

ECON 348: CURRENT PROBLEMS OF THE AMERICAN ECONOMY
MARK MOORE
SPRING 2016
(TENTATIVE)

KAP 324C

mpmoore@usc.edu

Office Hours: Tuesday, 10 a.m. – 1 p.m

As this course begins, American policymakers face a wide range of challenging economic and social problems. Our mandate in this course may seem a little less daunting, since we are not actually in a position to make policy, but I do not want us to avoid the weight of these issues. In this course, I will demand that you take an active role in formulating appropriate policy responses to the problems we discuss in class. So, our work will mirror the work of the Obama administration, Congress, and the Federal Reserve. And necessarily, what we do will be affected by political and economic developments during the semester.

The intellectual mandate for this course is hopelessly long and diverse. By any reasonable division of topics, a full examination of any of the current problems of the American economy would require a specialist. Obviously, we cannot devote that much time to any particular problem, and more to the point, I am not a specialist on the all of the issues we will discuss. My goals for the course therefore are a bit simpler: to introduce a set of important issues related to the American economy, to develop a framework for thinking about these issues singly and as they relate to one another, to explore the close relationship between economic issues and the political structure, and most important, to encourage active class participation.

The use of “problems” to describe the issues we will discuss suggests some deviation from an ideal of how the economy ought to perform. Accordingly, we will need to begin by asking what outcomes we might desire in a well-functioning economy. Likewise, “problems” also suggests a desire for solutions. So, we will investigate under what circumstances government policy can improve economic “problems,” in general and in the case of the specific topics addressed in this course.

At the outset it should be clear that there are disagreements among economists and policymakers about the causes of and the appropriate responses to some of the problems discussed in this course. Indeed, many would question whether some of these issues constitute problems at all. As such, there will not be a lot of correct answers in this course or clear solutions. It will be messier than that. But if we cannot aspire to solve all the problems of the American economy, we can demand coherent analysis. That is what I will try to provide and ultimately what I will expect from you in this course.

The topics listed in the course outline cover a lot of ground—too much in fact. The list of topics in the course may change in response to current events or to class discussion.

I will update the syllabus frequently as the course progresses and revise the readings for the various topics. I will endeavor to use current information to keep the course fresh and relevant.

Textbook: There are no required texts for this course. Readings will be drawn from accessible internet resources. Links will be posted on this syllabus as the course progresses. Course lectures, class discussions, and the readings for the course constitute the material for the course. You need to attend class, pay attention, and participate.

Requirements: The requirements for the course consist of group exercises and individual exercises. The group work accounts for 50% of the grade, and the individual work accounts for 50% of the grade. The group work will be discussed in substantial detail in class and with supplemental handouts. The individual work includes an individual paper (worth 30% of the grade) and a final exam (worth 20% of the grade).

Please note that while attendance is important in any course, it is critical in this one. Attendance is mandatory on the in-class work days and the days of the policy exercises. Unlike an exam, a missed policy exercise cannot be made up.

In addition, as will be detailed in the supplemental handouts, a small part of the group grade is class participation.

Disability Services and Programs (DSP): Students requesting academic accommodations based on a disability are required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DS when adequate documentation is filed. Please be sure the letter is delivered to me (or to a TA) as early in the semester as possible. DSP is open Monday-Friday, 8:30-5:00. The DSP office is GFS 120, and the phone number is (213) 740-0776.

Course Web Page: I will maintain a course web page on blackboard. The syllabus and additional course readings will be posted and updated on the web page as the course progresses.

Course Outline

(TENTATIVE: The reading list will be revised over the course of the semester.)

0. Introduction

A. Perspectives on Economic Policy/A Warm-Up Discussion: Education Policy

Monday, January 11
Lecture Presentation

I. The Big Picture

A. A Rough Guide to Microeconomics

Wednesday, January 13
Lecture Presentation

MONDAY, JANUARY 18: NO CLASS, MLK DAY

B. A Rough Guide to Macroeconomics

Wednesday, January 21
Lecture Presentation

II. Macroeconomic Topics (These readings and links will be updated.)

A. Long-Run Fiscal Stability

Monday, January 25, and Wednesday, January 27

Blanchard, Olivier, and Leigh, Daniel (2013), "Fiscal consolidation: at what speed?," VoxEU.org. Useful for the entire macro section, but for part A, look particularly at the section, "More now, less later. Debt overhang and multiple equilibria." Available at <http://www.voxeu.org/article/fiscal-consolidation-what-speed>

Blinder, Alan (2013), "How to Worry About the Deficit: (1) Don't; (2) Wait a Few Years; (3) Then Worry About Healthcare Costs," *The Atlantic*, January 25, 2103. Reprinted from Blinder (2013), *After the Music Stopped*, Penguin Press. Available at <http://www.theatlantic.com/business/archive/2013/01/how-to-worry-about-the-deficit-1-dont-2-wait-a-few-years-3-then-worry-about-healthcare-costs/272521/>

Congressional Budget Office (2015), "The Budget and Economic Outlook: Fiscal Years 2015 to 2025," January 2015. For this topic, pay attention to Chapter 2, on the economic outlook. Available at <https://www.cbo.gov/publication/49892>

Congressional Budget Office (2014), "The 2014 Long-Term Budget Outlook." July 2014. Available at <https://www.cbo.gov/publication/45471>

DeLong, Brad, (2015), "How Do Projected Long-Run Deficits Matter?: Daily Focus," posted at the Washington Center for Equitable Growth, January 18, 2015. Available at <http://equitablegrowth.org/2015/01/18/projected-long-run-deficits-matter-daily-focus/>

International Monetary Fund (2014), *World Economic Outlook: Legacies, Clouds, Uncertainties*, October 2014. Look at Chapter 2, pp. 45-48, which deals with the United States. Available at <http://www.imf.org/external/pubs/ft/weo/2014/02/>

Krugman, Paul (2014), "Currency Regimes, Capital Flows, and Crises," *IMF Economic Review* (2014) **62**, 470-493. Some of this will be difficult but the basic argument should be clear. Available at <http://www.palgrave-journals.com/imfer/journal/v62/n4/full/imfer20149a.html>

Krugman, Paul (2013), "The Mostly Solved Deficit Problem," *The Conscience of a Liberal* (blog), post on January 10, 2013. <http://krugman.blogs.nytimes.com/2013/01/10/the-mostly-solved-deficit-problem/>

Social Security and Medicare

Diamond, Peter A. and Orszag, Peter R. (2005) "Saving Social Security: The Diamond-Orszag Plan," *The Economists' Voice*: Vol. 2 : Iss. 1, Article 8.

http://www.brookings.edu/~media/Files/rc/papers/2005/04saving_diamond/200504security.pdf

Congressional Budget Office (2010), “Social Security Policy Options.”
http://www.cbo.gov/ftpdocs/115xx/doc11580/07-01-SSOptions_forWeb.pdf

Congressional Budget Office (2012), “Lessons’ from Medicare’s Demonstration Projects on Disease Management, Care Coordination, and Value-Based Payment,” Issue Brief, January 2012.
<http://www.cbo.gov/ftpdocs/126xx/doc12663/01-18-12-MedicareDemoBrief.pdf>

For reference (don’t read through)

Congressional Budget Office (2014), “Options for Reducing the Deficit: 2015-2024.”

<https://www.cbo.gov/budget-options/2014>

Congressional Budget Office (2012), “CBO’s 2014 Long-Term Projections for Social Security: Additional Information,” Congressional Budget Office.
<https://www.cbo.gov/publication/49795>

Social Security and Medicare Boards of Trustees (2014), “Status of the Social Security and Medicare Programs: A Summary of the 2014 Annual Reports.”
<http://www.ssa.gov/OACT/TRSUM/index.html>

B. Growth

Monday, February 1, and Wednesday, February 3

GENERAL

Blanchard, Olivier; Giovanni Dell’Ariccia, and Paolo Mauro (2010), “Rethinking Macroeconomic Policy,” IMF Staff Position Note, January 2010. Available at
<http://econ-www.mit.edu/faculty/blanchar/papers>

Congressional Budget Office (2015), “The Budget and Economic Outlook: Fiscal Years 2015 to 2025,” January 2015. For this topic, pay attention to Chapter 2, on the economic outlook. Available at
<https://www.cbo.gov/publication/49892>

Congressional Budget Office (2012), “What Accounts for the Slow Growth of the Economy after the Recession?,” November 2012. Available at
<http://www.cbo.gov/sites/default/files/cbofiles/attachments/43707-SlowRecovery.pdf>

Ghyad, Rand, and William Dickens (2012), “What Can We Learn by Disaggregating the Unemployment-Vacancy Relationship?,” Public Policy Briefs, No. 12-3, The Federal Reserve Bank of Boston. Look at Figures 6 and 7. Available at <http://www.bostonfed.org/economic/ppb/2012/ppb123.pdf>

Reinhart, Carmen M., and Kenneth Rogoff, 2008, “The Aftermath of Financial Crises,” *American Economic Review*, May 2010. Also NBER Working Paper 15639. NBER version available at <http://www.nber.org/tmp/57090-w14656.pdf>

Schularick, Moritz, and Alan Taylor (2012), “Fact-checking financial recessions: US-UK update,” *VoxEU.org*, Centre for Economic Policy Research. Available at: <http://www.voxeu.org/article/fact-checking-financial-recessions>

FISCAL POLICY

Blanchard, Olivier, and Daniel Leigh (2013), “Fiscal consolidation: at what speed?,” *VoxEU.org*. Useful for the entire macro section, but for part A, look particularly at the section, “More now, less later. Debt overhang and multiple equilibria.” Available at <http://www.voxeu.org/article/fiscal-consolidation-what-speed>

Blanchard, Olivier, and Daniel Leigh (2013), “Growth Forecast Errors and Fiscal Multipliers,” IMF Working Paper 13/1, January 2013. Available at <http://www.imf.org/external/pubs/ft/wp/2013/wp1301.pdf>

Congressional Budget Office (2012), “Estimated Impact of the American Recovery and Reinvestment Act on Employment and Economic Output from July 2012 through September 2012,” November 2012. Available at <http://www.cbo.gov/sites/default/files/cbofiles/attachments/11-20-2012-ARRA.pdf>

Romer, Christina (2011), “What Do We Know about the Effects of Fiscal Policy? Separating Evidence from Ideology,” speech at Hamilton College, November 7, 2011. Written version available at [http://elsa.berkeley.edu/users/cromer/Written Version of Effects of Fiscal Policy.pdf](http://elsa.berkeley.edu/users/cromer/Written%20Version%20of%20Effects%20of%20Fiscal%20Policy.pdf)

Romer, David (2011), “What Have We Learned about Fiscal Policy from the Crisis,” forthcoming in Olivier J. Blanchard, David Romer, A. Michael Spence, and Joseph E. Stiglitz, eds., *In the Wake of the Crisis: Leading Economists Speak Out* (Cambridge: MIT Press). Available at <http://elsa.berkeley.edu/~dromer/papers/What%20Have%20We%20Learned%20about%20Fiscal%20Policy%20from%20the%20Crisis%20September.pdf>

MONETARY POLICY

Blanchard, Olivier (2013), “Monetary Policy will Never be the Same,” iMF Direct, International Monetary Fund, November 19, 2013. Available on the iMF Direct blog: <http://blog-imfdirect.imf.org/2013/11/19/monetary-policy-will-never-be-the-same/>

Curdia, Vincent, and Andrea Ferrero (2013), “How Stimulatory are Large-Scale Asset Purchases?,” FRBSF Economic Letter 2013-22, August 12, 2013.

Available at <http://www.frbsf.org/economic-research/publications/economic-letter/2013/august/large-scale-asset-purchase-stimulus-interest-rate/>

De Long, J. Bradford (2015), “Over at Equitable Growth: The Macroeconomic Situation and Macroeconomic Policy: Insiders and Outsiders,” Brad DeLong’s Grasping Reality (blog), January 28, 2015. Available at: <http://www.bradford-delong.com/2015/01/over-at-equitable-growth-the-macroeconomic-situation-and-macroeconomic-policy-insiders-and-outsiders.html?cid=6a00e551f08003883401b7c740fc97970b-comment-6a00e551f08003883401b7c740fc97970b>

Hancock, Diana, and Wayne Passmore (2014), “How the Federal Reserve’s Large-Scale Asset Purchases (LSAPs) Influence Mortgage-Backed Securities (MBS) Yields and U.S. Mortgage Rates,” Finance and Economics Discussion Series 2014-12, Divisions of Research & Statistics and Monetary Affairs, Federal Reserve Board, Washington, DC. Available at

<http://www.federalreserve.gov/pubs/feds/2014/201412/201412pap.pdf>

Krishnamurthy, Arvind, and Annette Vissing-Jorgensen (2013), “The Ins and Outs of LSAPs,” Jackson Hole Economic Policy Symposium, draft of August 9, 2013. Available at

<http://kansascityfed.org/publicat/sympos/2013/2013Krishnamurthy.pdf>

Romer, Christina (2013), “Monetary Policy in the Post-Crisis World: Lessons Learned and Strategies for the Future,” Summerlin Lecture, Johns Hopkins University, October 25, 2013. Written version available at

<http://elsa.berkeley.edu/users/cromer/Monetary%20Policy%20in%20the%20Post-Crisis%20World%20Hopkins%20Written.pdf>

INFRASTRUCTURE, SECULAR STAGNATION, AND POTENTIAL GDP
Ball, Laurence, J. Bradford DeLong, and Larry Summers (2014), “Fiscal Policy for Full Employment,” Center on Budget and Policy Priorities, April 2, 2014. (This paper discusses some of the arguments of the longer DeLong and Summers paper, and puts them in a broader context.) Available at

http://www.pathtofullemployment.org/wp-content/uploads/2014/04/delong_summers_ball.pdf

DeLong, J. Bradford, and Lawrence H. Summers, (2012), “Fiscal Policy in a Depressed Economy,” Brookings Papers on Economic Activity 2012:1 (Spring), pp. 233-297. http://www.brookings.edu/~media/Projects/BPEA/Spring2012/2012a_DeLong.pdf

Eichengreen, Barry (2015), “Secular Stagnation: The Long View,” NBER Working Paper 20836. Available at <http://www.nber.org/papers/w20836>

Krugman, Paul (2014), “What Secular Stagnation Isn’t,” *The Conscience of a Liberal* (blog), October 27, 2014. Available at <http://krugman.blogs.nytimes.com/2014/10/27/what-secular-stagnation-isnt/>

“Growing concerns about the sense of stagnation,” (2015), The Charlie Rose Show, interview with Larry Summers, January 29, 2015. Available at <http://larrysummers.com/2015/01/29/growing-concerns-about-sense-of-stagnation/>

International Monetary Fund (2014), *World Economic Outlook: Legacies, Clouds, Uncertainties*, October 2014. Look at Chapter 3, “Is It Time for an Infrastructure Push? The Macroeconomic Effects of Public Investment?” Available at <http://www.imf.org/external/pubs/ft/weo/2014/02/>

Teulings, Coen, and Richard Baldwin, eds. (2014), *Secular Stagnation: Facts, Causes and Cures*, VoxEU.org, CEPR Press. Many interesting chapters, some (e.g., Gordon) more related to potential GDP than to secular stagnation. Try the introduction and the chapters by Summers, Eichengreen, and Krugman). Available at <http://www.voxeu.org/content/secular-stagnation-facts-causes-and-cures>

CAPITAL TAXATION

Bunker, Nick (2015), “Capital taxation: What is it good for?” Washington Center for Equitable Growth, January 20, 2015. Available at <http://equitablegrowth.org/news/capital-taxation-good/>

(Optional) Diamond, Peter, and Emmanuel Saez (2011), “The Case for a Progressive Tax: From Basic Research to Policy Recommendations,” *Journal of Economic Perspectives*, 25(4): 165-90. More relevant for income inequality but look at the section on capital taxation. Available at: <https://www.aeaweb.org/articles.php?doi=10.1257/jep.25.4.165>

(Optional) Piketty, Thomas, and Emmanuel Saez (2012), “A Theory of Optimal Capital Taxation,” NBER Working Paper 1789. The technical details are beyond this course, but you can get a sense of the argument by reading the introduction, literature summary, and conclusion. Available at <http://www.nber.org/papers/w17989>

(Note: this is a longer version of Piketty and Saez (2013), “A Theory of Optimal Inheritance Taxation,” *Econometrica* 81(5), 2013: 1851-1886.)

Yagan, Danny (2013), “Capital Tax Reform and the Real Economy: The Effects of the 2003 Dividend Tax Cut,” University of California, Berkeley, unpublished manuscript. Available at <https://sites.google.com/site/dannyagan/research>

C. Economic Distress (Income Inequality, Long-term Unemployment, and Poverty)

Monday, February 8, and Wednesday, February 10

Alvaredo, Facundo, Anthony B. Atkinson, Thomas Piketty, and Emmanuel Saez. 2013. "The Top 1 Percent in International and Historical Perspective." *Journal of Economic Perspectives*, 27(3): 3-20. Available at <http://elsa.berkeley.edu/~saez/alvaredo-atkinson-piketty-saezJEP13top1percent.pdf>

Alvaredo, Facundo, Anthony B. Atkinson, Thomas Piketty and Emmanuel Saez, *The World Top Incomes Database*, <http://topincomes.gmond.parisschoolofeconomics.eu/>

Card, David, and Dinardo, John, "Skill-Biased Technological Change and Rising Wage Inequality: Some Problems and Puzzles, 2002, *Journal of Labor Economics*, 20, no. 4: 733-83. Available at <http://emlab.berkeley.edu/~card/papers/skill-tech-change.pdf>

Card, David, and Dinardo, John, "The Impact of Technological Change on Low Wage Workers: A Review," November 1, 2005. Available at (www-personal.umich.edu/~jdinardo/draft16.pdf) under "unpublished papers."

Congressional Budget Office (2014), "The Slow Recovery of the Labor Market." February 2014. Available at <http://www.cbo.gov/publication/45011>

Congressional Budget Office (2013), "The Distribution of household Income and Federal Taxes, 2010," December 2013. Available at <http://www.cbo.gov/sites/default/files/cbofiles/attachments/44604-AverageTaxRates.pdf>

Congressional Budget Office (2011), "Trends in the Distribution of Household Income between 1979 and 2007," October 2007. Available at <http://www.cbo.gov/ftpdocs/124xx/doc12485/10-25-HouseholdIncome.pdf>

Dube, Arindrajit, T. William Lester, and Michael Reich (2010), "Minimum Wage Effects Across State Borders: Estimates Using Continuous Counties," *Review of Economics and Statistics*, 92:4. Available at <http://www.irle.berkeley.edu/workingpapers/157-07.pdf>

Ghayad, Rand (2013), "No, Rand Paul, There's No Reason to Cut Unemployment Benefits," *The Atlantic*, December 30, 2013. Available at <http://www.theatlantic.com/business/archive/2013/12/no-rand-paul-theres-no-reason-to-cut-unemployment-benefits/282698/>

Ghayad, Rand (2013), "The Jobless Trap," Unpublished manuscript (job market

paper), Northeastern University. Available at http://www.securitiesmosaic.com/gateway/FEDRES/SPEECHES/ugd_576e9a_f6cf3b6661e44621ad26547112f66691.pdf

Ghayad, Rand (2013), "US labour market: Broken with and without unemployment benefits," VoxEU.org. Available at <http://www.voxeu.org/article/us-labour-market-broken-and-without-unemployment-benefits-0>

Gordon, Robert J., and Ian Dew-Becker, (20"Controversies About the Rise of American Inequality: A Survey, " 2008, N.B.E.R. Working Paper 13982. Available at (http://faculty-web.at.northwestern.edu/economics/gordon/NBER_Final_080421.pdf)

Krueger, Alan (2012), "The Rise and Consequence of Inequality in the United States," Speech to the Center for American Progress, January 12, 2012. Available at <http://www.americanprogress.org/events/2012/01/pdf/krueger.pdf> Powerpoint slides available at <http://www.americanprogress.org/events/2012/01/krueger.html>

Mishel, Lawrence, Elise Gould, and Josh Bivens (2015), "Wage Stagnation in Nine Charts," Economic Policy Institute. Available at <http://www.epi.org/publication/charting-wage-stagnation/>

Mishel, Lawrence, Josh Bivens, Elise Gould, and Heidi Shierholz (2012), *The State of Working America, 12th Ed.*, EPI Digital Edition., Economic Policy Institute. <http://stateofworkingamerica.org/subjects/overview/?reader> All of the book is valuable, but take a look at the "Overview," "Wages," and "Jobs" chapters.

Schmitt, John (2013), "Why Does the Minimum Wage Have No Discernable Effect on Employment?," Center for Economic and Policy Research. Available at <http://www.cepr.net/index.php/publications/reports/why-does-the-minimum-wage-have-no-discernible-effect-on-employment>

Solow, Robert M. (2014), "Thomas Piketty is Right: Everything you need to know about 'Capital in the Twenty-First Century,'" *New Republic*, April 22, 2014. Available at <http://www.newrepublic.com/article/117429/capital-twenty-first-century-thomas-piketty-reviewed>

The book reviewed is Piketty, Thomas (2014), *Capital in the 21st Century*, translated by Arthur Goldhammer, Harvard University Press. Well worth reading, but nearly 600 pages long.

Song, Jae, and Till von Wachter (2014), "Long-Term Nonemployment and Job Displacement," 2014 Jackson Hole Symposium, Federal Reserve Bank of Kansas City. Available at <http://www.kc.frb.org/publicat/sympos/2014/080014.pdf>

Summers, Lawrence H., and Ed Balls (eds.) (2015), "Report of the Commission on Inclusive Prosperity," Center for American Progress. Available at <https://www.americanprogress.org/issues/economy/report/2015/01/15/104266/report-of-the-commission-on-inclusive-prosperity/>

Yellen, Janet, "Economic Inequality in the United States," 2006-2007 Economics of Governance Lecture. University of California, Irvine. Available at (<http://www.frbsf.org/news/speeches/2006/1106.html>).

MONDAY, FEBRUARY 15: NO CLASS, PRESIDENT'S DAY

D. Financial Stability

Wednesday, February 17, and Monday, February 22 (first half)

Blanchard, Olivier, "The Crisis: Basic Mechanisms, and Appropriate Policies," MIT Working Paper 09-01, December 29, 2008. Available at econ-www.mit.edu/faculty/blanchar/papers

Brunnermeier, Markus K., 2009, "Deciphering the Liquidity and Credit Crunch 2007- 08," *Journal of Economic Perspectives*, 23:1, 77-100. Available at http://www.princeton.edu/~markus/research/papers/liquidity_credit_crunch.pdf

Brunnermeier, Markus K., Andrew Crocket, Charles Goodhart, Avinash D. Persaud, and Hyun Shin, 2009, "The Fundamental Principles of Financial Regulation," Geneva Reports on the World Economy 11. Available at <http://www.princeton.edu/~markus/research/papers/Geneva11.pdf>

The next two papers by Brunnermeier and coauthors are for fun and further reading (but are still relevant to the financial crisis).

Brunnermeier, Markus K, and Martin Oehmke (2013). "Bubbles, Financial Crises, And Systemic Risk". *Handbook of the Economics of Finance*, Elsevier, Print. Available at <http://scholar.princeton.edu/markus/publications/bubbles-Financial-Crises-And-Systemic-Risk>

Brunnermeier, Markus K, and Isabel Schnabel (2014). "Bubbles And Central Banks: Historical Perspectives". In Preparation. Available at <http://scholar.princeton.edu/markus/publications/bubbles-And-Central-Banks-Historical-Perspectives>

Caballero, Ricardo J., 2009, "The 'Other' Imbalance and the Financial Crisis, prepared for the Bank of Italy's Pablo Baffi Lecture. Available at <http://econ-www.mit.edu/files/4961>

Caballero, Ricardo, 2010, "Crisis and Reform: Managing Systemic Risk," paper prepared for the Angelo Costa Lecture in Rome. See especially pp. 37-44. Available at <http://econ-www.mit.edu/faculty/caball/papers>

Case, Karl E., Robert J. Shiller, and Anne K. Thompson (2012), “What Have They Been Thinking? Homebuyer Behavior in Hot and Cold Markets,” *Brookings Papers on Economic Activity*, Fall 2012. Update with additional data available at http://www.brookings.edu/~media/Projects/BPEA/Fall%202012/2012b_Case_Update.pdf

International Monetary Fund (2014), *Global Financial Stability Report—Moving from Liquidity- to Growth-Driven Markets*, April 2014. See especially Chapter 3. Available at <http://www.imf.org/external/pubs/FT/GFSR/2014/01/index.htm>

International Monetary Fund (2014), *Global Financial Stability Report—Risk Taking, Liquidity, and Shadow Banking: Curbing Excess while Promoting Growth*, October 2014. See especially Chapters 2 and 3. Available at <http://www.imf.org/external/pubs/ft/gfsr/2014/02/>

Philippon, Thomas (2015), “Finance vs. Wal-Mart: Why are Financial Services so Expensive?,” Russell Sage Foundation. Available at http://www.russellsage.org/sites/all/files/Rethinking-Finance/Philippon_v3.pdf

Turner, Adair, et. A. (2010), *The Future of Finance: The LSE Report*, London School of Economics. Available at <http://ineteconomics.org/books/future-of-finance>

TARP

Congressional Budget Office (2012), “Report on the Troubled Asset Relief Program—October 2012.” Available at http://www.cbo.gov/sites/default/files/cbofiles/attachments/TARP10-2012_0.pdf

DODD-FRANK

Acharya, Viral, Thomas F. Cooley, Mathew Richardson, Richard Sylla, and Ingo Walter (2010), “A critical assessment of the Dodd-Frank Wall Street Reform and Consumer Protection Act,” VoxEu.org, Centre for Economic Policy Research. Useful primarily for the brief summary, but you should also consider the authors’ criticisms of the act. Available at <http://www.voxeu.org/article/dodd-frank-critical-assessment>

American Bankers Association (2014), “Mortgage Reform into 2014,” ABA Backgrounder. Obviously this is written from the perspective of the interests of banks, but there is a useful summary of mortgage reform. Available at <http://www.aba.com/Press/Documents/MortgageReform2014.pdf>

DavisPolk (2010), “Summary of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Enacted into Law on July 21, 2010,” Davis Polk & Wardwell, LLP. Doesn’t discuss Title XIV about mortgage lending. Available at http://www.davispolk.com/files/Publication/7084f9fe-6580-413b-b870-b7c025ed2ecf/Presentation/PublicationAttachment/1d4495c7-0be0-4e9a-ba77-f786fb90464a/070910_Financial_Reform_Summary.pdf

Denning, Steve (2014), “With Dodd-Frank Rollback, the Big Bad Banks Are Back,” *Forbes* (online), December 12, 2014. Available at <http://www.forbes.com/sites/stevedenning/2014/12/12/with-dodd-frank-rollback-the-big-bad-banks-are-back/>

Konczal, Mike (2013), “2013 Was a Bad Year for Wall Street Lobbyists,” *New Republic*, December 29, 2013. Available at <http://www.newrepublic.com/article/116064/2013-financial-reform-went-way-better-anyone-expected>

Konczal, Mike (2014), Ignore the Naysayers: Dodd-Frank Reforms Are Finally Paying Off,” *New Republic*, July 22, 2014. Available at <http://www.newrepublic.com/article/118814/dodd-frank-reforms-are-finally-paying>

Another set of summaries of Dodd-Frank, title by title, is available at the Legal Information Institute, Cornell University Law School. For Title I (and likewise for other titles of the bill) see http://www.law.cornell.edu/wex/dodd-frank_title_I

MORTGAGE RELIEF

Zandi, Mark (2011), “Improved HARP Will Expand Refinancing, Boost Recovery,” Special Report, Moody’s Analytics. Available at <http://www.economy.com/mark-zandi/documents/2011-10-26-Zandi-Improved-HARP-Will-Expand-Refinancing-Boost-Recovery.pdf>

Also see the Obama administration page on the Making Home Affordable program. <http://www.makinghomeaffordable.gov/pages/default.aspx>

GOVERNMENT-SPONSORED ENTERPRISES

Konczal, Mike (2011), “Hey Mayor Bloomberg! No, the GSEs Did Not Cause the Financial Meltdown (but that’s just according to the data),” blog post at The Big Picture, November 5, 2011. Ordinarily, I would use blog posts sparingly, but the author is known here, and this post provides a concise description of the evidence, complete with other links. As Konczal mentions, there are other issues related to the GSEs, but we won’t be able to address those in this course. Available at <http://www.ritholtz.com/blog/2011/11/hey-bloomberg-the-data-shows-gses-did-not-cause-financial-meltdown/>

III. Group Project I

A. Group Work in Class to Prepare for Project I

Monday, February 22 (second half), and Wednesday, February 24

B. Group Project I

Monday, February 29, and Wednesday, March 2

IV. Microeconomic Topics (These readings and links will be updated.)

A. Immigration

Monday, March 7, and Wednesday, March 9

Borjas, George J. and Katz, Lawrence F., "The Evolution of the Mexican-Born Workforce in the United States," in G. Borjas, ed., *Mexican Immigration*, U. of Chicago and NBER, 2007, 13-55. Available at

http://www.economics.harvard.edu/faculty/katz/files/mex_immig_nber_wp.pdf.

Card, David (2009), "Immigration and Inequality," NBER Working Paper 14683. Paper available at <http://www.nber.org/papers/w14683>

Card, David, 2005 "Is the New Immigration Really So Bad?," *Economic Journal*, November 2005. Available at

<http://emlab.berkeley.edu/users/card/papers.html>

Card, David, and Lewis, Ethan G., "The Diffusion of Mexican Immigrants During the 1990s: Explanations and Impacts," in George Borjas, ed., *Mexican Immigration*, University of Chicago Press, 2007. Available at

<http://emlab.berkeley.edu/users/card/papers.html>

Congressional Budget Office, 2010, "The Role of Immigrants in the U.S. Labor Market: An Update," July 2010. Available at

http://www.cbo.gov/ftpdocs/116xx/doc11691/07-23-Immigrants_in_Labor_Force.pdf

Hanson, Gordon, 2009, "International Migration and Human Rights," paper prepared for the conference in honor of Margaret E. Crahan, Human Rights: Challenges of the Past/Challenges of the Future Conference, June 2, 2009, Woodrow Wilson International Center for Scholarship.

<http://irps.ucsd.edu/assets/037/11128.pdf>

Hanson, Gordon H., 2009, "The Economics and Policy of Illegal Immigration in the United States," Migration Policy Institute Report, December 2009. Available at <http://irps.ucsd.edu/assets/037/11124.pdf>

Hanson, Gordon H., 2005, "Challenges for Immigration Policy," in C. Fred Bersten, ed., *The United States and the World Economy: Foreign Economic Policy for the Next Decade*, Washington, DC: Institute for International Economics. Available at <http://irps.ucsd.edu/assets/022/8787.pdf>

Passel, Jeffrey S. and D'Vera Cohn. 2011, *Unauthorized Immigrant Population: National and State Trends, 2010*, Pew Hispanic Center. Available at

<http://pewhispanic.org/files/reports/133.pdf> There are many resources available at the Pew Center.

MONDAY, MARCH 14, AND WEDNESDAY, MARCH 16: NO CLASS,

SPRING BREAK

B. Climate Change

Monday, March 21, and Wednesday, March 23

Acemoglu, Daron; Ufuk Akcigit; Douglas Hanley; and William Kerry, 2014, "Transition to Clean Technology," *Journal of Political Economy* (forthcoming).

Available at <http://economics.mit.edu/files/10303>

Cai, Yongyang, Kenneth L. Judd, and Thomas S. Lontzek, 2013, "The Social Cost of Stochastic and Irreversible Climate Change," NBER Working Paper 18704. Available at <http://www.nber.org/papers/w18704>

Carbon Tax Center, 2015, "Where Carbon is Taxed," blog post. This post contains several case studies of carbon tax policies around the world, including Australia, which imposed and then revoked its carbon tax. The post also includes links to World Bank posts on carbon tax or emissions trading policies around the world. Available at <http://www.carbontax.org/services/where-carbon-is-taxed/>

Congressional Budget Office 2010, "Federal Climate Change Programs: Funding History and Policy Issues." March 2010. Available at <http://www.cbo.gov>

Congressional Budget Office, 2009, "Potential Impacts of Climate Change in the United States," May 2009. Available on www.cbo.gov.

Congressional Budget Office, 2009, "The Economic Effects of Legislation to Reduce Greenhouse-Gas Emissions," September 2009. Available at www.cbo.gov.

Congressional Budget Office, 2009, "The Costs of Reducing Greenhouse-Gas Emissions," November 23, 2009. Available at <http://www.cbo.gov>

Cramton, Peter, and Steven Stoft, 2010, "Price Is a Better Climate Commitment," *The Economists' Voice*: Vol.7: Iss. 1, Article 3. Available at <http://www.bepress.com/ev/vol7/iss1/art3>

Also see their web site, especially, www.global-energy.org/international/cheap

The Global Commission on the Economy and Climate, 2014, "Better Growth, Better Climate: The New Climate Economy Report," September 2014. For this section, focus on the Synthesis Report. The Executive Summary, the Synthesis Report, and the nine individual chapters are available at <http://newclimateeconomy.report/misc/downloads/>

Interagency Working Group on Social Cost of Carbon, United States Government, 2013, "Technical Support Document: Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order 12866," May 2013 (Revised November 2013). Available at

<https://www.whitehouse.gov/sites/default/files/omb/assets/inforeg/technical-update-social-cost-of-carbon-for-regulator-impact-analysis.pdf>

Intergovernmental Panel on Climate Change, 2014, *Climate Change 2014: Synthesis Report*. Available at <http://www.ipcc.ch>

MIT Joint Program on the Science and Policy of Global Change, 2014, “2014 Energy and Climate Outlook.” Available at <http://globalchange.mit.edu/research/publications/other/special/2014Outlook>

Nordhaus, William D., 2010, “Carbon Taxes to Move Toward Fiscal Sustainability,” *The Economists' Voice*: Vol. 7: Iss. 3, Article 3. Available at <http://www.bepress.com/ev/vol7/iss3/art3/>

Parry, Ian, Chandara Veung, and Dirk Heine, 2014, “How Much Carbon Pricing is in Countries’ Own Interests? The Critical Role of Co-Benefits,” IMF Working Paper WP/14/174, September 2014. Available at <http://www.imf.org/external/pubs/ft/wp/2014/wp14174.pdf>

Prinn, Ronald G.; John M. Reilly; Tony Smith-Greico; and Allison Crimmins, 2011, “Climate Change Today: A Look at New Lessons from Ongoing Climate Change Research,” MIT Joint Program on the Science and Policy of Global Change. (Also useful for alternative energy.) Available at http://globalchange.mit.edu/pubs/abstract.php?publication_id=2243

“Stern Review on the Economics of Climate Change,” 2006, HM Treasury. Read the Executive Summary. Available at http://www.hm-treasury.gov.uk/stern_review_report.htm

International Energy Agency, 2011, “World Energy Outlook 2011: Executive Summary.” Available at <http://www.iea.org/Textbase/npsum/weo2011sum.pdf>

OPTIONAL

Background

The Pew Center on Climate Change (www.pewclimate.org) has a great deal of material, including background material and updates on policy initiatives. They have a “Climate Change 101” series, which includes a detailed description of the operation of a cap and trade system.

Technical, but very good.

Heal, Geoffrey, 2008, “Climate Economics: A Meta-Review and Some Suggestions,” *Review of Environmental Economics and Policy*, pp. 1-19. Available at [http://www2.gsb.columbia.edu/faculty/gheal/REEP_Published CC.pdf](http://www2.gsb.columbia.edu/faculty/gheal/REEP_Published_CC.pdf)

Weitzman, Martin L., 2011, “Fat-Tailed Uncertainty in the Economics of Catastrophic Climate Change, Presented at REEP Symposium on Fat Tails. Available at <http://www.economics.harvard.edu/faculty/weitzman/files/REEP2011+fat-tail.pdf>

Weitzman, Martin L., “GHG Targets as Insurance Against Catastrophic Climate Damages,” Posted online at <http://www.economics.harvard.edu/faculty/weitzman/files/1A1A.InsuranceCatastrophicRisks.pdf>

Projections

Nordhaus, William D., 2010, “Economic Aspects of Global Warming in a Post Copenhagen Environment,” Proceedings of the National Academy of Sciences. Available at: <http://www.pnas.org/content/early/2010/06/10/1005985107>

C. Resource Policy: Renewable Energy and Water

Monday, March 28, and Wednesday, March 30

Overview

The Global Commission on the Economy and Climate, 2014,, “Better Growth, Better Climate: The New Climate Economy Report,” World Resources Institute, September 2014. All chapters have interesting material, but for this section, take special note of Chapter 4 (“Energy”) and Chapter 5 (“Economics of Change”). The Executive Summary, the Synthesis Report, and the nine individual chapters are available at <http://newclimateeconomy.report/misc/downloads/>

Bianco, Nicholas; Kristin Meek; Rebecca Gasper; Michael Obeiter; Sarah Forbes; and Nate Aden (2014), “Seeing is Believing: Creating a New Climate Economy in the United States,” Working Paper, The New Climate Economy Working Paper, The Global Commission on the Economy and Climate, October 2014. Available at <http://newclimateeconomy.report/misc/downloads/>

General Policy Issues

Acemoglu, Daron, Phillippe Aghion, Leonard Bursztyn, and David Hemous (2012), “The Environment and Directed Technical Change,” *American Economic Review*, 102(1): 131-166. Don’t worry about understanding the detailed model, but read the description of the argument. Available at <http://economics.mit.edu/files/8076>

Schmalensee, Richard (2012), “Evaluating Policies to Increase Electricity Generation from Renewable Energy,” *Review of Environmental Economics and Policy*, Volume 6, Issue 1, pp. 45-64. Available at http://rschmal.scripts.mit.edu/docs/2012_Renewables_REEP.pdf

Natural Gas (These papers are very supportive of natural gas.)

International Energy Agency (2012), “Golden Rules for a Golden Age of Gas,” *World Energy Outlook: Special Report on Unconventional Gas*. Available at <http://www.worldenergyoutlook.org/goldenrules/>

Paltsev, S., H.D. Jacoby, J.M. Reilly, Q.J. Ejaz, F. O’Sullivan, J. Morris, S. Rausch, N. Winchester and O. Kragha, 2010, “The Future of U.S. Natural Gas Production, Use, and Trade.” MIT JPSPGC Report 186, June, 38p. Available at http://globalchange.mit.edu/files/document/MITJPSPGC_Rpt186.pdf

Renewable Energy

Heal, Geoffrey, 2009, “The Economics of Renewable Energy,” NBER Working Paper 15081. Available at www.nber.org.

Metcalf, Gilbert E., 2009, “Tax Policies For Low-Carbon Technologies,” NBER Working Paper 15054. Available at www.nber.org.

Nuclear Power

Davis, Lucas W. (2012), “Prospects for Nuclear Power,” *Journal of Economic Perspectives*, 26(1): 49-66. Available at <http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.26.1.49>

Water Policy

Beckman, David S.; Noah Garrison, Robert C. Wilkinson, and Richard Horner, 2009, “A Clear Blue Future: How Greening California Cities Can Address Water Resources and Climate Challenges in the 21st Century,” NRDC Technical Report. Available at <http://www.nrdc.org/water/lid/default.asp>

Brewer, Jedidiah; Robert Glennon; Alan Ker; and Gary Libecap, 2008, “Water Markets in the West: Prices, Trading, and Contractual Forms,” *Economic Inquiry* 46(2).

Fisher-Vanden, Karen, and Sheila Olmstead, (2013), “Moving Pollution Trading from Air to Water: Potential, Problems, and Prognosis,” *Journal of Economic Perspectives*, 27(1), pp. 147-172. Available at <http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.27.1.147>

Olmstead, Sheila M., and Robert N. Stavins, 2009, “Comparing Price and Nonprice Approaches to Urban Water Conservation,” *Water Resources Research*, Vol. 45. Available at www.hks.harvard.edu/fs/rstavins/cvweb.html

MIT, *Mission 2012: The Future of Fresh Water*, an MIT freshman course, specializing in water policy in this term. A lot of interesting information at the website web.mit.edu/12.000/www/m2012/finalwebsite

Other Resources on Environmental and Climate Change Issues

MIT Center for Energy and Environmental Policy Research
The MIT Joint Program on the Science and Policy of Global Change

NBER, Working Papers in Environmental and Energy Economics
 UCSB, Bren School of Environmental Science & Management
 Geoffrey Heal's website, Columbia University
 Robert Stavins' website, JFK School, Harvard University

D. Health Care

Monday, April 4 and Wednesday, April 6

Effects of the Affordable Care Act

Chait, Jonathan (2015), "The Obamacare Doomsday Cult Struggles to Adapt to World That Did Not End," *New York Magazine*, April 2, 2015. Available at <http://nymag.com/daily/intelligencer/2015/04/obamacare-doomsday-cult-struggles-to-adapt.html>

Bauman, Noam; Erica Coe; Jessica Ogden; and Ashish Parikh (2014), "Hospital networks: Updated national view of configurations of exchanges," McKinsey Center for U.S. Health System Reform, McKinsey & Company, June 2014. Available at <http://healthcare.mckinsey.com/hospital-networks-updated-national-view-configurations-exchanges>

Bloch, Matthew; Margot Sanger-Katz; K.K. Rebecca Lai; and Alicia Parlapiano (2015), "The Health Care Supreme Court Case: Who Would Be Affected?" *New York Times*, March 3, 2015. Available at http://www.nytimes.com/interactive/2015/03/03/us/potential-impact-of-the-supreme-courts-decision-on-health-care-subsidies.html?_r=0

Clemans-Cope, Lisa, and Nathaniel Anderson (2015), "QuickTake: Health Insurance Policy Cancellations Were Uncommon in 2014," Health Reform Monitoring Survey, Urban Institute, March 12, 2015. Available at <http://hrms.urban.org/quicktakes/Health-Insurance-Policy-Cancellations-Were-Uncommon-in-2014.html>

Committee for a Responsible Federal Budget (2014), "The \$900 Billion Slowdown in Federal Health Care Spending," blog post, Mar 6, 2014. Available at <http://crfb.org/blogs/900-billion-slowdown-federal-health-care-spending>

Congressional Budget Office (2015), "Updated Budget Projections: 2015-2025," March 2015. Available at <http://www.cbo.gov/publication/49973>

Spiro, Tophier; Maura Calsyn; and Meghan O'Toole (2015), "The Great Cost Shift: Why Middle-Class Workers Do Not Feel the Health Care Spending Slowdown," Center for American Progress, March 2015. Available at <https://cdn.americanprogress.org/wp-content/uploads/2015/02/Affordability-report3.pdf>

Thompson, Derek (2014), "The Spectacular Myth of Obama's Part-Time America-in 5 Graphs," *The Atlantic*, February 7, 2014. Available at

<http://www.theatlantic.com/business/archive/2014/02/the-spectacular-myth-of-obamas-part-time-america-in-5-graphs/283674/>

Underlying Issues

Congressional Budget Office (2008), "Key Issues in Analyzing Major Health Insurance Proposals." Paper available at <http://www.cbo.gov>

Congressional Budget Office (2007), "The Long-Term Outlook for Health Care Spending." Paper available at www.cbo.gov

Engelhardt, Gary V., and Jonathan Gruber (2010), "Medicare Part D and the Financial Protection of the Elderly," NBER Working Paper 16155. Available at <http://economics.mit.edu/files/6747>

Gruber, Jonathan (2008), "Covering the Uninsured in the United States," *Journal of Economic Literature*, 46:3. 57-606. Paper available at <http://econ-www.mit.edu/faculty/gruberj/publication>

Gruber, Jonathan (2011), "The Impacts of the Affordable Care Act: How Reasonable Are the Projections?," NBER Working Paper 17168. Available at <http://economics.mit.edu/files/6829>

(optional, but some brief info on quality) Aaron, Henry, and Paul B. Ginsburg (2009), "Is Health Spending Excessive? If SO, What Can We Do About It?," *Health Affairs*, 28, no. 5:1260-1275. Paper available at <http://content.healthaffairs.org/content/28/5/1260.full.html>

(optional) Goldman, Dana P. and Lakdawalla, Darius N. (2010) "Can the ACA Improve Population Health?," *The Economists' Voice*: Vol. 7: Iss. 5, Article 4. Paper available at <http://www.bepress.com/ev/vol7/iss5>

Hall, Katy, and Jan Diehm (2013), "Why U.S. Health Care Is Obscenely Expensive, in 12 Charts," *Huffington Post*, 11/11/2013. Available at http://www.huffingtonpost.com/2013/10/03/health-care-costs- n_3998425.html

(optional) McCarthy, Douglas; Sabrina K.H. How; Cathy Schoen; Joel C. Cantor; and Dina Belloff (2009), "Aiming Higher: Results from a State Scorecard on Health System Performance, 2009," The Commonwealth Fund Commission on a Higher Performance Health System. Paper available at <http://www.commonwealthfund.org/Content/Publications/Fund-Reports/2009/Oct/2009-State-Scorecard.aspx>

The Affordable Care Act: Summaries

Kaiser Family Foundation (2013), "Summary of the Affordable Care Act."

Available at <https://kaiserfamilyfoundation.files.wordpress.com/2011/04/8061-021.pdf>

Klein, Ezra (2012), "11 Facts about the Affordable Care Act," The Washington Post, Wonkblog, updated June 24, 2012. Available at <http://www.washingtonpost.com/blogs/wonkblog/wp/2012/06/24/11-facts-about-the-affordable-care-act/>

U.S. Department of Health & Human Services (2014), "Key Features of the Affordable Care Act by Year," <http://www.hhs.gov/healthcare/facts/timeline/timeline-text.html>

The Affordable Care Act: Analyses

Congressional Budget Office (2013), "CBO's February 2013 Estimate of the Effects of the Affordable Care Act on Health Insurance Coverage." Available at http://www.cbo.gov/sites/default/files/cbofiles/attachments/43900_ACAInsuranceCoverageEffects.pdf

Congressional Budget Office (2011), "CBO's Analysis of the Major Health Care Legislation Enacted in March 2010," Statement of Douglas W. Elmendorf, Director, before the Subcommittee on Health, Committee on Energy and Commerce, U.S. House of Representatives, March 20, 2011. Paper available at <http://www.cbo.gov>

Aaron, Henry J. (2010) "Systemic Reform of Health Care Delivery and Payment," *The Economists' Voice*: Vol. 7: Iss. 5, Article 5. Paper available at <http://www.bepress.com/ev/vol7/iss5>

Cutler, David M. (2010) "The Simple Economics of Health Reform," *The Economists' Voice*: Vol. 7: Iss. 5, Article 2. Paper available at <http://www.bepress.com/ev/vol7/iss5>

Duggan, Mark G. and Kocher, Robert (2010) "The Economics, Opportunities, and Challenges of Health Insurance Exchanges," *The Economists' Voice*: Vol. 7: Iss. 5, Article 3. Paper available at <http://www.bepress.com/ev/vol7/iss5>

HealthCare.gov (2013), "Medicare Beneficiary Savings and the Affordable Care Act," U.S. Department of Health & Human Services. Available at <http://www.healthcare.gov/news/reports/affordablecareact.html>

White, Chapin (2010) "The Health Care Reform Legislation: An Overview," *The Economists' Voice*: Vol. 7: Iss. 5, Article 1. Paper available at <http://www.bepress.com/ev/vol7/iss5>

Massachusetts Reform

Gruber, Jonathan (2011), "Fundamental Health Care Reform in the United States," *Significance*, September 2010, pp. 130-132. This brief article includes a concise summary of the effects of the Massachusetts reform. Available at

<http://economics.mit.edu/files/6410>

If you read these two papers, read all of them (including responses) all the way through.

Gruber, Jonathan (2011), “Massachusetts Points the Way to Successful Health Reform,” and “The Facts from Massachusetts Speak Clearly: Response to Douglas Holtz-Eakin,” *Journal of Policy Analysis and Management*, 30(1), Winter 2011. Paper available at <http://econ-www.mit.edu/faculty/gruberj/publication>

Holtz-Eakin, Douglas (2011), “Does Massachusetts’s Health Care Reform Point to Success with National Reform?,” and “Right Analysis, Wrong Conclusions: Response to Jonathan Gruber,” *Journal of Policy Analysis and Management*, 30(1), Winter 2011. Paper available at <http://econ-www.mit.edu/faculty/gruberj/publication> at the same link as the above paper by Gruber (they’re a point/counterpoint pair).

Other papers:

Chandra, Amitabh; Jonathan Gruber, and Robin McKnight (2011). “The Importance of the Individual Mandate — Evidence from Massachusetts,” *New England Journal of Medicine*. Paper available at <http://econ-www.mit.edu/faculty/gruberj/publication>

Cross-Country Comparisons

The Commonwealth Fund (2010), “International Profiles of Health Care Systems,” Commonwealth Fund pub. no. 1417. Available at http://www.commonwealthfund.org/~media/Files/Publications/FundReport/2010/Jun/1417_Squires_Intl_Profiles_622.pdf

Cost-Containment

Stabile, Mark, Sarah Thomson, Sara Allin, Sean Boyle, Reinhard Busse, Karine Chevreur, Greg Marchildon, and Elias Mossialos (2013), “Health Care Cost Containment Strategies Used in Four Other High-Income Countries Hold Lessons for the United States,” *Health Affairs*, vol. 32, no. 4, pp. 643-652. Available at <http://content.healthaffairs.org/content/current>

Cutler, David M., and Kaushik Ghosh (2012), “The Potential for Cost Savings through Bundled Episode Payments,” *New England Journal of Medicine*, 366:12, pp. 1075—1077. Available at <http://www.nejm.org/doi/full/10.1056/NEJMp1113361>

Cutler, David, Elizabeth Wikler, and Peter Basch (2012), “Reducing Administrative Costs and Improving the Health Care System,” *New England Journal of Medicine*, 367:20, pp. 1875-1878. Available at http://scholar.harvard.edu/files/cutler/files/nejm_11.15.12.pdf

Tort Reform

Avraham, Ronen, Leemore Dafny, and Max Schanzenbach (2012), “The Impact of Tort Reform on Employer-Sponsored Health Insurance Premiums,” *Journal of Law, Economics, and Organizations*, October 2012, 28(4). Older version, as NBER Working Paper 15371, available at <http://www.kellogg.northwestern.edu/faculty/dafny/personal/index.htm>
Look for the article in the list of publications.

V. Group Project II

A. Group Work in Class to Prepare for Project II

Monday, April 11, and Wednesday, April 13

B. Group Project II

Monday, April 18, and Wednesday, April 20

VI. Wrap Up and Review

TBA

Monday, April 25, and Wednesday, April 27

FINAL EXAM: Monday, May 9, 2 to 4 p.m.