

Additional Notes

Tom Vogl

UCSD

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Comments about Jones and Klenow

Recall: a person named Rawls evaluates lifecycle lotteries across countries.

$$U_i = E_i \sum_{a=1}^{100} \beta^a u(C_{ai}, \ell_{ai}) S_i(a)$$

$$u(C, \ell) = \bar{u} + \log C + v(\ell)$$

Some thoughts from yesterday:

1. Awkward to call the person “Rawls.” Rawls did introduce the “veil of ignorance,” but he also advocated for using maximin preferences. The agent in Jones and Klenow is an average utilitarian.
2. Treatment of mortality vs. consumption/leisure over the lifecycle.
 - Kids’s outcomes more important, even if the population has few kids!
 - Child deaths much more important than elderly deaths. Child consumption only slightly more important than elderly consumption.