

Welfare or Well-Unfair: Incorporating Heterogeneous Income Into Normative Analysis

Nathan Mather

University of Michigan

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Outline

1. Show (or remind) us why typical welfare estimations are a flawed tool for normative economics
2. Outline the general idea of what I hope to do
3. Show the shell of a method

Motivating Example



(a) A Banana



(b) Jeff Bezos



(c) Me

Motivating Example

- ▶ Who should get the banana?
- ▶ Economists often use “How much are you willing to pay?”
- ▶ Jeff - “I mean it’s one banana Nathan. What could it cost, \$10? look I’d pay \$100”¹
- ▶ Nate - “I missed lunch and am really hungry, I would pay \$5”²
- ▶ Who get’s more welfare from the banana?

¹Not an actual quote

²Also not an actual quote. \$5 for a banana?

Motivating Example



The End

Thank You