

## AMERICAN ECONOMIC POLICY

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Classes will be held in Emerson 210 from 10:07am to 11:00am every Monday, Wednesday, and Friday, except March 11.

Most likely sections will held on Wednesdays at 12 PM, Wednesdays at 1 PM, Wednesdays at 2 PM, Thursdays at 12 PM, Thursdays at 1 PM, and Fridays at 9 AM. Further details on section times will be made available at a later date.

Prerequisite: Economics 1010a or 1011a, API-101, or permission of one of the instructors. The course also assumes macroeconomics at the level of 1010b or 1011b.

Grades will be determined as follows:

- a midterm exam given in class on March 28 -- 25 percent
- two four-page memos due at the beginning of class on March 7 and April 27 -- 25 percent
- a final exam given in May -- 50 percent
- Paper Option: Students have the option of writing a 20-25 page research paper (due on May 1) in lieu of the two four-page memos. The paper will count for 25 percent of the grade. Students who choose this option can count Economics 1420 as one of the courses that fulfill the economics department writing requirement.

Discussion and the exchange of ideas are essential to academic work. For assignments in this course, you are encouraged to consult with your classmates on the choice of paper topics and to share sources. You may find it useful to discuss your chosen topic with your peers, particularly if you are working on the same topic as a classmate. However, you should ensure that any written work you submit for evaluation is the result of your own research and writing and that it reflects your own approach to the topic. You must also adhere to standard citation practices in this discipline and properly cite any books, articles, websites, lectures, etc. that have helped you with your work. If you received any help with your writing (feedback on drafts, etc), you must also acknowledge this assistance.

The course website can be accessed at <https://canvas.harvard.edu/courses/9571>

**Draft Schedule  
American Economic Policy  
Spring 2016**

M	Jan. 25	Introduction (Feldstein)
W	Jan. 27	Where are we? How did we get here? What next? (Feldstein)
F	Jan. 29	Keynesian Economics: Retreat and Return (Feldstein)
M	Feb. 1	Growth, Productivity, and Distribution (Feldstein)
W	Feb. 3	Monetary Policy: Business Cycles and Inflation (Feldstein)
F	Feb. 5	National Savings and U.S. Fiscal Policy (Liebman)
M	Feb. 8	Monetary Policy: Business Cycles and Inflation (Feldstein)
W	Feb. 10	Monetary Policy: Business Cycles and Inflation (Feldstein)
F	Feb. 12	Budget Deficits and Surpluses (Liebman)
M	Feb. 15	President's Day, University Holiday (No Class)
W	Feb. 17	Preventing and Responding to Financial Crises (Summers)
F	Feb. 19	Fixing the Budget Deficit (Feldstein)
M	Feb. 22	Tax Policy (Feldstein)
W	Feb. 24	Tax Policy (Feldstein)
F	Feb. 26	Fundamental Tax Reform (Liebman)
M	Feb. 29	Trade Policy (Summers)
W	Mar. 2	Budget and Tax Discussion (Feldstein and Liebman)
F	Mar. 4	Disability Insurance and Unemploy. Insurance (Liebman)
M	Mar. 7	Trade Imbalances and the Dollar (Feldstein)
W	Mar. 9	Trade Imbalances and the Dollar (Feldstein)
F	Mar. 11	No class
M	Mar. 14	Spring Break
W	Mar. 16	Spring Break
F	Mar. 18	Spring Break
M	Mar. 21	Health Care Policy (Baicker)
W	Mar. 23	Health Care Policy (Baicker)
F	Mar. 25	Health Care Policy (Liebman)
M	Mar. 28	Midterm
W	Mar. 30	National Security (Feldstein)
F	Apr. 1	Social Security Reform (Feldstein)
M	Apr. 4	Social Security Reform (Feldstein)
W	Apr. 6	Social Insurance Reform (Feldstein and Liebman)
F	Apr. 8	Immigration (Liebman)
M	Apr. 11	Transfer Programs and Welfare Policy (Liebman)

W	Apr. 13	Inequality and Equitable Growth (Liebman)
F	Apr. 15	Economic Policy Discussion (Liebman and Summers)
M	Apr. 18	Energy and Climate Change (Liebman)
W	Apr. 20	Globalization and Economic Policy (Summers)
F	Apr. 22	Technological Change and Job Creation (Summers)
M	April 25	Economic Policy in 2016 (Feldstein and Summers)
W	April 27	Where We Go from Here (Feldstein)

Reading Period: April 28 - May 4

Final Exam: The final exam is tentatively scheduled for Wednesday, May 11 at 2:00 PM

## READING LIST

### **Introduction: Where are we? How did we get here? What next? (January 25, 27)**

Martin Feldstein, "Housing, Credit Markets and the Business Cycle," in the 2007 Kansas City Federal Reserve Annual Conference Volume, *Housing Finance and Monetary Policy*, 2008.

Congressional Budget Office, "The Economic Outlook," in *The Budget and Economic Outlook: 2016-2026*, chapter 2, January 2016.

Economic Report of the President, 2015. Chapter 3. The US Labor Market.

Martin Feldstein. "What is Full Employment?" *Project-Syndicate*, June 2015.

Fernando Ferreira and Joseph Gyourko. "A New Look at the Foreclosure Crisis," *NBER Digest*, August 2015 (NBER Working Paper 21261).

Henry Farber, "Job Loss in the Great Recession and its Aftermath," *NBER Digest*, August 2015. (NBER Working Paper 21216).

Stephanie Aaronson, et al. "Labor Force Participation: Recent Developments and Future Prospects," *Brookings Papers on Economic Activity*, Fall 2014.

National Bureau of Economic Research, "Business Cycle Expansions and Contractions." [www.nber.org/cycles/html](http://www.nber.org/cycles/html).

Sumit Agarwal et al, "Did the Community Reinvestment Act Lead to Risky Lending?" NBER Working Paper 18609, December 2012.

Martin Feldstein, "The Geopolitical Impact of Cheap Oil," *Project Syndicate*, November 26, 2014.

Robert E. Hall, "Quantifying the Lasting Harm to the U.S. Economy from the Financial Crisis," NBER Working Paper 20183, May 2014.

Jonathan Parker, Nicholas Souleles, David Johnson, and Robert McClelland, Consumer Spending and the Economic Stimulus Payments of 2008, NBER Working Paper No. 16684, January 2011.

Daniel Wilson, Fiscal Spending Jobs Multipliers: Evidence from the 2009 American Recovery and Reinvestment Act, Federal Reserve Bank of San Francisco Working Paper 2010-17, October 2011.

### **Keynesian Economics: Retreat and Return (Jan 29)**

Martin Feldstein, "The Retreat from Keynesian Economics," *The Public Interest*, 1981.

Christina Romer and David Romer, "The Evolution of Economic Understanding and Postwar Stabilization Policy," in *Rethinking Stabilization Policy* (Kansas City, Federal Reserve Bank of Kansas City), 2002.

Martin Feldstein, "Rethinking the Role of Fiscal Policy," *American Economic Review*, May 2009, pp. 556-559.

John Taylor, "The Lack of an Empirical Rationale for a Revival of Discretionary Fiscal Policy," *American Economic Review*, May 2009, pp. 550-555.

Lawrence Summers, "Why America Must Have a Fiscal Stimulus," *Financial Times*, January 6, 2008.

Martin Feldstein, "The Stimulus Plan We Need Now," *The Washington Post*, October 30, 2008.

Martin Feldstein, "An \$800 Billion Mistake," *The Washington Post*, January 29, 2009.

Matthew Shapiro and Joel Slemrod, "Did the 2008 Tax Rebates Stimulate Spending?" NBER Working Paper 14753, February 2009.

NBER reporter, "Household Spending Response to the 2008 Tax Rebate," March 2010,

Martin Feldstein, "The Tax Rebate Was a Flop. Obama's Stimulus Plan Won't Work Either," *Wall Street Journal*, August 6, 2008.

Robert Hall, “By How Much Does GDP Rise if the Government Buys More Output?” NBER Working Paper 15496, November 2009.

Robert Barro and Charles Redlick, “Macroeconomic Effects from Government Purchases and Taxes,” NBER Working Paper 15369, September 2009.

Martin Feldstein, “Defense Spending Would Be Great Stimulus,” *Wall Street Journal*, December 24, 2008.

### **Growth, Productivity, and Distribution (Feb 1)**

Congressional Budget Office. *Productivity and Growth in CBO’s Forecast*, July 2015.

Bureau of Labor Statistics. *Productivity and Cost*, Third Quarter 2015, Revised.

Lawrence Summers, “Why Stagnation Might Prove to Be the New Normal,” *Financial Times*, December 15, 2013.

Martin Feldstein, “How to Achieve Stronger U.S. Growth,” *Journal of Policy Modeling*, July/August 2014.

Martin Feldstein, “The U.S Underestimates Growth,” *Wall Street Journal*, May 15, 2015.

Martin Feldstein, “Will Americans Become Poorer?” *Project-Syndicate*, Aug 31, 2015

Martin Feldstein, “Are US Middle Class Incomes Really Stagnating?” *Project-Syndicate*, June 30, 2015

Martin Feldstein, “Picketty’s Numbers Don’t Add Up,” *Wall Street Journal*, May 15, 2014.

Martin Feldstein, “The Uncounted Trillions in the Inequality Debate,” *Wall Street Journal*, Dec 5, 2015.

Mathew Rognlie “Deciphering the Rise and Fall in the Net Capital Share,” *Brookings Papers on Economic Activity*, Spring 2015

### **Monetary Policy: Business Cycles and Inflation and Financial Stability (Feb. 3, 8)**

John Taylor, “An Historical Analysis of Monetary Policy Rules,” in John B. Taylor (ed.) *Monetary Policy Rules*, University of Chicago Press, 1999.

Martin Feldstein, “An Interview with Paul Volcker,” July 10, 2013.

Martin Feldstein, "The Welfare Cost of Permanent Inflation and Optimal Short-Run Economic Policy," *Journal of Political Economy*, Vol. 87, No. 4, 1979, pp 749-768.

Frederic Mishkin and Adam Posen, "The Rationale for Inflation Targeting," *Economic Policy Review*, Federal Reserve Bank of New York, August 1997, pp. 11-15.

Martin Feldstein, "Why Is US Inflation So Low?" *Project Syndicate*, June 2013.

Martin Feldstein, "Resolving the Inflation Puzzle," *Project-Syndicate*, May 29, 2015.

Ben Bernanke, "Monetary Policy since the Onset of the Crisis," speech at the Federal Reserve Bank of Kansas City Economic Symposium, Jackson Hole Wyoming, August 31, 2012.

Ben Bernanke, "Monetary Policy and the Housing Bubble," Speech given at the annual meetings of the American Economic Association on January 3, 2010.

John Taylor, "The Fed and the Crisis: A Reply to Ben Bernanke," *Wall Street Journal*, January 10, 2010.

John Williams, "Monetary Policy at Zero Lower Bound: Putting Theory into Practice," Brookings Institution, January 16, 2014.

Martin Feldstein, "Unconventional Monetary Policy: Comment on John C. Williams."

Charles Evans et al "Risk Management for Monetary Policy Near the Zero Lower Bound," Brookings Papers on Economic Activity," Spring 2015.

### **Monetary Policy and Financial Stability (Feb. 10)**

Martin Feldstein. "Monetary Policy and Financial Stability," January 2016.

Martin Feldstein and Robert Rubin. "The Fed's Systemic-Risk Balancing Act," *Wall Street Journal*, August 11, 2014.

Martin Feldstein. "The Fed Should Start to Taper Now," *Wall Street Journal*, July 2, 2013.

Martin Feldstein, "The Fed is Wrong to Put Off Returning to Normalcy," *Financial Times*, September 22, 2013.

Martin Feldstein, "The Fed's Needless Flirtation with Danger," *Wall Street Journal*, December 25, 2014.

Martin Feldstein. "The Deflation Bogeyman," *Project Syndicate*, February 2015

Martin Feldstein. "The Fed's Stock Price Correction," *Project-Syndicate*, August 2015

Martin Feldstein. "A Federal Reserve Oblivious to its Effects on Financial Markets," *Wall Street Journal*, January 13, 2016.

Martin Feldstein. "When Interest Rates Rise," *Project Syndicate*, March 2013.

### **National Savings and U.S. Fiscal Policy (Feb. 5)**

Annamaria Lusardi, Jonathan Skinner, and Steven Venti. "Savings puzzles and savings policies in the US," *Oxford Review of Economic Policy*, Spring 2001, pp. 95-115.

Edward Gramlich, "The Importance of Raising National Saving," Benjamin Rush Lecture, Dickinson College, March 2, 2005.

Martin Feldstein and Charles Horioka, "Domestic Saving and International Capital Flows," *Economic Journal*, June 1980, pp. 314-329.

Alan Greenspan, "Remarks at the European Banking Congress," November 19, 2004

### **Budget Deficits and Surpluses (Feb. 12, 19)**

Laurence Ball and N. Gregory Mankiw, "What Do Budget Deficits Do?" *Budget Deficits and Debt: Issues and Options*, Federal Reserve Bank of Kansas City, 1995, pp. 95-119.

Congressional Budget Office, *The Budget and Economic Outlook: 2016-2026*, January 2016, "Summary" and "Chapter 1: The Budget Outlook."

Martin Feldstein. "Dealing with Long Term Deficits," *American Economic Review Papers and Proceedings*. Forthcoming May 2016.

Martin Feldstein, "The Tax Expenditure Solution to our National Debt," *Wall Street Journal*, July 20, 2010.

Martin Feldstein, "Raising Revenue by Limiting Tax Expenditures," Tax Policy and the Economy, vol 30 (2016).

Martin Feldstein, Dan Feenberg and Maya MacGuineas, "Capping Individual Tax Expenditure Benefits," in Tax Notes, May 2, 2011, p 505-509.

Martin Feldstein, "Preventing a National Debt Explosion," *Tax Policy and the Economy*, 25, 2011.

Martin Feldstein, "The 'Tax Expenditure' Solution to Our National Deficit," *Wall Street Journal*, July 20, 2010.

*Additional optional resources:*

Congressional Budget Office, *Long-Term Budget Outlook*, June 2015.

Congressional Budget Office. Options for Reducing the Deficit, 2015-2024. November 2014.

The National Commission on Fiscal Responsibility and Reform, *The Moment of Truth*, December 2010.

Bipartisan Policy Center Debt Reduction Task Force, *Restoring America's Future*, November 2010.

**Preventing and Responding to Financial Crises (Feb 17)**

Laura Alfaro and Renee Kim, "U.S. Subprime Mortgage Crisis: Policy Reactions (B)," Harvard Business School, 9-709-045, June 3, 2010.

Charles Kindleberger, *Manias, Panics and Crashes: A History of the Financial Crisis*, Wiley, 4th ed., 2000, Chapter 2, pp. 21-32.

Paul Krugman, "Crisis Endgame," *New York Times*, September 19, 2008.

David Leonhardt, "More Than One Way to Take Over a Bank," *New York Times*, March 1, 2009: MM11.

Andrew Ross Sorkin, "Imagine the Bailouts are Working," *New York Times*, April 12, 2010: B1.

Lawrence H. Summers, "Responding to an Historic Economic Crisis: The Obama Program," Remarks at The Brookings Institution, March 13, 2009.

"Volcker and Derivatives," *Wall Street Journal*, June 24, 2010.

Paul Krugman, "Makin Financial Reform Fool-Resistant," *New York Times*, April 5, 2010: A19.

Paul Krugman, "Financial Reform 101," *New York Times*, April 2, 2010: A23.

Jeremy Stein, "Should Megabanks be Broken Apart?" *New York Times*, December 7, 2010.

Lawrence H. Summers, "The Future of Finance," Financial Times View from the Top Conference, October 7, 2010, transcript reprinted at



<http://www.whitehouse.gov/administration/eop/nec/speeches/future-finance>.

John B. Taylor, "The Dodd-Frank Financial Fiasco," *Wall Street Journal*, July 1, 2010.

Elizabeth Warren, "It's Time to Simplify Financial Regulation," *Wall Street Journal*, October 1, 2010.

Congressional Oversight Report, *January Oversight Report: An Update on TARP Support for the Domestic Automotive Industry*, January 13, 2011.

Malcolm Gladwell, "Overdrive," *The New Yorker*, November 1, 2010.

Paul Ingrassia, "Two Cheers for the Detroit Bailout," *Wall Street Journal*, August 2, 2010.

Steven Rattner, *Overhaul: An Insider's Account of the Obama Administration's Emergency Rescue of the Auto Industry*, Houghton Mifflin Harcourt, 2010, Chapter 2, pp. 20-42.

Matthew J. Slaughter, "An Auto Bailout Would Be Terrible for Free Trade," *Wall Street Journal*, November 20, 2008: A21.

Lawrence Summers, "Remarks at the Council on Foreign Relations," transcript reprinted in *Wall Street Journal*, June 12, 2009.

Jack and Suzy Welch, "GM: The Case Against a Bailout," *Bloomberg Businessweek*, November 18, 2008, 12:01 AM.

Todd J. Zywicki, "Chrysler and the Rule of Law," *Wall Street Journal*, May 13, 2009: A19.

### **Tax Policy (Feb 22, 24, 26, Mar 2)**

Martin Feldstein, "The Effect of Taxes on Efficiency and Growth," *Tax Notes*, May 8, 2006.

Council of Economic Advisors, "Tax Incidence," *2004 Economic Report of the President*, Chapter 4, pp. 103-116.

Martin Feldstein, "The Effect of Marginal Tax Rates on Taxable Income: A Panel Study of the 1986 Tax Reform Act," *Journal of Political Economy*, 1995, pp. 551-572.

Joel Slemrod, "Methodological Issues in Measuring and Interpreting Taxable Income Elasticities," *National Tax Journal*, 51: 773-788, 1998.

U. Akcigit et al, "Taxation and the Mobility of Inventors and Scientists," NBER Digest June

2015.

Kleven et al “Taxation and the International Migration of Superstars,” NBER Digest, April 2011. (NBER Working Paper 16545).

G. Bulman and C Hoxby, “The Return to Federal Tax Credits for Higher Education,” NBER Digest, April 2015. (NBER Working Paper 20833).

Martin Feldstein, “Capital Taxation Policy,” Presented to the National Tax Association.

Robert E. Hall, “Guidelines for Tax Reform: The Simple, Progressive Value-Added Consumption Tax, in Alan Auerbach and Kevin Hassett, eds, *Toward Fundamental Tax Reform*, (Washington, DC, AEI Press), 2005, pp. 70-80.

Larry Lindsey, "Tax Reform and the Tax Treatment of Capital Gains," Testimony to the House Committee on Ways and Means and the Senate Committee on Finance. September 20, 2012.

Martin Feldstein, “Bringing it Back Home,” *Project Syndicate*, August 27, 2014.

*Additional optional resource:*

President’s Economic Recovery Advisory Board, *The Report on Tax Reform Options: Simplification, Compliance, and Corporate Taxation*, August 2010.

Congressional Budget Office. *Effective Tax Rates on Low and Moderate Income Workers*. November 15, 2012.

Congressional Budget Office. *The Distribution of Household Income and Federal Taxes, 2011*. November 2014.

### **Trade Policy (February 29)**

Douglas Irwin, *Free Trade Under Fire* (Princeton University Press, 3rd edition, 2009), chapter 2.

Robert C. Feenstra, "How Costly is Protectionism?" *Journal of Economic Perspectives*, Summer 1992.

Stanley Fischer, “Globalization and Its Challenges,” Richard T. Ely Lecture, *AEA Papers and Proceedings*, May 2003, pp. 1-30.

Paul Krugman, “What Do Undergrads Need to Know About Trade?,” *American Economic Review*, May 1993, pp. 23-26.

David Autor et al. Trade Adjustment: Worker Level Evidence. NBER Working Paper 19226.

July 2013.

**Disability and Unemployment Insurance (March 4)**

Congressional Budget Office . *Unemployment Insurance in the Wake of the Recent Recession*.  
November 28, 2012.

Michael Elsby, Bart Hobijn, and Aysegul Sahin, “The Labor Market in the Great Recession,”  
*Brookings Papers on Economic Activity*, 2010:1.  
[http://www.brookings.edu/~media/Files/Programs/ES/BPEA/2010\\_spring\\_bpea\\_papers/spring2010\\_elsby.pdf](http://www.brookings.edu/~media/Files/Programs/ES/BPEA/2010_spring_bpea_papers/spring2010_elsby.pdf).

Henry Farber and Robert Valletta, Do Extended Unemployment Benefits Lengthen  
Unemployment Spells? Evidence from Recent Cycles in the U.S. Labor Market. NBER  
Working Paper 19048, May 2013.

Martin Feldstein , “Rethinking Social Insurance,” *American Economic Review*, March 2005, pp  
13-15.

Martin Feldstein and Daniel Altman, "Unemployment Insurance Savings Accounts," *Tax Policy  
and the Economy*, Vol. 21, 2006.

Stephen Nickell, “Unemployment and Labor Market Rigidities: Europe versus North America,”  
*Journal of Economic Perspectives*, Summer 1997, pp. 55-74.

Jeffrey Liebman, “Understanding the Increase in Disability Insurance Benefit Receipt in the  
United States,” *Journal of Economic Perspectives*, Spring 2015, pp. 123-150.

Claire Brunel, “What Determines the "Reservation Wage" of Unemployed Workers?” Summary  
of NBER Working Paper 19870.

**Trade Imbalances and the Dollar (Mar 7, 9).**

Richard E. Caves, Jeffrey A. Frankel, and Ronald W. Jones, “Expectations, Money, and the  
Determination of the Exchange Rate,” *World Trade and Payments*, pp. 581-589.

Martin Feldstein, “Why Is the Dollar so High?” *Journal of Policy Modeling*, 2007, pp. 661-667.

Martin Feldstein, “Resolving the Global Imbalance: The Dollar and the US Saving Rate,”  
*Journal of Economic Perspectives*, Summer 2008.

Martin Feldstein, “Dollar Weakness Reflects a New Role for Reserves,” *The Financial Times*,  
December 10, 2009.

Richard Clarida, "Hot Tip: Nominal Exchange Rates and Inflation Indexed Bond Yields." NBER Working Paper 18726. January, 2013.

Martin Feldstein, "A Weaker Euro for a Stronger Europe," *Project Syndicate*, April 30 2014.

Martin Feldstein, "Ending the Currency Manipulation Debate," *Financial Times*, May 15, 2014.

### **Health Care Policy (March 21, 23, 25)**

David Cutler and Richard Zeckhauser. "Adverse Selection In Health Insurance," *Forum for Health Economics and Policy*, 1998, v1, Article 2

Lawrence Summers, "Some Simple Economics of Mandated Benefits," *American Economic Review*, Vol. 79, No. 2, May 1989.

Joseph Newhouse, "Consumer-Directed Health Plans and the RAND Health Insurance Experiment," *Health Affairs*, 2004, Vol. 23, no. 6

Katherine Baicker, Amitabh Chandra, and Jonathan Skinner, "Saving Money or Just Saving Lives? Improving the Productivity of U.S. Health Care Spending," *Annual Review of Economics*, Vol 4, pp 33-56, July 2012.

Katherine Baicker and Amitabh Chandra, "Myths and Misconceptions About Health Insurance," *Health Affairs*, Vol. 27, no. 6, w533-w543, October 21, 2008.

Martin Feldstein, "Balancing the Goals of Health Care Provision and Financing," *Health Affairs*, 2006, pp. 1603-1611.

Martin Feldstein and Jonathan Gruber, "A Major Risk Approach to Health Insurance Reform," *Tax Policy and the Economy*, No. 9, 1995, pp.103-130.

David Cutler, "Are the Benefits of Medicine Worth What We Pay for It?" Fifteenth Annual Herbert Lourie Memorial Lecture on Health Policy, September 2004, pp. 1- 25.

Kaiser Family Foundation, "Summary of New Health Reform Law,"

Ezekiel J. Emanuel and Jeffrey B. Liebman, "Cut Medicare, "Help Patients," *New York Times*, August 23, 2011.

Ezekiel J. Emanuel and Jeffrey B. Liebman, "The End of Health Insurance Companies," *New York Times Opinionator*, January 30, 2012.

Jeffrey Liebman and Richard Zeckhauser, "Simple Humans, Complex Insurance, Subtle Subsidies," in Henry Aaron and Leonard Burman, eds., *Using Taxes to Reform Health Insurance: Pitfalls and Promises* (Washington, Brookings Institution), 2008.

Jonathan Gruber, "Covering the Uninsured in the United States," *Journal of Economic Literature*, September 2008.

"What Can Massachusetts Teach Us About Health Care Reform," *Journal of Policy Analysis and Management* Point/Counterpoint between Jonathan Gruber and Douglas Holtz-Eakin, 2011, pp 177-195.

Martin Feldstein, "A Better Way to Health Reform," *Washington Post*, October 8, 2009.

Martin Feldstein, "Obamacare's Fatal Flaw," Project Syndicate, November 2013.

David Cutler. "If Slow Rate of Health Care Spending Growth Persists, Projections May be Off by \$770 billion." *Health Affairs*, 32:5 May 2013.

Congressional Budget Office. *Health Care Spending: Why Is It Growing? What Can Be Done About It*. September 2013.

Craig Garthwaite, Tal Gross, and Matthew Notowidigdo. Public Health Insurance, Labor Supply, and Employment Lock. NBER Working Paper 19220. July 2013.

Katherine Baicker, Amy Finkelstein, Jae Song, and Sarah Taubman, The Impact of Medicaid on Labor Force Activity and Program Participation: Evidence from the Oregon Health Insurance Experiment. NBER Working Paper No. 19547. October 2013.

Lisa Dubay, Sharon Long, and Emily Lawton. Will Health Insurance Lead to Job Loss? Evidence from Massachusetts Says No. Urban Institute. June 2012.

*Additional optional resources:*

Kaiser Family Foundation, "Primer on Medicare."

Kaiser Family Foundation, "Primer on Medicaid."

***The Economics of National Security (March 30)***

Martin Feldstein. "The Global Economy Confronts Four Geopolitical Risks," *Project Syndicate* December 2015.

Martin Feldstein, "The Underfunded Pentagon," *Foreign Affairs*, March/April 2007.

Martin Feldstein, "Defense Spending Would Be Great Stimulus," *Wall Street Journal*, December 24, 2008

John Deutch, "The Good News About Gas. The Natural Gas Revolution and Its Consequences." *Foreign Affairs*, January/February 2011.

Martin Feldstein "Tradable Gasoline Rights," *Wall Street Journal*, June 5, 2006

US National Center for Counterintelligence, *Foreign Spies Stealing US Economic Secrets in Cyberspace*, 2011.

Martin Feldstein. "Everyone Should Pay for Cyber Defense," *Wall Street Journal*, April 22, 2012.

Martin Feldstein, "America Can Only Beat ISIS by Spending More on Defense," *The Financial Times*, September 30, 2014.

*Additional optional resource:*

Congressional Budget Office, *Long Term Implications of the 2016 Future Years Defense Program*, January 15, 2016.

### **Social Security Reform (Apr 1, 4, 6)**

Martin Feldstein, "Rethinking Social Insurance," 2005 Presidential Address to the American Economic Association, *American Economic Review*, March 2005.

Martin Feldstein and Andrew Samwick, "Potential Paths of Social Security Reform," *Tax Policy and the Economy*, 2002, Vol. 16, Issue 1, pp. 181-224.

Martin Feldstein, "Structural Reform of Social Security," *Journal of Economic Perspectives*, 2005.

Peter A. Diamond and Peter R. Orszag, "A Brief Overview of Social Security," in *Saving Social Security* (Washington, DC: Brookings Institution Press), 2004, pp. 14-26.

Alicia Munnell, "Social Security: It Ain't Broken," *Social Security Reform*, Federal Reserve Bank of Boston, June 1997, pp. 297-303.

Jeffrey Liebman, "Redistribution in the Current U.S. Social Security System," in *Distributional Aspects of Social Security and Social Security Reform*, Editors Martin Feldstein and Jeffrey Liebman, 2002, pp. 11-41. (A pdf will be provided for those who do not have access to the NBER's working paper series.)

Jeffrey Liebman, "Reforming Social Security: Not All Privatization Schemes are Created Equal," *Harvard Magazine*, March/April 2005.

Peter Diamond and Peter Orszag, *Reforming Social Security: A Balanced Plan*. Brookings Institution Policy Brief. December 2003.

Rahm Emanuel, "Supplementing Social Security," *Wall Street Journal*, September 13, 2007.

Martin Feldstein, "Saving Retirement," *Project Syndicate*, February 28, 2014.

Congressional Budget Office, *CBO's 2015 Long-term Projections for Social Security: Additional Information*, December 2015.

Congressional Budget Office, *Social Security Policy Options, 2015*, December 2015.

### **Immigration (April 8)**

George Borjas, "Reframing the Immigration Debate," chapter 1 in *Heaven's Door* (Princeton, Princeton University Press), 1999, 3-18.

George Borjas, "The Economic Benefits from Immigration," chapter 5 in *Heaven's Door* (Princeton, Princeton University Press), 1999, 87-104.

David Card, "Is the New Immigration Really So Bad?," *Economic Journal*, November 2005, F300-F323.

Congressional Budget Office, A Description of the Immigrant Population – 2013 Update, May 8, 2013.

### **Transfer Programs and Welfare Policy (Apr 11)**

Rebecca M. Blank, "Was Welfare Reform Successful," *Economist's Voice*, March 2006.

Hilary Hoynes, Marianne Page, and Ann Huff Stevens, "Poverty in America: Trends and Explanations," *Journal of Economic Perspectives*, 20(1): 47-68.

Jeffrey B. Liebman, "The Impact of the Earned Income Tax Credit on Incentives and the Income Distribution," *Tax Policy and the Economy*, 12, 1998.

Peter Ganong and Jeffrey Liebman. The Decline, Rebound, and Further Rise in SNAP Enrollment: Disentangling Business Cycle Fluctuations and Policy Changes. NBER Working Paper 19363. August 2013.

Martin Feldstein, "A Hype-Free Way to Help Low Wage Workers," *Wall Street Journal*, December 12, 2013.

### **Inequality and Equitable Growth (Apr 13)**

Richard B. Freeman and Lawrence F. Katz, "Rising Wage Inequality: The United States Vs. Other Advanced Countries," in *Working Under Different Rules*, edited by Richard B. Freeman, pp. 29-62.

Thomas Piketty and Emmanuel Saez, "The Evolution of Top Incomes: A Historical and International Perspective," NBER Working Paper 11955, January 2006.

Martin Feldstein, "Reducing Poverty, Not Inequality," *The Public Interest*, Fall 1999, pp 33-41.

Gary Burtless and Christopher Jencks, "American Inequality and Its Consequences," in Henry Aaron, James Lindsay, and Pietro Nivola (eds.), *Agenda for the Nation*, Brookings, 2003, pp 61-108.

Bruce Meyer and James Sullivan. *Winning the War: Poverty from the Great Society to the Great Recession*. NBER Working Paper 18718. January 2013.

Raj Chetty, Nathaniel Hendren, Patrick Kline, Emmanuel Saez, and Nicholas Turner, "Is the United States Still a Land of Opportunity? Recent Trends in Intergenerational Mobility," NBER Working Paper 19844, January 2014.

Robert M. Solow, "Thomas Piketty is Right: Everything You Need to Know About 'Capital in the Twenty-First Century,'" *New Republic*, April 22, 2014.

### **Energy and Climate Change (April 18)**

William D. Nordhaus, "Reflections on the Economics of Climate Change," *Journal of Economic Perspectives*, Vol. 7 (4), Fall 1993, pp. 11-25.

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