

Professor Tara Watson
Seeley 9
twatson@williams.edu
x4709

Office hours:
Tuesday 3-4:30 pm
Wednesday 2:15-3:45 pm
and by appointment

Econ 456: Poverty and Place

This course explores the relationship between poverty and residential choice in the United States. We will address how people choose their neighborhoods and what effects neighborhoods have on outcomes. Topics covered will include models of residential choice and social interactions, racial and economic segregation, urban labor markets, family structure, education, people- and place-based policies for the poor.

The course has several integral components:

- Large Discussions

There will be eight times during the semester where we will meet as a class and discuss readings. (This excludes the first two meetings of the course, which will be mainly lecture-based.) The readings include theoretical economic papers and non-economic perspectives. For the large discussions to be successful, it is essential that you have carefully read and thought about the material. I will give discussion questions in advance to help guide your reading. You will be graded on the quality of your comments and your ability to respectfully engage your fellow students. There are no right answers, but there are answers that are unsupported by a critical analysis.

2-3 members of the class will introduce each of these large discussions by summarizing the readings and outlining topics for discussion; each person will introduce the class one time during the semester. In addition to the class you introduce, you will write a two-page response paper for 4 of the 8 large discussions.

- Small Group Meetings.

One major goal of this course is to develop skills in reading and evaluating empirical papers. We will break into three small sections of 6-7 students five times during the semester and discuss two empirical papers. You will be assigned to write and present a 4-6-page critique of two of the papers during the semester. In the small group sections, you will refine your skills evaluating the quality of evidence.

Sections will meet in the Seeley classroom Monday evening 8:00-9:15, Tuesday 9:55-11:10, and Tuesday 11:20-12:35.

- Research Project

The culminating project for this course will be an independent 15-page research proposal which includes original empirical work. You will be working on the project in stages throughout the semester. The completed project could prepare you to write a one-semester thesis – if you are considering this, please let me know. If you are writing a year-long thesis, please see me to discuss an appropriate project for the class.

We will discuss the project in detail the second week of class. However, your choice of topic and dataset is due on September 28, so start thinking about questions that interest you. You should plan to come to my office hours once before September 28 to discuss your thoughts.

We will meet in small groups of 6-7 three times during the semester to report on progress on the paper. We will also have a full class meeting in the computer lab to review Stata on September 28. You will present your project to the class during the last two weeks of the semester.

Assignments for the course:

- **Research Project and Presentations (40%)**

The research will be done in stages: choosing topic and data, lit review and data summary and presentation, preliminary results presentation, final presentation, and final paper.

- **Empirical Paper Critiques and Presentations (20%)**

Two 4-6-page papers critiquing an empirical analysis, each with a brief presentation to the small group.

- **Response papers (15%)**

Four 2-page response papers for large discussion classes. Do not do a response paper on the day you introduce the class.

- **Computer Lab Assignment / Poverty Simulation (5%)**

One substantial computer lab assignment will familiarize you with the basics of Stata.

Students must attend one of two three-hour poverty simulations. These are offered Thursday 10/26 at 5:30 p.m. or Sunday 10/29 at 3 p.m.

- **Class Introduction and Discussion (20%)**

Once during the semester you and one or two others will open the class with an introduction. At each class meeting you are expected to be actively engaged in the discussion. You should plan to speak at least once during class. Students may be called upon to discuss the reading if they do not volunteer.

Guidelines For Assignments

I. Critiques

The goal of these exercises is to practice thinking critically about empirical work. The first step is to read the paper carefully and do your best to understand it. If you find the paper challenging, discuss it with classmates and try to make sense of it. Second, identify the question the authors are addressing and whether they do a convincing job of answering it. On the day we discuss the paper in the small group, you will hand in the critique and give a presentation to the group.

Content.

A critique includes a summary of the work and an evaluation of the work. You may assume the reader has read the paper, but you should use part of the critique to describe the piece. The summary should be less than half of the content of your paper. The bulk of the paper should be your analysis.

Some questions to guide your thinking:

What is the main question the authors are attempting to answer?

Why is the question important? Why is it difficult to answer?

What is the central hypothesis? Do they clearly explain the theoretical justification for the hypothesis?

What data are they using? Describe them.

What is the primary empirical strategy? Why did the authors choose it?

Do you believe the strategy is reasonable?

How do they approach identification?

Are there remaining endogeneity/causality issues?

Is the sample a random sample of the population of interest?

Do the empirics have external validity (i.e. could the conclusions drawn be applied to similar populations of interest)?

Are there other strengths and weaknesses of the approach? Are the authors forthcoming about the weaknesses?

What are the main empirical findings? Do you believe them?

What conclusions do they draw from the findings? Are these conclusions justified?

Is the paper clearly written and well-organized? Do the authors tell you what you need to know to evaluate the research?

How could the paper be improved?

What is the logical next step for future research?

Format.

The critique should be 4-6 pages; it may not exceed 6 pages. You should make sure your discussion is organized well, flows logically, and is clear. Your main claims should be obvious to the reader, and you should have support for those claims. The paper should not be a flowery piece of prose.

Check your spelling and grammar. I recommend having the Writing Workshop or a friend proofread your work. I take writing seriously and expect you to do so as well.

Presentation.

On the day you critique, you should prepare a 15-minute presentation for the small group. The presentation should include a description of the paper and discuss the main points of your critique. Do not read the critique. You may prepare a handout if it will help your presentation. Practice your presentation.

Grading.

Critiques will be graded on a letter grade basis. You will receive written feedback on your critique. The two critiques combined will be worth 20% of your final grade.

II. Response Papers

The purpose of the response papers is for you to engage with the material before coming to discuss them in class. Four 2-page response papers are due during the semester. You may choose among the eight large discussion classes. Do not do a response paper on the day you introduce the class.

Your response paper may focus on one or more articles, and may discuss one or more aspects of each articles. Because it is only two pages, the response paper should not include any summary of the material. Specific discussion questions will be given to you in advance to guide your thinking, but you need not address these specific questions in your response.

Response papers will be graded on a check, check plus, check minus basis. Four responses combined are worth 15% of your final grade, and high quality responses are also likely to improve the quality of your discussion.

III. Class Introductions

Once during the semester, you and fellow students will be asked to introduce the class. You should prepare a 10-20 minute introduction to the readings. The introduction should include a summary of and synthesis of the readings.

You should address the following questions:

What are the strengths and weaknesses of the readings? Are the ideas compelling? Is the evidence convincing?

How do the readings relate to one another? Taken as a whole, what do we learn from the readings? What questions remain unanswered?

Be prepared to defend your arguments. If the readings bring up factual questions that you could answer with a brief internet search, you should bring the answers to class.

You are strongly encouraged to come to office hours the week of your introduction to make sure you are on the right track.

IV. Reading and Discussion

On days when you are not submitting written work or presenting, you are expected to contribute to the class discussion. For the discussions to be successful, it is essential that you have carefully read and thought about the material. The reading load is heavy (2 to 4 articles per class meeting); do not start the night before.

I will give discussion questions in advance to help guide your reading. You will be graded on the quality of your comments and your ability to respectfully engage your fellow students. You should plan to speak at least once during class. Students may be called upon to discuss the reading if they do not volunteer. There will be no right answers, but there are answers that are unsupported by a critical analysis.

Course Outline and Assigned Readings (subject to change)

Thurs., Sept. 7:

Introduction & Overview of Poverty in the U.S.

- No reading due.

Tues, Sept. 12:

Models of the Sorting in the City & Econometrics Review

- Tiebout, "A Pure Theory of Local Expenditures," *Journal of Political Economy*, October 1956.
- Mieszkowski and Mills, "The Causes of Metropolitan Suburbanization," *Journal of Economic Perspectives*, Summer 1993.
- Gruber, "Chapter 3: Empirical Tools of Public Finance," *Public Finance and Public Policy*, 2005.

Thurs., Sept. 14 (Large Discussion 1):

Segregation by Income & Econometrics Review

- Massey and Fischer, "*The Geography of Inequality in the United States, 1950-2000*," Brookings-Wharton Papers on Urban Affairs, 2003.
- Glaeser, Kahn, and Rappaport, "*Why Do the Poor Live in Cities?*" Harvard Institute of Economic Research Discussion Paper 1891, April 2000.

Tues., Sept. 19 (Small Group 1)

Segregation by Race

- Cutler, Glaeser and Vigdor, "*The Rise and Decline of the American Ghetto*," *Journal of Political Economy*, June 1999.
- Cutler and Glaeser, "*Are Ghettos Good or Bad?*," *The Quarterly Journal of Economics*, April 1997.

Thurs., Sept. 21 (Large Discussion 2)

Labor Markets

- Wilson, "*Chapter 2: Societal Changes and Vulnerable Neighborhoods*," *When Work Disappears: The New World of the Urban Poor*, 1996.
- Blank, "*Chapter 2: A Changing Economy (section 2.5)*," *It Takes A Nation*, 1997.
- Holzer and Offner, "*The Puzzle of Black Male Unemployment*," *The Public Interest*, Winter 2004.

Tues., Sept. 26 (Small Group 2)
Labor Markets

- Weinberg, “*Testing the Spatial Mismatch Hypothesis Using Intra-City Variations in Industrial Composition*,” *Regional Science and Urban Economics*, September 2004.
- Bertrand and Mullainathan, “*Are Emily and Greg More Employable than Lakisha and Jamal? A Field Experiment on Labor Market Discrimination*,” *American Economic Review*, September 2004.

Thurs., Sept. 28
Computer Lab: Meet in Jesup 205

- Paper Topic and Bibliography Due in class

Tues., Oct. 3 (Large Discussion 3)
Family Structure

- Wilson, “Chapter 4: The Fading Inner-City Family,” *When Work Disappears: The New World of the Urban Poor*, 1996.
- Blank, “*Chapter 1: The Changing Face of Poverty (sections 1.5-1.7)*,” *It Takes A Nation*, 1997.
- Edin, “*Few Good Men: Why Poor Women Don’t Remarry*,” *The American Prospect*, January 3, 2000.
- Roberts, “*I Can’t Give You Anything But Love: Would Poor Couples With Children Be Better Off Economically If They Married?*,” *Center for Law and Social Policy*, August 2004.

Thurs., Oct. 5 (Large Discussion 4)
Income Support Policy

- Blank, “*Fighting Poverty: Lessons From Recent U.S. History*,” *Journal of Economic Perspectives*, Spring 2000.
- Eissa and Nichols, “*Tax-Transfer Policy and Labor Market Outcomes*,” *AEA Papers and Proceedings*, May 2005.

Tues., Oct. 10
No Class – Reading Period

Thurs., Oct. 12 (Large Discussion 5)
Social Interactions

- Akerlof and Kranton, “*Economics and Identity*,” *The Quarterly Journal of Economics*, August 2000.
- Fryer, “*A Model of Social Interactions with Endogenous Poverty Traps*,” *NBER Working Paper 12364*, July 2006.

Tues., Oct. 17 (Research Group 1)
Topic and Data Presentation

Thurs., Oct. 19
No Class
Start Reading for Next Week

Tues., Oct. 24 (Small Group 3)
Network Effects

- Bertrand, Luttmer, and Mullainathan, “*Network Effects and Welfare Cultures*,” Quarterly Journal of Economics, August 2000.
- Bayer, Pintoff, and Pozen, “*Building Criminal Capital Behind Bars: Social Learning in Juvenile Corrections*,” Yale Economic Growth Discussion Paper 864, July 2003.

Thurs., Oct. 26 (Large Discussion 6)
The Experience of Poverty

- Leblanc, *Random Family*, selected pages, 2003.
- Wilkerson, “*Angela Whitaker’s Climb*,” New York Times, June 12, 2005.
- **Thursday 5:30 p.m. or Sunday 3 p.m. Poverty Simulation**

Tues., Oct. 31 (Small Group 4)
The Effect of Housing Interventions

- Oreopoulos, “*The Long Run Consequences of Living in a Poor Neighborhood*,” Quarterly Journal of Economics, November 2003.
- Kling, Liebman, and Katz, “*Experimental Analysis of Neighborhood Effects*,” NBER Working Paper 11157, August 2005.

Thurs., Nov. 2 (Large Discussion 7)
Education

- Nechyba, “*Public School Finance and Urban School Policy: Partial versus General Equilibrium Analysis*,” Brookings-Wharton Papers on Urban Affairs, 2003.
- Kozol, *Savage Inequalities*, selected pages, 1991.

Tues., Nov. 7 (Small Group 5)
Education

- Card and Payne, “*School Finance Reform, The Distribution of School Spending, and the Distribution of Test Scores*,” Journal of Public Economics, January 2002.
- Reber, “*Court-Ordered Desegregation: Successes and Failures in Integrating American Schools Since Brown versus the Board of Education*,” Journal of Human Resources, Summer 2005.

Thurs., Nov. 9 (Large Discussion 8)

People- versus Place-based policies

- Bolton, “*Place Prosperity versus People Prosperity Revisited: An Old Issue with a New Angle,*” *Urban Studies*, April 1992.
- Lehman and Smeeding, “*Chapter 10: Neighborhood Effects and Federal Policy,*” *Neighborhood Poverty Volume I*, Brooks-Gunn, Duncan, and Aber, eds., 1997.

Tues., Nov. 14 (Research Group 2)

Presentation of Preliminary Results

Thurs., Nov. 16

No Class

Tues., Nov. 21 (Research Group 3)

Presentation of Preliminary Results

Thurs., Nov 23

No Class – Thanksgiving

Tues., Nov. 28

Presentations

Thurs., Nov. 30

Presentations

Monday, Dec.4, 4 p.m.

Last Day to Submit Optional Rough Draft

Tues., Dec.5

Presentations

Thurs., Dec.7

Presentations

Tues., Dec.12

Final Paper Due