

PPHA 39450, Autumn 2025

## What We Know About Income Inequality

### Background and Goals

This course will share some of the facts and ideas about income inequality, wealth inequality, and mobility that have developed over the past 10-40 years – the facts and theories about the US (and the wider world) that are not as widely known as they should be. These run somewhat counter to common narratives about inequality, and are all the more important for pushing us to critically examine both the evidence and our pre-conceived notions. Our goal is to carefully lay out what we know and what we do not know, and to do so in a way that can help inform public policy debates.

### Prerequisites

Micro and stats courses from the Harris core. Advanced stats would be useful, and any course in labor or human capital would be valuable.

### Relationship to other programs

This course is part of the Social and Economic Inequality Specialization

### Class Logistics

- Twice-weekly lectures M W 9am-10:20am.
- Attendance is mandatory, and I will be taking attendance. You may use a tablet in class, but not a laptop or phone
- Periodic TA sections (less than once-a-week)
- The main material for the course is what I cover in class, in lectures. I will post slides, usually before the class. We will also discuss published papers. Lectures and other readings will be posted on Canvas
- We will use EdDiscussion for questions and discussions related to course material

### Assignments and Grading

- I will assign a combination of problem sets and directed reading of published papers, roughly one every two weeks. Problem sets are group work, to be submitted through gradescope as a group.
- I may have in-class group presentations where you review or discuss a published paper.
- Grading will be based on problem sets (to be completed in groups), in-class presentation, and an individual final (essay-based) exam. Grading will be approximately 25% group problems, 5% attendance and class participation, 30% in-class presentation, 40% final exam/paper. Grading will be on a curve, similar to but not exactly the same as the Harris core curve.

## Topics and schedules

WEEK	TOPIC
1	<b>Measuring income inequality:</b> <ul style="list-style-type: none"> <li>• The measurement and meaning of income and inequality, with careful attention to: data sources (survey vs administrative); data definition and coverage (fiscal income vs national income); family and measurement unit; inequality metrics</li> <li>• Growth at the top versus bottom of the distribution</li> <li>• Transfers and taxes; capital versus labor</li> <li>• Regional variation in prices</li> </ul>
2	<b>Measuring income, wealth, and consumption inequality:</b> <ul style="list-style-type: none"> <li>• One-year versus lifetime measures</li> <li>• Income versus wealth</li> <li>• Building vs inheritance</li> <li>• Consumption inequality</li> </ul>
3	<b>Causes of inequality 1:</b> <ul style="list-style-type: none"> <li>• Monopoly, monopsony, and corporate power is often proposed, but we do not find strong evidence (cf price indexes)</li> <li>• Inheritance and wealth</li> </ul>
4	<b>Causes of Inequality 2: Human Capital Investments</b> <ul style="list-style-type: none"> <li>• Skills and education versus technological change provides a better explanation</li> <li>• Human capital and early childhood investment</li> </ul>
5	<b>Labor supply &amp; Entrepreneurship:</b> <ul style="list-style-type: none"> <li>• Incentive effects of transfers</li> <li>• Tax distortions</li> <li>• Consumption inequality and leisure</li> <li>• Building vs inheritance</li> </ul>
6	<b>Global inequality:</b> <ul style="list-style-type: none"> <li>• World inequality from 1800 – present</li> <li>• Growth versus inequality</li> </ul> Health measures of inequality
7	<b>Poverty versus Inequality:</b>
8	<b>Lifetime and Intergenerational Mobility:</b>
9	<b>Lifetime and Intergenerational Mobility:</b>

Instructors should provide a detailed list of topics, readings and resources organized by week or class. Information on how to access readings and resources should also be included. Material here should align with the Canvas course site use of Modules, Pages, and other site components.

## Office Hours and TAs

- Professor Coleman will have office hours weekly
- There will be two TAs for the course, and they will lead the periodic TA sessions. They will also be available on EdDiscussion to answer questions

## General Resources Available to Students

### Diversity, Debate, and Free Expression

The Harris School welcomes, values, and respects students, faculty, and staff from a wide range of backgrounds and experiences, and we believe that rigorous inquiry and effective public policy problem-solving requires the expression and understanding of diverse viewpoints, experiences, and traditions. The University and the Harris School have developed distinct but overlapping principles and guidelines to ensure that we remain a place where difficult issues are discussed with kindness and respect for all.

The University's policies are available below. Specifically, the University identifies the freedom of expression as being "vital to our shared goal of the pursuit of knowledge, as is the right of all members of the community to explore new ideas and learn from one another. To preserve an environment of spirited and open debate, we should all have the opportunity to contribute to intellectual exchanges and participate fully in the life of the University."

The Harris School's commitments to lively, principled, and respectful engagement are available below: "Consistent with the University of Chicago's commitment to open discourse and free expression, Harris encourages members of the leadership, faculty, student body, and administrative staff to respect and engage with others of differing backgrounds or perspectives, even when the ideas or insights shared may be viewed as unpopular or controversial." We foster thought-provoking discourse by encouraging community members not only to speak freely about all issues but also to listen carefully and respectfully to the views of others.

University policies: <https://studentmanual.uchicago.edu/university-policies/>

Harris policies: <https://harris.uchicago.edu/about/who-we-are/diversity-inclusion>

### Academic Integrity (aka Cheating)

We take academic integrity very seriously, and although we have the highest confidence in you as students, we must also remind you that academic integrity and honesty are central to our mission as a school and to each of us as instructors, TAs, and students.

All University of Chicago students are expected to uphold the highest standards of academic integrity and honesty. Among other things, this means that students shall not represent another's work as their own, use un-allowed materials during exams, or otherwise gain unfair academic advantage. From the University's policy (link below): "It is contrary to justice, academic integrity, and to the spirit of intellectual inquiry to submit another's statements or ideas as one's own work. To do so is plagiarism or cheating, offenses punishable under the University's disciplinary system. Because these offenses undercut the distinctive moral and intellectual character of the University, we take them very seriously."

The Harris School's policies are available in the Harris Student Handbook Canvas site. All students suspected of academic dishonesty will be reported to the Harris Dean of Students for investigation and adjudication. The disciplinary process can result in sanctions up to and

including suspension or expulsion from the University. In addition to disciplinary sanctions, we reserve the right to impose other sanctions, up a failing grade for the course for students who have committed academic dishonesty, regardless of performance on elements of the course.

University policies: <https://studentmanual.uchicago.edu/academic-policies/academic-honesty-plagiarism/>

Note, of course, that for problem sets for this course we are asking you to work in groups, and so in this course (but not necessarily other courses at Harris) collaborating on problem sets is *not* considered academic dishonesty – we are asking you to collaborate. We do require, however, that each group write up and hand in their own solution and put the group members on the solution set. This is as much for your own benefit as it is for ours – you need to work on the problems and understand the problems if you want to pass this course, and later classes here at Harris.

### **University of Chicago Policy on Lecture Recordings**

By attending course sessions, students acknowledge that:

1. They will not: (i) record, share, or disseminate University of Chicago course sessions, videos, transcripts, audio, or chats; (ii) retain such materials after the end of the course; or (iii) use such materials for any purpose other than in connection with participation in the course.
2. They will not share links to University of Chicago course sessions with any persons not authorized to be in the course session. Sharing course materials with persons authorized to be in the relevant course is permitted. Syllabi, handouts, slides, and other documents may be shared at the discretion of the instructor.
3. Course recordings, content, and materials may be covered by copyrights held by the University, the instructor, or third parties. Any unauthorized use of such recordings or course materials may violate such copyrights.
4. Any violation of this policy will be referred to the Area Dean of Students.

Additional links:

- [Harris Academic Support Programs and Handbook](#)
- [Student Wellness](#)
- [UChicagoGRAD](#)

### **Harris School and University of Chicago Policies**

Include any text and links as desired to highlight or emphasize issues related to academic integrity, disability accommodations, diversity and inclusion, and video and audio recordings.

- [Harris School Policies](#)
- [University General Policies](#)
- [University Academic Policies](#)
- Policy on audio and video [recordings](#)