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## **Intergenerational Mobility: Theoretical and Empirical Overview (Preliminary)**

The gap between top income percentiles and bottom income percentiles has increased in many countries, including the US, over the last decades. Income distribution is placed back at the center of economics and has become a prominent part of media and policy discussions. Empirical findings suggest that there exists a positive correlation between inequality and immobility. To provide deeper insight in mechanisms underlying the latter phenomenon the course covers theories of persistent inequality and intergenerational mobility.

Students in this course will learn about the fundamental theories of distributive justice, theory of measures of mobility and persistence, empirical evidence on intergenerational mobility, theories of intergenerational mobility.

### **Grading**

Home assignments: 30%

Midterm: 30%

Final: 40%

Assignments include regular class participation and several home assignments (in particular, students will be asked to choose 1 paper to master and to write an essay on it; there will be also offered sets of problems and practical questions).

### **Reading list** (priority readings are denoted by \*)

\*Sen A. 2000. "Social Justice and Distribution of Income." *Handbook of Income Distribution*. A. Atkinson and F. Bourguignon, eds. Amsterdam: Elsevier.

Arrow, K. 1973. "Some Ordinalist-Utilitarian Notes on Rawl's Theory of Justice". *Journal of Philosophy* 70: 245-263.

Arnesen. R. Equality of Opportunity. *Stanford Encyclopedia of Philosophy*.

\*Piketty T. 2000. "Theories of Persistent Inequality and Intergenerational Mobility." *Handbook of Income Distribution*. A. Atkinson and F. Bourguignon, eds. Amsterdam: Elsevier.

\*Becker, G. and N. Tomes. 1979. "An Equilibrium Theory of the Distribution of Income and Intergenerational Mobility." *Journal of Political Economy* 87: 1153-1189.

Loury, G. 1981. "Intergenerational Transfers and the Distribution of Earnings." *Econometrica* 49: 843-867.

\*Corak, M. 2013. "Income Inequality, Equality of Opportunity, and Intergenerational Mobility." *Journal of Economic Perspectives* 27: 79-102.

Durlauf, S. and A. Seshadri. 2018. "Understanding the Great Gatsby Curve." *Macroeconomics Annual* forthcoming.

\*Heckman, J. and S. Mosso. 2014. "The Economics of Human Development and Social Mobility." *Annual Review of Economics* 6: 689-733.

\*Bowles, S. and H. Gintis. 2002. "The Inheritance of Inequality." *Journal of Economic Perspectives* 16: 3-30.

Torche, F. 2015. "Analyses of Intergenerational Mobility: An Interdisciplinary Review." *Annals of the AAPSS* 657: 37-62.

Jantti, M. and S. Jenkins, 2014. "Income Mobility" sections 10.3 and 10.4. *Handbook of Income Distribution* vol. 2, A. Atkinson and F. Bourguignon, eds. Amsterdam: Elsevier.

Breen, R. and J. Jonsson. 2005. Inequality of Opportunity in Comparative Perspective: Recent Research on Educational Attainment and Social Mobility." *Annual Review of Sociology* 31: 223-243.

Collins, W. and M. Wanamaker. 2017. "Up from Slavery? African American Intergenerational Economic Mobility Since 1880." *NBER Working Paper* no. 23395.

Alesina, A., S. Stantcheva, and E. Teso. 2017. "Intergenerational Mobility and Preferences for Redistribution." *NBER Working Paper* no. 23027.

Chetty, R., D. Grusky, M. Hell, N. Hendren, R. Manduca, and J. Narang. 2017. "The Fading American Dream: Trends in Absolute Income Mobility since 1940." *Science* 356: 398-406.

\*Chetty, R., N. Hendren, P. Kline, and E. Saez. 2014. "Where is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States." *Quarterly Journal of Economics* 129: 1553-1623.

Durlauf, S., A. Kourtellos and C. M. Tan. 2016. "Status Traps." *Journal of Business and Economic Statistics* 35: 265-287.

Mazumder, B. 2005. "Fortunate Sons: New Estimates of Intergenerational Mobility in the United States Using Social Security Earnings Data." *Review of Economics and Statistics* 87: 235-255.

Torche, F. and A. Corvalan. 2016. "Estimating Intergenerational Mobility with Grouped Data: A Critique of the The Son Also Rises." *Sociological Methods & Research* 1-25.

Becker, G., S. Kominers, K. Murphy, and J. Spenkuch. 2015. "A Theory of Intergenerational Income Mobility." MPRA Paper No. 66334.

Solon, G. 2004. "A Model of Intergenerational Mobility Variation over Time and Place," *Generational Income Mobility in North America and Europe*, M. Corak, ed. Cambridge: Cambridge University Press.

Cunha, F., and J. J. Heckman. 2007. "The Technology of Skill Formation." *American Economic Review* 97: 31-47.