

Handbook Chapters Proposal: Econ 350, Life Cycle Dynamics: The Origins & Consequences of Inequality in Capabilities

This Draft: December 30, 2013

Abstract

This document proposes a set of Handbook Chapters than can be used as basic readings for Econ 350.

Topics Covered by Lectures

1. The Dimensions of Inequality and Social Mobility
 - (a) Basic Facts and Trends
 - (b) Prices, Endowments, and Shocks
 - (c) Skills
 - (d) Transfers and Taxes
 - (e) The Role of Family and Policy on Endowments
 - (f) What Should Inequality Be
 - (g) Separating Inequality from Social Mobility

Basic Reading: OECD (2011). [book]

2. Education and Inequality

- (a) Causal Inference and Instrumental Variables
- (b) Structural Models
- (c) Evidence
- (d) The Role of Capabilities as a Broader Notion of Skills
- (e) The Role of Credit Constraints

Basic Reading: Heckman et al. (2006).[paper]

3. Econometric Methods and the Labor Market

Basic Reading: French and Taber (2011).[paper]

4. The Dynamics of Skill Formation

- (a) B.P. + Technology / Adult
- (b) The Creation of Initial Conditions

Basic Reading: Heckman and Mosso (2014); Rubinstein and Weiss (2006). [paper]

5. Shocks and Uncertainty

- (a) Internal and External Variability
- (b) Modeling Uncertainty

Basic Reading: Meghir and Pistaferri (2011).[paper]

6. Models and Methods for the Study of Family Influence

Basic Reading: Bjorklund and Salvanes (2011) (Not sure).

7. Social Mobility: Determinants and Models

Basic Reading: Black and Devereux (2011).[paper]

8. Genes and Environments

Basic Reading: Kohler et al. (2011). [paper]

9. Health: Life-Cycle Origins and Determinants

Basic Reading: Currie and Almond (2011) [paper]; the bristol lectures.

10. Summary

References

- Bjorklund, A. and K. Salvanes (2011). Education and Family Background: Mechanisms and Policies. *Handbook of the Economics of Education* 3, 201–247.
- Black, S. E. and P. J. Devereux (2011). Recent Developments in Intergenerational Mobility. *Handbook of Labor Economics* 4, 1487–1541.
- Currie, J. and D. Almond (2011). Human Capital Development before Age Five. *Handbook of Labor Economics* 4, 1315–1486.
- French, E. and C. Taber (2011). Identification of Models of the Labor Market. *Handbook of Labor Economics* 4, 537–617.
- Heckman, J. and S. Mosso (2014). The Economics of Human Development and Social Mobility. *Annual Review of Economics* (Upcoming).
- Heckman, J. J., L. J. Lochner, and P. E. Todd (2006). Earnings Functions, Rates of Return and Treatment Effects: the Mincer Equation and Beyond. *Handbook of the Economics of Education* 1, 307–458.
- Kohler, H.-P., J. R. Behrman, and J. Schnittker (2011). Social science methods for twins data: Integrating causality, endowments, and heritability. *Biodemography and social biology* 57(1), 88–141.

Meghir, C. and L. Pistaferri (2011). Earnings, Consumption and Life Cycle Choices. *Handbook of Labor Economics* 4, 773–854.

OECD (2011). *Divided We Stand: Why Inequality Keeps Rising*. OECD Publishing.

Rubinstein, Y. and Y. Weiss (2006). Post schooling wage growth: Investment, search and learning. *Handbook of the Economics of Education* 1, 1–67.