheldon Danziger, eds. *Legacies of the War on Poverty*. Russell Sage Foundation.
- John Eric Humphries, Nick Mader, Daniel Tannenbaum, and Winnie van Dijk. 2018. “Does Eviction Cause Poverty? Quasi-experimental Evidence from Cook County, IL” Working paper.
- John Iceland. 2013. *Poverty in America: A Handbook*. 3rd ed. U of California P.
- Sanders Korenman, Dahlia K. Remler, and Rosemary T. Hyson. 2019. Accounting for the Impact of Medicaid on Child Poverty. NBER working paper 25973.
- Jens Ludwig, Greg J. Duncan, Lisa A. Gennetian, Lawrence F. Katz, Ronald C. Kessler, Jeffrey R. Kling, and Lisa Sanbonmatsu. 2013. “Long-Term Neighborhood Effects on Low-Income Families: Evidence from Moving to Opportunity” *American Economic Review Papers and Proceedings*, 103(3): 226-231.
- Sarah Miller and Laura R. Wherry. 2017. “Health and Access to Care during the First 2 Years of the ACA Medicaid Expansions.” *The New England Journal of Medicine*. 376(10): 947-956.
- Sendhil Mullainathan and Eldar Shafir. 2013. “Introduction” in *Scarcity: Why Having Too Little Means So Much*. Times Books.

Edgar Olsen. 2015. "Reforming Housing Assistance" *Regulation*, Summer, 26-31.

Schedule with Readings and Assignments

Date	Topic	Reading	Note
1/23	Introduction and course details		
1/28	Poverty and decision making	Desmond (2016) chapter 18, Mullainathan and Shafir (2013) Introduction	
1/30	Measuring poverty	Iceland Handbook chapters 1 and 2, Burkhauser et al. (2019)	
2/4	Stata session 1	Stata_session_intro.pdf, Stata resource: https://stats.idre.ucla.edu/stata/modules/	Meet at computer lab (Morton Hall 244)
2/6	Characteristics of poverty populations	Iceland Handbook chapter 3	
2/11	Brief history of anti-poverty public policies	Iceland Handbook chapters 5 and 7	Project 1 due (Calculation of the official poverty rate)
2/13	Homelessness and community support		Fred Liggin visit
2/18	Housing	Humphries et al. (2018)	
2/20	Housing	Desmond (2016) Epilogue, Olsen (2015)	
2/25	Neighborhoods	Chetty et al. (2016)	Project 2 due (Criticism of official poverty rate)
2/27	Neighborhoods	Ludwig et al. (2013)	
3/3	Stata session 2		Meet at computer lab (Morton Hall 244)

3/5	Employment	Autor, Dorn, and Hanson (2018)	Project 5 plan due
SPRING BREAK			
3/17	Employment: welfare and EITC	Currie (2006) chapter 1	
3/19	Employment: workforce development programs	Holzer (2013)	Project 3 due (Social statistic comparison)
3/24	Universal Basic Income	https://www.yang2020.com/what-is-freedom-dividend-faq/	
3/26	Universal Basic Income		
3/31	Health	Currie (2006) chapter 2, Miller and Wherry (2017), Korenman et al. (2019)	
4/2	Health: substance abuse		
4/7	Food assistance	Currie (2006) chapter 3	Project 4 due (Poverty policy op-ed)
4/9	Race, ethnicity, and nativity	Akerlof and Shiller (2009)	
4/14	Race, ethnicity, and nativity	Darity (2013), Doleac (2019)	Project 5 Stata code draft due
4/16	Education	Gibbs, Ludwig, and Miller (2013)	
4/21	Student presentations		
4/23	Student presentations		
4/28	Student presentations		
4/30	Wrapping-up		
5/5			Project 5 due (Poverty rate)

			design and calculation)
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Instructor: Peter McHenry

I was born 50 miles away into a Navy family in Portsmouth, VA. I earned my BS from Vanderbilt and my PhD in economics from Yale. My research is mostly at the intersection of labor economics and regional economics. I use economic models of human behavior to understand people’s choices about how much and where to work and to understand how much money people earn at work. I focus on explanations of wage determination related to workers’ locations (reflecting their migration behavior) and workers’ skills (reflecting their work choices and education). I use a variety of survey and administrative data sets to test and measure theories about work and pay. I have studied schools, hospitals, and nursing homes in depth, and I have a particular interest in the influence of public policies on people’s lives.

Over the past several years, I’ve been getting more involved with those trying to serve the poor in Williamsburg. I’m learning a lot. I hope you can say the same throughout this semester. Toward that end, I welcome your questions and comments. My contact information is on the first page.