
Economics 85600

Spring 2026

INEQUALITY, ECONOMIC OPPORTUNITY, AND PUBLIC POLICY

Tuesdays from 4:15 to 6:15 pm
In person meetings in GC 5212

The class will be in person on Tuesday afternoons beginning sharply at 4:15 to 6:15 pm in Room 5383 of The Graduate Center, and occasionally online through Zoom on a need-be basis.

	January 27	0. Introduction and overview of major themes
	February 3	1. Inequality, life chances, and public policy
	February 10	2. Top end inequality: facts, interpretations, policies
	February 17	No class, GC follows Monday schedule
	February 24	3. Measuring intergenerational income mobility
Nick	March 3	4. The intergenerational transmission of wealth
Frank	March 10	5. Measuring trends in intergenerational income mobility
	March 17	6. Intergenerational mobility in theory
Hedda	March 24	7. Educational Inequality
Yinuo	March 31	8. The Early Years
	April 7	No class, Spring Break
Eduardo	April 14	9. The Geography of Intergenerational Mobility
	April 21	No class, GC follows Thursday schedule
Hyeonji	April 28	10. Later years
Eris	May 5	11. Poverty and public policy
	May 12	12. Inequality, Economic Opportunity and Public Policy

Teaching Methods

The successful student will take full advantage of the opportunities provided in class. Attending classes, handing in assignments on time, and consistently contributing to the class in all activities—whether group, pair, or individual—will all be considered as measures of success in effectively using your class time. The classroom is intended to be a safe place where students can question and practice, receive feedback from both the instructor and their peers, and rely on their classmates as partners and resources in the learning process.

The instructor's role is to provide resources, guidance, and support, but students are responsible for engaging actively in the process. Students are responsible for completing readings before the class, being prepared for discussions, submitting assignments on time, volunteering material for consideration by the class, offering feedback to their classmates, and constructively incorporating the feedback they receive from both classmates and the instructor into their own work. Working in groups, students will also make in-class presentations of early drafts of their term papers.

Learning Goals and Outcomes

1. To develop a knowledge of microeconomic theory used in modeling the development of human capital, socio-economic differences in economic opportunity, and labor market outcomes
2. To use theory to construct empirical models of inequality and intergenerational dynamics, and to understand the most common econometric approaches in the study of socio-economic inequalities
3. To review and assess the public policy response to socio-economic inequalities in different countries

Assessment Methods

The final mark will be determined as follows

Informed engagement:	20 %
Student led class discussion:	10 %
Paper, first draft:	10 %
Referee report:	10 %
Paper, second draft:	30 %
Interview with Professor:	20 %

A mark of 65% is the lowest passing mark for the course and corresponds to a C.

Marks from 65 to 69% correspond to a B- , 70 to 74% to a B, 75 to 79% to a B+. In a similar way marks from 80 to 84%, 85 to 89%, and 90 or above correspond to A- , A , and A+ .

Informed engagement and student led class discussion (20% + 10%)

Emphasis is given to your engagement in the course and the activities of the class. This is best demonstrated by motivated and informed involvement. This requires attending all scheduled classes, but also involves having completed the readings before the class and being prepared to engage in discussion. It involves your contributions to group work, completion of assignments by the required date, offering feedback to your peers, and attention to feedback from your peers and instructor. Active listening and engagement require, at a minimum, that students turn off and store all cell phones and minimize other distractions.

But obviously if you are not present you cannot participate, and regular attendance is therefore expected as is punctually arriving for the beginning of class. Appropriate documentation justifying an extended absence is required.

Certain classes will be devoted to student led discussion of a particular reading or set of readings. These readings are assigned on the basis of student interest, and are the starting point for the preparation of their paper. Students are responsible for organizing a meeting with the professor one week before the class during which they are slated to make their presentation. At this meeting they will offer a mock-up presentation to the professor, who will offer feedback to inform the final version they will present to the class.

Paper first draft, referee report, paper second draft (10% + 10% + 30%)

Students are required to complete a term paper, submit a first draft of the paper, and also offer a referee report of another student's first draft.

The first draft of the paper is due before the beginning of the class on March 31st, to be submitted electronically to the professor at < mcorak@gc.cuny.edu > . Papers dated as arriving past 4:15pm on March 31st will not be graded, and students will receive a zero for this portion of the grade.

Each student will receive a copy of another student's first draft and is required to write a referee report of the draft, clearly stating the main themes and message of the paper, and offering substantive suggestions for improvement. These referee reports are due by 9:00am on April 14th, to be submitted electronically to the professor at < mcorak@gc.cuny.edu > . At the professor's discretion they will be forwarded to the original author anonymously. This requires that the referee reports be submitted to the professor with no identifying information.

The final version of the paper is due before the beginning of the class on May 5th, to be submitted electronically to the professor at < mcorak@gc.cuny.edu > as a pdf properly formatted and edited following accepted academic standards. Papers dated as arriving past 4:15 pm on May 5th will not be read, and students will receive a zero.

Term papers are to be a thematic literature review of one of the themes discussed in the course. In essence, the student is being asked to become a “mini-expert” on this theme. This would entail an in-depth review of one of the topics covered in the course outline, a review that is based on a fuller reading of the required and optional readings. It involves exploring one of the course themes in detail, and examining the substantive measurement, theoretical, and/or policy issues that motivate the associated literature. Students will be required to choose the theme in conjunction with the professor and will be invited to incorporate additional readings that they view as important.

Additional optional resources that may be helpful depending upon the topic include the following books.

- Clark, Gregory. 2014. *The Son Also Rises: Surnames and the History of Social Mobility*. Princeton: Princeton University Press.
- Conley, Dalton and Jason Fletcher. 2017. *The Genome Factor What the Social Genomics Revolution Reveals about Ourselves, Our History, and the Future*. Princeton New Jersey: Princeton University Press.
- Doepke, Matthias and Fabrizio Zilibotti. 2019. *Love, Money, and Parenting: How Economics Explains the Way We Raise Our Kids*. Princeton: Princeton University Press.
- Fishkin, Joseph. 2014. *Bottlenecks: A New Theory of Equal Opportunity*. Oxford: Oxford University Press.
- Frank, Robert 2016. *Success and Luck: Good Fortune and the Myth of Meritocracy*. Princeton New Jersey: Princeton University Press.
- Harden, Kathryn Page (2021). *The Genetic Lottery: Why DNA Matters for Social Equality*. Princeton New Jersey: Princeton University Press.
- Mulligan, Casey B. 1997. *Parental Priorities and Economic Inequality*. Chicago: University of Chicago Press.
- OECD (2018). *A Broken Social Elevator? How to Promote Social Mobility*, OECD Publishing, Paris.
- Roemer, John E. 2000. *Equality of Opportunity*. Cambridge Massachusetts: Harvard University Press.
- Sandel, Michael J. 2020. *The Tyranny of Merit: What's Become of the Common Good?* New York: Farrar, Straus and Giroux.

Interview with Professor (20%)

The professor will invite students to a one-on-one discussion via Zoom to be arranged at a mutually convenient time during the final exam week. The purpose of the conversation is to confirm each student's understanding of the core messages of the course, their informed engagement, and their progress.

Required readings, and readings for student led discussion

The readings are generally listed in order of priority, though these priorities may change as the semester progresses in response to student interests and the professor's perception of learning opportunities. The first readings, and certainly the reading highlighted in **bold**, are generally the required and main readings, though these will be highlighted in class and on the website page for each lecture. The remaining readings are optional, and students may pursue them according to their interests. But all the readings may form the basis for the lecture conducted in class.

The readings for the basis of the student led discussions are also highlighted in **bold**. They have been assigned according to interest expressed by students in conversation with the professor. The dates for these discussions and the students responsible are noted on the first page of the outline, though these may still be adjusted as dictated by student interest and class needs. In some cases, students are required to work individually, in others they will work in pairs, or in small groups.

Some classes do not have student led discussions associated with them, and at the professor's discretion these classes may also be used to offer special lectures from students or other experts, including early versions of student papers.

0. Introduction and overview of major themes

1. Inequality, life chances, and public policy

Corak, Miles. 2013. “Income Inequality, Equality of Opportunity, and Intergenerational Mobility.” *Journal of Economic Perspectives* 27 (3): 79–102.

Jäntti, Markus, and Stephen P. Jenkins (2015). “Chapter 10 - Income Mobility.” In *Handbook of Income Distribution*, edited by Anthony B. Atkinson and François Bourguignon, 2:807–935. Elsevier.

Mulligan, Casey B. (1997). *Parental Priorities and Economic Inequality*. Chicago: University of Chicago Press. Chapters 1, 2, 3, and 6.

2. Top end inequality: facts, interpretations, policies

Stone, Chad, Danilo Trisi, Arloc Sherman, and Jennifer Betrán (2020). “A Guide to Statistics on Historical Trends in Income Inequality.” Center on Budget and Policy Priorities, Policy Futures. Available at: <https://t.co/TXtLZtYsnp> .

Atkinson, Anthony B., Thomas Piketty, and Emmanuel Saez (2011). “Top Incomes in the Long Run of History.” *Journal of Economic Literature*. 49 (1): 3-71.

Piketty, Thomas, and Emmanuel Saez (2003). “Income Inequality in the United States, 1913-1998.” *The Quarterly Journal of Economics*. 118 (1): 1–39.

Rosen, Sherwin (1981). “The Economics of Superstars.” *American Economic Review*. 71(5): 845-58.

Lemieux, Thomas, W. Bentley MacLeod, and Daniel Parent (2009). “Performance Pay and Inequality.” *Quarterly Journal of Economics*. 124(1): 1–49.

Song, Jae, David J Price, Fatih Guvenen, Nicholas Bloom, Till von Wachter (2019). “Firming Up Inequality.” *Quarterly Journal of Economics*. 134(1): 1-50.

Kaplan, Steven N. and Joshua Rauh (2010). “Wall Street and Main Street: What Contributes to the Rise in the Highest Incomes?” *Review of Financial Studies*. 23 (3): 1004-1050.

Bivens, Josh and Lawrence Mishel (2013). “The Pay of Corporate Executives and Financial Professionals as Evidence of Rents in Top 1 Percent Incomes.” *Journal of Economic Perspectives* 27 (3): 57–78.

Mankiw, N Gregory (2013). “Defending the One Percent.” *Journal of Economic Perspectives*. 27 (3): 21-34.

3. Measuring intergenerational income mobility

Solon, Gary (1992). “Intergenerational Income Mobility in the United States.” *American Economic Review* 82 (3): 393–408.

Björklund, Anders and Markus Jäntti (1997). “Intergenerational Income Mobility in Sweden Compared to the United States.” *American Economic Review*. 87 (5): 1009-18.

Haider, Steven and Gary Solon (2006). “Life-Cycle Variation in the Association between Current and Lifetime Earnings.” *American Economic Review*. 96 (4): 1308–20.

Deutscher, Nathan and Bhashkar Mazumder (2023). “Measuring Intergenerational Income Mobility: A Synthesis of Approaches.” *Journal of Economic Literature*. Volume 63, Number 3 (September), 988-1036.

Nyblom, Martin and Jan Stuhler (2017). “Biases in Standard Measures of Intergenerational Dependence.” *Journal of Human Resources*. 52(3):800-825.

Mitnik, Pablo A., Victoria Bryant, Michael Weber, David B. Grusky (2015). “New Estimates of Intergenerational Mobility Using Administrative Data.” July. Unpublished. Available at <http://www.irs.gov/pub/irs-soi/15rpintergenmobility.pdf>

Chadwick, Laura. and Solon, Gary (2002). “Intergenerational income mobility among daughters.” *American Economic Review*. 92 (1): 335–44.

Ermisch, John, Marco Francesconi, and Thomas Siedler (2006). “Intergenerational Mobility and Marital Sorting.” *Economic Journal*. 116 (July): 659-679.

Güell, Maia, José V. Rodríguez Mora, and Christopher I. Telmer (2015). “The Informational Content of Surnames, the Evolution of Intergenerational Mobility, and Assortative Mating.” *Review of Economic Studies*. 82, 693-735.

4. The intergenerational transmission of wealth

Boserup, Simon Halphen, Wojciech Kopczuk, and Claus Trustrup Kreiner (2017). “Intergenerational Wealth Formation over the Life Cycle: Evidence from Danish Wealth Records 1984-2013.” Unpublished manuscript.

See also by the same authors

(2016). “The role of Bequests in Shaping Wealth Inequality: Evidence from Danish Wealth Records.” *American Economic Review, Papers and Proceedings*. Volume 106, Number 5 (May), 656-61.

Pfeffer, Fabian T. and Alexandra Killewald (2018). “Generations of Advantage. Multigenerational Correlations in Family Wealth.” *Social Forces*. 96 (4): 1411-1442.

Smith, Matthew, Owen M. Zidar, and Erick Zwick (2021). “Top Wealth in America: New Estimates and Implications for Taxing the Rich.” NBER Working Paper 29374. Available at <https://t.co/bnxKMrrVTj>

Clark, Gregory and Neil Cummins (2014). “Intergenerational Wealth Mobility in England, 1858-2012.” *Economic Journal*. 125 (February): 61-85.

Adermon, Adrian, Mikael Lindahl, and Daniel Waldenström (2018). “Intergenerational Wealth Mobility and the Role of Inheritance: Evidence from Multiple Generations.” *Economic Journal*. 128 (612): 482–513.

Alvaredo, Facundo, Bertrand Garbinti, and Thomas Piketty (2017). “On the Share of Inheritance in Aggregate Wealth: Europe and the USA, 1900-2010.” *Economica*. 84, 239-260.

Wolff, Edward N. (2107). *A Century of Wealth in America*. Cambridge Massachusetts: Harvard University Press. Chapter 7.

Piketty, Thomas (2014). *Capital in the Twenty-First Century*. Cambridge MA: Harvard University Press. Chapters 10, 11, and 12.

Farhi, Emmanuel, and Iván Werning (2010). “Progressive Estate Taxation.” *Quarterly Journal of Economics*. 125 (2): 635–73.

Piketty, Thomas, and Emmanuel Saez (2013). “A Theory of Optimal Inheritance Taxation.” *Econometrica*. 81 (5): 1851–86.

Boadway, Robin, Emma Chamberlain, and Carl Emmerson (2008). “Taxation of Wealth and Wealth Transfers.” In Institute for Fiscal Studies (editor). *Mirrlees Review: Dimensions of Tax Design*. Chapter 8. Oxford: Oxford University Press.

Mankiw, N. Gregory (2000). “The Estate Tax Is One Death Penalty Too Many.” *Fortune* 142 (5): 76–80.

5. Measuring Trends in Intergenerational mobility

Abramitzky, Ran, Leah Platt Boustan, and Tamar Matiashvili (2025). “Intergenerational Mobility over two centuries.” NBER Working Paper 33330, January.

Davis, Jonathan and Bhashkar Mazumder (2021). “The Decline of Intergenerational Mobility after 1980.” Unpublished.

Lee, Chul-In, and Gary Solon (2009). “Trends in Intergenerational Income Mobility.” *Review of Economics and Statistics*. 91 (4): 766–72.

Chetty, Raj, Nathaniel Hendren, Patrick Kline, Emmanuel Saez, and Nicholas Turner (2014). “Is the United States Still a Land of Opportunity? Recent Trends in Intergenerational Mobility.” *American Economic Review*. 104 (5): 141–47.

Chetty, Raj, David Grusky, Maximilian Hell, Nathaniel Hendren, Robert Manduca, and Jimmy Narang (2017). “The Fading American Dream: Trends in Absolute Income Mobility Since 1940.” *Science*. 356 (6336): 398–406.

Clark, Gregory (2014). *The Son Also Rises: Surnames and the History of Social Mobility*. Princeton: Princeton University Press.

Solon, Gary (2018). “What Do We Know So Far about Multigenerational Mobility?” *Economic Journal*. 128 (612): F340-F352.

Narayan, Ambar, Roy Van der Weide, et al. (2018). *Fair Progress? Economic Mobility across Generations around the World*. Washington, DC: World Bank. Chapter 2.

6. Intergenerational mobility in theory

Becker, Gary S., and Nigel Tomes (1986). “Human Capital and the Rise and Fall of Families.” *Journal of Labor Economics* 4 (3): S1–39.

Becker, Gary, Scott Duke Kominers, Kevin M. Murphy, and Jörg L. Spenkuch (2018). “A Theory of Intergenerational Mobility.” *Journal of Political Economy*. 126 (S1): S7–25.

Becker, Gary S., and Nigel Tomes (1979). “An Equilibrium Theory of the Distribution of Income and Intergenerational Mobility.” *Journal of Political Economy* 87 (6): 1153–89.

Solon, Gary (2004). “A model of intergenerational mobility variation over time and place.” In *Generational Income Mobility in North America and Europe*, edited by Miles Corak. Cambridge; New York: Cambridge University Press. Available at <http://mileskorak.files.wordpress.com/2012/01/solon-a-model-of-intergenerational-mobility-variation-over-time-and-place.pdf> .

Nybom, Martin and Jan Stuhler. (2024). “Interpreting Trends in Intergenerational Mobility.” *Journal of Political Economy*. Volume 132, No. 8 (August), 2531-70.

Nybom, Martin and Jan Stuhler. (2019). “Steady State Assumptions in Intergenerational Mobility Research. *Journal of Economic Inequality*. Volume 17, Issue 1 (March), 77-97.

See also the unabridged working paper version of the previous two papers by the same authors at Swedish Institute for Social Research, Stockholm University. Working Paper 3/2014. http://ideas.repec.org/p/hhs/sofiwp/2014_003.html .

7. Educational Inequality

Blanden, Jo, Matthias Doepke, and Jan Stuhler (2023). “Educational Inequality.” In Eric A. Hanushek, Stephen Machin, and Luger Woessman (editors). *Handbook of Economics of Education*. Volume 6. pages 405-97. Working paper version available as NBER Working Paper 29979, <https://www.nber.org/papers/w29979> .

Raj Chetty, David J. Deming, and John N. Friedman (2025). “Diversifying Society’s Leaders? The Determinants and Causal Effects of Admission to Highly Selective Private Colleges.” *Quarterly Journal of Economics*. Volume 141, Issue 1 (February) pages 51-145.

Jackson, C. Kirabo (2016). “The Effects of School Spending on Educational and Economic Outcomes: Evidence from School Finance Reforms.” *Quarterly Journal of Economics*. Volume 131, Issue 1 (February), 157-218.

Mogstad, M. and G. Torsvik (2021). “Family background, neighborhoods and intergenerational mobility.” NBER Working Paper 28874.
https://www.nber.org/system/files/working_papers/w28874/w28874.pdf

Agostinelli, F., M. Doepke, G. Sorrenti and F. Zilibotti (2022). “When the great equalizer shuts down: Schools, peers, and parents in pandemic times.” *Journal of Public Economics*. 206, 104574.

8. The Early Years

Heckman, James J. and Stefano Mosso (2014). *The Economics of Human Development and Social Mobility*. NBER Working Paper Series 19925. Cambridge, Mass.

Heckman, James J. 2008. “Schools, Skills, and Synapses.” *Economic Inquiry* 46 (3): 289–324.

Doepke, Matthias and Fabrizio Zilibotti (2019). *Love, Money, and Parenting: How Economics Explains the Way We Raise Our Kids*. Princeton: Princeton University Press.

Doepke, M., G. Sorrenti, and F. Zilibotti. (2019). “The economics of parenting.” *Annual Review of Economics*. 11, 55-84.

Doepke, Matthias and Fabrizio Zilibotti (2017). “Parenting with Style: Altruism and Paternalism in Intergenerational Preference Transmission.” *Econometrica*. 85 (5): 1331-1371.

Johnson, Rucker C. and C. Kirabo Jackson. (2019). “Reducing Inequality through Dynamic Complementarity: Evidence from Head Start and Public School Spending.” *American Economic Journal: Economic Policy*, 11(4):310-49.

Baker, Michael, Jonathan Gruber, and Kevin Milligan (2008). “Universal Child Care, Maternal Labor Supply, and Family Well-Being.” *Journal of Political Economy* 116 (4): 709–45.

Baker, Michael, Jonathan Gruber, and Kevin Milligan (2019). “The Long-Run Impacts of a Universal Child Care Program” *American Economic Journal: Economic Policy* 11(3):1-26.

Carneiro, Pedro, Løken, and Kjell G. Salvanes (2015). “A Flying Start? Maternity Leave Benefits and Long-Run Outcomes of Children.” *Journal of Political Economy* 123 (2): 365–412.

9. The geography of intergenerational mobility

Chetty, Raj, Nathaniel Hendren, Patrick Kline, and Emmanuel Saez (2014). “Where Is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States.” *Quarterly Journal of Economics*. 129 (4): 1553.

Connolly, Marie, Miles Corak and Catherine Haeck (2019). “Intergenerational Mobility between and within Canada and the United States.” *Journal of Labor Economics*. 37(S2): S595-S641

Corak, Miles (2019). “The Canadian Geography of Intergenerational Income Mobility.” *Economic Journal*. Volume 130, Issue 631, October, Pages 2134–2174.

Narayan, Ambar, Roy Van der Weide, et al. (2018). *Fair Progress? Economic Mobility across Generations around the World*. Washington, DC: World Bank. Chapters 3.

10. Later years

Kaila, Martti, Emily Nix, Krista Riukula (2021). “Disparate Impacts of Job Loss by Parental Income and Implications for Intergenerational Mobility.” Federal Bank of Minneapolis, Opportunity and Inclusive Growth Institute Working Paper No. 53. Available at: <https://www.minneapolisfed.org/research/institute-working-papers/disparate-impacts-of-job-loss-by-parental-income-and-implications-for-intergenerational-mobility>

Staiger, Matthew (2021). “The Intergenerational Transmission of Employers and the Earnings of Young Workers.” Unpublished.

<https://www.matthewstaiger.com/research#h.33xx3hrzvyhl>

Oreopoulos, Philip, Marianne Page, and Ann Huff Stevens. 2008. "The Intergenerational Effects of Worker Displacement." *Journal of Labor Economics* 26 (3): 455–83.

Mulligan, Casey B. 1999. "Galton versus the Human Capital Approach to Inheritance." *Journal of Political Economy* 107 (S6): S184–224.

Stinson, Martha and Christopher Wignall. 2014. "Fathers, Children, and the Intergenerational Transmission of Employers." U.S. Department of Commerce, US Census Bureau, The Survey of Income and Program Participation, Working Paper No. 265. <https://www.census.gov/content/dam/Census/library/working-papers/2014/demo/SIPP-WP-265.pdf>.

Corak, Miles, and Patrizio Piraino. 2011. "The Intergenerational Transmission of Employers." *Journal of Labor Economics* 29 (1): 37–68.

Corak, Miles and Patrizio Piraino. 2016. "The Inheritance of Employers and Nonlinearities in Intergenerational Earnings Mobility." In Kaushik Basu and Joseph Stiglitz (editors). *Inequality and Growth: Patterns and Policy*. London: Palgrave Macmillan. Forthcoming. <https://mileskorak.files.wordpress.com/2015/10/corak-piraino-the-inheritance-of-employers-and-nonlinearities-in-intergenerational-earnings-mobility.pdf>.

11. Poverty and public policy

Greg J. Duncan, Jennifer Appleton Gootman, Priyanka Nalamada (Editors). National Academies of Sciences, Engineering, and Medicine. (2024) *Reducing Intergenerational Poverty*. Washington, DC: The National Academies Press. <https://nap.nationalacademies.org/catalog/27058/reducing-intergenerational-poverty>

Chetty, Raj, Will Dobbie, Benjamin Goldman, Sonya R. Porter, Crystal S. Yang. (2024). "Changing Opportunity: Sociological Mechanisms Underlying Growing Class Gaps and Shrinking Race Gaps in Economic Mobility." NBER Working Paper No. 32697. July.

Troller-Renfree, Sonya V., Molly A. Costanzo, Greg Duncan (2022). "The impact of a poverty reduction intervention on infant brain activity." *Proceedings of the National Academy of Sciences*. 119 (5): 1-8.

Greg Duncan and Suzanne Le Menestrel (Editors). National Academies of Sciences, Engineering, and Medicine (2019). *A Roadmap to Reducing Child Poverty*. Washington, DC: The National Academies Press. <https://doi.org/10.17226/25246>.

Canada (2018). *Opportunity for All: Canada's First Poverty Reduction Strategy*. Ottawa: Government of Canada. <https://www.canada.ca/en/employment-social-development/programs/poverty-reduction/reports/strategy.html> .

World Bank (2017). *Monitoring Global Poverty: Report of the Commission on Global Poverty*. Washington DC: International Bank for Reconstruction and Development / The World Bank. <https://www.worldbank.org/en/news/press-release/2016/10/18/world-banks-poverty-commission-releases-report-on-how-to-better-measure-and-monitor-global-poverty> .