

## **Economics 450G: Economics of Poverty and Welfare Programs**

University of Kentucky

Spring Semester 2003

URL: <http://gaton.uky.edu/Faculty/yelowitz/450G/spring2003.html>

### **Lectures**

Tuesday/Thursday, 2:00-3:15 pm, Business and Economics Building 213.

### **Relevant info on me**

Professor Aaron Yelowitz

Office: 335W Business and Economics Building

Office hours: Tuesday/Thursday 10:00 am-11:00 am, and by appointment.

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My background: I am an associate professor in the economics department. This is my second year at UK. Before I joined UK, I was an assistant professor in the economics department at UCLA, from 1994 to 2001. I received my Ph.D. in economics from MIT in 1994, and my B.A. from UC Santa Barbara in 1990. My research interests have focused on low-income households - especially concerning the housing and health insurance decisions that these groups are faced with. In some parts of the course, particularly on the U.S. welfare system, I will incorporate some of my previous research.

### **Enrolling in this class**

If you want to enroll in this class, you need to talk to Debbie Wheeler in the economics department; she handles that.

### **The internet**

The web site is:

<http://gaton.uky.edu/Faculty/yelowitz/450G/spring2003.html>

### **Course Description**

This course is designed to be an introduction to U.S. social welfare policy, with a particular focus on anti-poverty efforts. We will provide an overview of measurements and characteristics of the poor; alternative theoretical explanations of poverty; a historical overview of the major social welfare policies to combat poverty, and an appraisal of recent welfare reform policies. Attention will be given to the relationship between poverty research and current policies, and the effects of race and class on patterns of poverty and policy responses.

### **Prerequisites**

Economics 201 and 202.

### **Textbook**

The required textbook is Bradley R. Schiller, "The Economics of Poverty and Discrimination, 8th Edition," Prentice Hall, 2001 (ISBN 0-13-017322-3).

### **Studying for the Exams**

The exams will be based on the textbook, class lectures, and any additional handouts that are supplied. Since this is the first time that I have taught this specific class, I do not have old exams to distribute. I will provide you with a review sheet before the exam, however.

## **Grading**

1. The final is on Tuesday, May 6, 2003 at 1:00 pm. The final will be cumulative. It will count for 25% of your grade.
2. You will be given three quizzes; the best two count for your grade. Each quiz counts for 25% of your grade, and altogether the best two count for 50% of your grade.

### Quiz dates

Quiz #1: February 4, 2003 (Tuesday)

Quiz #2: February 27, 2003 (Thursday)

Quiz #3: April 3, 2003 (Thursday)

3. Attendance – 25% of grade. At random points during the semester, I will take attendance and award points to those who are in attendance that day. The amount of points may vary, with 25 points total.

The quizzes will be based on the lectures and the textbook readings. Please check to be sure that you can take all the quizzes (or at least two of the three if you are feeling very confident): *there will be no alternative dates for the quizzes.*

## **Grading Policy**

Grades will be based on quizzes, the final, and attendance only. Procedure for re-evaluation of disputed exam scores: Requests must be submitted *in writing* with an explanation of the error the student believes has been made. Written requests and quiz sheet must be submitted within one week of the date on which the exams are returned. All quizzes submitted for re-evaluation will be entirely regraded. The curve depends on my assessment of class performance. Historically, the median grade in the class has been on the B border -- roughly half the students earn a grade of B or better, and half earn a grade of C or worse.

## **University Holidays / Cancelled Classes**

According to the university calendar, there will be no class on March 18 or 20 for Spring Break.

## **Economics 450G Course Outline, Spring 2003**

### **I. The Dimensions of Poverty**

- A. View of Inequality and Poverty  
Schiller, Chapter 1
- B. Counting the Poor  
Schiller, Chapter 2

### **II. Causes of Poverty**

- A. Labor Force Participation  
Schiller, Chapter 3
- B. The Working Poor  
Schiller, Chapter 4
- C. Age and Health  
Schiller, Chapter 5
- D. Family Size and Structure  
Schiller, Chapter 6
- E. The Underclass: Culture and Race  
Schiller, Chapter 7
- F. Education and Ability  
Schiller, Chapter 8
- G. Discrimination in Education  
Schiller, Chapter 9
- H. Discrimination in the Labor Market  
Schiller, Chapter 10

### **III. Policy Options**

- A. Welfare Programs  
Schiller, Chapter 11  
Yelowitz, Quarterly Journal of Economics, 1995  
Currie and Yelowitz, Journal of Public Economics, 2000  
Yelowitz, "Public Housing and Labor Supply," University of Kentucky Mimeo, 2002  
Class notes / exam questions on welfare programs from Yelowitz's ECO 479 course
- B. Social Insurance Programs  
Schiller, Chapter 12  
Class notes / exam questions on social insurance programs from Yelowitz's ECO 479 course
- C. Employment Policies  
Schiller, Chapter 13
- D. Equal Opportunity Policies  
Schiller, Chapter 14
- E. Directions and Prospects  
Schiller, Chapter 15