

# ECON 412: Macroeconomics and Inequality

Syllabus  
Winter 2022  
Brian Greaney

## **Course Webpage:**

<https://canvas.uw.edu/courses/1519961>.

## **Class Meetings**

Unless otherwise noted, classes will be held in-person on Tuesdays and Thursdays from 8:30-10:20 a.m. in Winkenwerder Forest Sciences Laboratory (WFS) 201. When necessary, we will meet via Zoom. Zoom links are posted in Canvas under the Zoom tab. The first week of classes (January 4 and 6) will be held on Zoom. Lectures will not be recorded, but I will post lecture slides on Canvas.

## **Office Hours**

Office hours will be held over Zoom on Tuesdays and Thursdays from 1:30-2:30 p.m. If you are unable to attend at these times, please email me and I will try to arrange an alternative time.

## **Course Description**

This course examines the determinants of the income and wealth distribution and how these distributions interact with the macroeconomy. During the past several decades, tremendous progress has been made in accounting for

realistic heterogeneity in macroeconomics. The primary goal of this course is to develop an understanding of the theories and methods used to think about the interaction between inequality and the macroeconomy today. We will begin by learning important facts about the income and wealth distribution. We will then investigate mechanisms that can account for these facts. Lastly, we will examine how inequality interacts with the aggregate economy. We will focus in particular on growth and business cycle dynamics.

### **Prerequisites**

Econ 301 (Intermediate Macro). We will use concepts from calculus, probability, and statistics throughout the course.

### **Contact**

You can contact me at [bg385@uw.edu](mailto:bg385@uw.edu). Please include “ECON 412” in the subject line. Please only use email for straightforward questions (i.e. questions that can be answered in one or two lines). For more complicated questions, it is more efficient to discuss in class or office hours.

### **Course Requirements**

The requirements for this course include reading assignments, in-class discussions, problem sets, and two exams.

**Readings:** There are two required books for this course: *The Race between Education and Technology* by Claudia Goldin and Lawrence Katz and *House of Debt* by Amir Sufi and Atif Mian. All other readings are articles which I will post on Canvas. Please complete assigned readings **before** class. Many of the readings are difficult, so you should allow yourself plenty of time to complete them. I will post questions that you should keep in mind while reading each piece.

**Discussions:** We will discuss most required readings during class. As mentioned above, many of these readings are difficult and so these discussions

are critical to achieve understanding. A primary goal of these discussions is to gain new perspectives and learn from each other. If you are unable to attend a lecture in person, please submit a brief (no more than 1 page) reflection **before class**. Your reflection should address the questions listed with the reading (you do not need to address all of them), and can include both questions and comments. The reason I ask for reflections before class is so that I can incorporate them into discussions. Reflections can be submitted on Canvas.

**Problem Sets:** Problem sets will be assigned throughout the quarter. You are allowed to collaborate in small groups of no more than three people to complete them. However, each student must write and submit their own solutions. If you do collaborate, write down the names of the people you worked with at the top of the assignment. Assignments are due before class on Canvas. In order to receive credit, you must show your work and it must be legible.

I encourage you to collaborate with other students, both for problem sets and studying. If you are having trouble finding study partners, feel free to email me and I will be happy to put you in contact with other students who are in a similar situation.

The grader for this course is Frida Yao. If you believe there is an error in how a problem set was graded, please discuss it with her first. You should discuss the issue over email using [tianzyao@uw.edu](mailto:tianzyao@uw.edu) and carbon copy me on all correspondence. If you are unable to resolve the problem, please let me know and I will regrade the entire assignment.

**Exams:** There will be two in-class exams. Both exams are closed-book: no notes or outside contact is allowed. You may use a non-programmable (four function) calculator. In-person attendance is required for both exams. If you miss the first exam, its weight will be added to the final exam. If you miss the final exam, you will need to take a make-up exam next quarter.

## Grading

The final grade is a weighted average of participation, problem sets, and exams:

- Participation: 10%
- Problem Sets: 20%
- Exam 1: 35%
- Exam 2: 35%

### **Attendance**

In-person attendance at lectures is strongly encouraged. However, especially right now, I understand that this is not always possible. I will try to be as flexible as I can. However, it is your responsibility to keep up to date with course material by reading the lecture slides, talking with your classmates, and asking questions in class or during office hours.

In order to create a safe environment for everyone, it is imperative that all University health protocols are followed closely. This includes wearing an appropriate face covering at all times. You can find the University's guidelines on face coverings [here](#).

### **Academic Conduct**

The University of Washington values the academic integrity of its students and faculty. For Student Academic Responsibility and the consequences of misconduct, see <http://depts.washington.edu/grading/pdf/AcademicResponsibility.pdf>.

The following is the Economics Department policy on Academic Conduct: "Academic integrity is the cornerstone of the Department's rules for student conduct and evaluation of student learning. Students accused of academic misconduct will be referred directly to the Office of Community Standards and Student Conduct for disciplinary action pursuant to the Student Conduct Code and, if found guilty, will be subject to sanctions. Sanctions range from a disciplinary warning, to academic probation, to immediate dismissal for the Department and the University, depending on the seriousness of the misconduct. Dismissal can be, and has been, applied even for first offenses. Moreover, a grade of zero can be assigned by the instructor for the course."

All assignments and exams will be checked for plagiarism or other cheating. Any cheating will result, at minimum, in a grade of zero and referral to the Office of Community Standards and Student Conduct.

## Accommodations

Washington state law requires that UW develop a policy for accommodation of student absences or significant hardship due to reasons of faith or conscience, or for organized religious activities. The UW's policy, including more information about how to request an accommodation, is available at <https://registrar.washington.edu/staffandfaculty/religious-accommodations-policy/>. Accommodations must be requested within the first two weeks of this course using <https://registrar.washington.edu/students/religious-accommodations-request/>.

Students with special needs should send me their documents as soon as possible. More information is available at <https://depts.washington.edu/uwdrs>.

## Preliminary Outline

Date	Topic
Tuesday, January 4	Introduction and course overview
Thursday, January 6	History of thought
Tuesday, January 11	Economic concepts
Thursday, January 13	Inequality measures
Tuesday, January 18	Key facts
Thursday, January 20	Skill-biased technological change
Tuesday, January 25	<b>No class</b>
Thursday, January 27	The race between education and technology
Tuesday, February 1	Top income inequality
Thursday, February 3	Social mobility
Tuesday, February 8	Power laws
Thursday, February 10	<b>Exam 1</b>
Tuesday, February 15	The labor share
Thursday, February 17	The capital / output ratio
Tuesday, February 22	Growth
Thursday, February 24	Growth
Tuesday, March 1	Financial stability
Thursday, March 3	Financial stability
Tuesday, March 8	Policy
Thursday, March 10	<b>Exam 2</b>