

PA388K/ECO395K Advanced Policy Economics: Economic Analysis of Policy-Driven Social Progress in the US*

Michael Poyker[†]

December, 2024

Lyndon B. Johnson School of Public Affairs
University of Texas at Austin
Fall 2024

Class time and room: Monday 14:00 –17:00, SRH 3.216

Instructor: Dr. [Michael Poyker](#), email: mikhail.poyker@austin.utexas.edu

Office hours: Drop-in (i.e., no appointments needed) in my office SRH 3.224

Office hours time: Wednesday 1:00–2:00 pm and Thursday 11:30 am–1:00 pm

Virtual office hours: available by appointment

Meetings: In-person, with Zoom sessions at instructor’s discretion

Zoom policy: When on Zoom, the webcam should stay on, and campus attire

Recording policy: To encourage free exchanges, recording of class proceedings is prohibited

Course Description: Economic Perspectives on Two Centuries of U.S. Domestic Policy

The course examines the U.S. domestic policies from the Civil War to the present. It focuses both on labor and distributive policies (like minimum wages and cash transfers), policies effective social justice and equity (like social safety nets and residential segregation), and the economic causes and consequences of particular events (like the Great Depression). A specific focus will be on the topics of labor protective legislation, cities, gender, and race, as well as on how economic policy analysis uses big data and econometrics to answer causal questions relevant to policymakers.

There will be two merged lectures per week. In these, I will first provide a brief overview of each topic, and then discuss a related (and mostly recent) academic paper. Some papers are mandatory readings, some are suggested readings (you can try to read the paper but skip technical parts that you don’t understand), and some will be suggested papers for presentation.

Goals of the course The course has three distinct goals. First, it will enable a deep understanding of U.S. economic and societal development since 1865. A better understanding of the past can help in understanding

*First draft: February 2024; Current version: December, 2024.

I thank Patrick Wong for his patience and support in writing this syllabus. I thank Sebastian Ottinger and Yuan Tian for the excellent paper suggestions. All errors are my own. Correspondence at: LBJ School of Public Affairs SRH 3.224, 2315 Red River St., 78712, Austin, TX, USA.

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the economy and society we live in today. Second, this class will allow you to apply the economic tools you learned in prior economics classes to have a better perspective on U.S. domestic policies. Lastly, the class will train your ability to read structured but complicated texts, identify their core contribution, and work in groups.

Requirements include class attendance, reading and discussing papers (15%), participation in online discussions (10%), group presentation (20%, on November 23rd in class), and a final exam in the form of group research project (10% for proposal, due November 20th, and 45% for final project, due December 6th).

For the exam presentation, each student group will choose three papers that are related to the research project. These papers must be relatively recent publications or working papers. Please let me know if you have a question about whether a paper is appropriate. If you are working with another student on research and would like to read the same papers (or some subset) together, that is fine. The list of your selected three papers should be due by November 28 at 5 pm. From each student's set of three papers, one of the papers will be chosen at random for that student group to present. The presentations will be approximately 15 minutes each, depending on the final number of students in the class. The grade will be based on the slides and the presentation.

The goal of the research project proposal and presentations is to help students begin the transition from coursework to policy-relevant research. The research project should be a proposal for empirical research that attempts causal analysis. They should present a research question, describe relevant facts/institutional context, and outline a basic economic framework that can be used to answer the question, sources of data, and identification strategy. You don't need to do actual analysis. The description should be approximately 10 pages, double-spaced. The research note is due by December 6 at 5 pm.

Prerequisites

This seminar is an elective for the LBJ Masters, Econ master students, and senior Econ undergraduate students, although PhD students can also sign in. There is no formal prerequisite to this course.

Topics, Class Meetings, and Deadlines

Week	Date of class	Activity/deadline	Topic
Part I: Labor Market Policies			
Week 1		Regular classes	Slavery, Reconstruction, and Great Migration
Week 2		Regular classes	Slavery, Reconstruction, and Great Migration
Week 3		Regular classes	Dawn of Progressive Movement
Week 4		Regular classes	Civil Rights Act and Race Politics
Part II: Economic Development Policies			
Week 5		Regular classes	Great Depression and Financial Regulation
Week 6		Regular classes	New Deal
Week 7		Regular classes	Education Policies and Human Capital
Part III: Redistributive Policies and Equity Issues			
Week 8		Regular classes	Gender and Social Safety Net
Week 9		Regular classes	Inequality and social mobility
Part IV: Cities			
Week 10		Regular classes & Project proposals	Cities: Locations and dynamics of cities
Week 11		Regular classes	Cities and Segregation: Racial segregation
Part V: Other Topics and Student Presentations			
Week 12		Regular classes	Prohibition & Policies toward Native Americans
Week 13		Regular classes	Policies toward Afro-Americans
Week 14		Presentations & Regular classes	Convict Labor and Mass Incarceration
Week 15		Projects deadline & Presentations	

Course Schedule and Readings

Symbol * means that it is an obligatory reading that will not be covered in class and should be read at home.

Symbol + means that it is suggested reading (you can try to read the paper but skip technical parts that you don't understand).

Other papers are suggested papers for a presentation (although you can choose any other relevant paper from an economics or political science journal).

Part I: Labor Market Policies

• Week 1-2: Slavery, Reconstruction, and the Great Migration

- *Althoff, L., and Reichardt, H. (2023). Jim Crow and Black Economic Progress After Slavery. Mimeo.
- *Logan, T. D. (2020). Do Black Politicians Matter? Evidence from Reconstruction. *The Journal of Economic History*, 80(1), 1-37.
- +Feigenbaum, J., Lee, J. and Mezzanotti, F., 2022. Capital destruction and economic growth: The effects of Sherman's March, 1850–1920. *American Economic Journal: Applied Economics*, 14(4), pp.301-342.
- Masera, F., and Rosenberg, M. (2021). Slavocracy: Economic Elite and the Support for Slavery. Available at SSRN 4009954.
- Tabellini, M. (2020). Racial heterogeneity and local government finances: Evidence from the Great Migration. Available at SSRN 3526044.

• Week 3: Dawn of Progressive Movement and Effects of First Labor Protective Legislation

- *Fishback, P.V. and Seltzer, A.J., 2021. The rise of American minimum wages, 1912–1968. *Journal of Economic Perspectives*, 35(1), pp.73-96.
- +Lleras-Muney, A. (2002). Were compulsory attendance and child labor laws effective? An analysis from 1915 to 1939. *The Journal of Law and Economics*, 45(2), 401-435.
- R Marchingiglio and M Poyker, (forthcoming) The Economics of Gender-Specific Minimum Wage Legislation, *Journal of Labor Economics*

• Week 4: Civil Rights Act and the Effects of Labor Protective and Race Politics of the Era

- *Smythe, A. and Hsu, L., 2023. The Minimum Wage as a Tool for Racial Economic Justice. *Journal of Economic Literature*, 61(3), pp.977-987.
- +Ferrara, A., 2022. World War II and Black Economic Progress. *Journal of Labor Economics*, 40(4), pp.1053-1091.
- Bailey, M.J., Helgerman, T. and Stuart, B.A., 2024. How the 1963 Equal Pay Act and 1964 Civil Rights Act Shaped the Gender Gap in Pay. *The Quarterly Journal of Economics*, p.qjae006.
- Derenoncourt, Ellora, and Claire Montialoux. 2021. "Minimum wages and racial inequality." *The Quarterly Journal of Economics*, 136(1):169–228.

Part II: Economic Development Policies

• Week 5: The Great Depression and Financial Regulation

- *Bernanke, B.S., 1995. The Macroeconomics of the Great Depression: A Comparative Approach. *Journal of Money, Credit and Banking*, 27(1), pp.1-28.

- Edwards, Sebastian. "Keynes and the dollar in 1933: the gold-buying program and exchange rate gyrations." *Financial history review* 24, no. 3 (2017): 209-238.
- Edwards, Sebastian. "Change of monetary regime, contracts, and prices: Lessons from the great depression, 1932–1935." *Journal of International Money and Finance* 108 (2020): 102190.
- +Quincy, S., 2023. Loans for the "Little Fellow:" Credit, Crisis, and Recovery in the Great Depression (No. w31779). National Bureau of Economic Research.
- Quincy S and Xu C, The Great Depression Bank Deregulation Wave

- **Week 6: Economic Development Policies during the New Deal**

- Aizer, Anna, Nancy Early, Shari Eli, Guido Imbens, Keyoung Lee, Adriana Lleras-Muney, and Alexander Strand. "The Lifetime Impacts of the New Deal's Youth Employment Program." *The Quarterly Journal of Economics* (2024): qjae016.
- *Fishback, P., 2017. How successful was the New Deal? The microeconomic impact of New Deal spending and lending policies in the 1930s. *Journal of Economic Literature*, 55(4), pp.1435-1485.
- +Kline, P., and Moretti, E. (2014). Local economic development, agglomeration economies, and the big push: 100 years of evidence from the Tennessee Valley Authority. *Quarterly journal of economics*, 129(1), 275-331.
- Fishback, P.V., Haines, M.R. and Kantor, S., 2007. Births, deaths, and New Deal relief during the Great Depression. *The Review of Economics and Statistics*, 89(1), pp.1-14.
- Moser, P., Voena, A., and Waldinger, F. (2014). German Jewish émigrés and US invention. *American Economic Review*, 104(10), 3222-55.

- **Week 7: Education Policies and Human Capital**

- Ash, Jiang, and Voth. (2023) *Strange Synergies: Education and Eugenics in the United States*
- *Goldin, C., and Katz, L. F. (2003). The "virtues" of the past: Education in the first hundred years of the new republic. NBER working paper
- +Fouka, V. (2020). Backlash: The unintended effects of language prohibition in US schools after World War I. *The Review of Economic Studies*, 87(1), 204-239.
- +Lleras-Muney, Adriana, and Allison Shertzer. "Did the Americanization movement succeed? An evaluation of the effect of English-only and compulsory schooling laws on immigrants." *American Economic Journal: Economic Policy* 7, no. 3 (2015): 258-290.
- Xiong, H., and Zhao, Y. (2023). Sectarian competition and the market provision of human capital. *The Journal of Economic History*, 83(1), 1-44.

Part III: Redistributive Policies and Equity Issues

- **Week 8: Gender and Social Safety Net**

- *Goldin, C. and Mitchell, J., 2017. The new life cycle of women's employment: Disappearing humps, sagging middles, expanding tops. *Journal of Economic Perspectives*, 31(1), pp.161-182.
- +Aizer, A., Cho, S., Eli, S. and Lleras-Muney, A., 2024. The Impact of Cash Transfers to Poor Mothers on Family Structure and Maternal Well-Being. *American Economic Journal: Applied Economics*, 16(2), pp.492-529.
- Chetty, Raj, Nathaniel Hendren, Patrick Kline, and Emmanuel Saez. "Where is the land of opportunity? The geography of intergenerational mobility in the United States." *The Quarterly Journal of Economics* 129, no. 4 (2014): 1553-1623.
- Goldin, C. (2006). The quiet revolution that transformed women's employment, education, and family. *American Economic Review*, 96(2), 1-21.
- Hazan, M., Weiss, D., and Zoabi, H. (2021). *Women's Liberation, Household Revolution*. Mimeo.

- **Week 9: Inequality and Social Mobility**

- *Molloy, R., Smith, C. L., and Wozniak, A. (2011). Internal migration in the United States. *Journal of Economic Perspectives*, 25(3), 173-96.
- +Piketty, T., and Saez, E. (2003). Income inequality in the United States, 1913–1998. *The Quarterly Journal of Economics*, 118(1), 1-41.
- Song, X., Massey, C.G., Rolf, K.A., Ferrie, J.P., Rothbaum, J.L. and Xie, Y., 2020. Long-term decline in intergenerational mobility in the United States since the 1850s. *Proceedings of the National Academy of Sciences*, 117(1), pp.251-258.

Part VI: Cities

- **Week 10: Cities: Locations and Dynamics of Cities**

- *Baum-Snow, N., 2023. Constraints on City and Neighborhood Growth: The Central Role of Housing Supply. *Journal of Economic Perspectives*, 37(2), pp.53-74.
- +Nagy, D. K. (2020). Hinterlands, city formation and growth: Evidence from the US westward expansion. *Review of Economic Studies*, 90, pp.3238–3281
- Bleakley, H., and Lin, J. (2012). Portage and path dependence. *The Quarterly Journal of Economics*, 127(2), 587-644.
- Baum-Snow, N. (2007). Did highways cause suburbanization? *The Quarterly Journal of Economics*, 122(2), 775-805.

- **Week 11: Cities and Segregation: Racial Segregation**

- *Aaronson, D., Hartley, D., Mazumder, B. and Stinson, M., 2023. The long-run effects of the 1930s redlining maps on children. *Journal of Economic Literature*, 61(3), pp.846-862.
- +Shertzer, A., and Walsh, R. P. (2019). Racial sorting and the emergence of segregation in American cities. *Review of Economics and Statistics*, 101(3), 415-427.
- Boustan, L. P. (2010). Was postwar suburbanization “white flight”? Evidence from the black migration. *The Quarterly Journal of Economics*, 125(1), 417-443.
- Logan, T. D., and Parman, J. M. (2017). The national rise in residential segregation. *The Journal of Economic History*, 77(1), 127-170.

Part V: Other Topics and Student Presentations

- **Week 12: Prohibition and Policies toward Native Americans**

- +Andrews, M. (2023). Bar talk: Informal Social Interactions, Alcohol Prohibition, and Invention. Mimeo.
- +Dippel, C. (2014). Forced coexistence and economic development: evidence from Native American Reservations. *Econometrica*, 82(6), 2131-2165.
- Dippel, C.; Feir, D.; Leonard, B.; Roark, M., 2021, "Secured Transactions Laws and Economic Development on American Indian Reservations", *AEA Papers and Proceedings*, May 111: 248 - 252.
- García-Jimeno, Camilo. "The political economy of moral conflict: An empirical study of learning and law enforcement under prohibition." *Econometrica* 84, no. 2 (2016): 511-570.

- **Week 13: Policies related to the Afro-American population**

- *Alsan, M. and Wanamaker, M., 2018. Tuskegee and the health of black men. *The Quarterly Journal of Economics*, 133(1), pp.407-455.
- Alsan, Marcella, Owen Garrick, and Grant Graziani. "Does diversity matter for health? Experimental evidence from Oakland." *American Economic Review* 109, no. 12 (2019): 4071-4111.

- Van Orden, Richardson, Arthi (2023) Financial Scarring and the Failure of the Freedman’s Savings Bank

- **Week 14: Convict Labor and Mass Incarceration**

- Ang, Desmond. "The effects of police violence on inner-city students." *The Quarterly Journal of Economics* 136, no. 1 (2021): 115-168.
- +Mechoulan, S., 2011. The external effects of Black male incarceration on Black females. *Journal of Labor Economics*, 29(1), pp.1-35.
- Poyker M (2020) Economic Consequences of U.S. Convict Labor System

- **Week 15: Student Presentations**

Assignments and Grading

The composition of the final grade (100 points) is as follows:

1. Final (group) project proposal (10 pages) (45%);
2. Final (group) project preliminary proposal (1 page) (10%);
3. Group presentation (20%);
4. Class participation (15%);
5. Online discussion participation (10%)

Final project proposal The largest portion of the final grade (45%) is coming from the final project proposal (no empirical data work is needed). The project will attempt to make a proposal to study a policy of students’ choice with respect to the materials we cover in class. The project has to propose a method similar in style to those of the papers that we discuss in class. It will require a choice of a novel question, sources of data, and explain what method should be used. The project can be completed in groups of up to 4 people (this may change depending on the quantity of signed-in students). If the project is done by a group, everyone receives the same grade, and there is no penalty (or reward) for doing it in groups (alone).

Final project’s preliminary proposal A one-page proposal of the final project that specifies the question, motivation, institutional context, proposed sources of data, proposed empirical methods, and identification strategy (i.e., source of exogenous variation/quasi-natural experiment). This proposal aims to give you some feedback before you attempt to invest time in the final project. I will strive to return all proposals with feedback no later than one week after their submission. Group composition and project topic can still be changed after I give the feedback for the proposal.

Group presentation Students need to choose one of the papers from the reading list and make a short 15-20-minute presentation of the paper. The aim of the exercise (in addition to learning working in a team) is to (i) understand the question, motivation, institutional context, data, methods, and identification strategy, (ii) choose only the most important information for the understanding of the paper, and (iii) coherently explain it to the rest of the class in a short presentation. Presentations can be completed in groups of up to 4 people (this may change depending on the quantity of signed-in students).

Class participation To encourage engagement and learning, answering questions in class and asking good questions can give students free points. Note that if students choose to participate in class on Zoom (even for a valid reason), they will not receive any participation points that day. If the class is delivered by Zoom because of my schedule change — everyone is still eligible for the class participation points.

Participation in online discussions Sometimes, I will post questions related to the class or news related to the current topic. It is even better if students themselves post current news that is policy-relevant and relevant to the topics that we have covered. Participation in online discussions of these policy-relevant topics will be rewarded with points.

Final grade Final grades will be assigned based on the following scale: A: >94; A-: 90-93; B+: 87-89; B: 84-86; B-: 80-83; C+: 77-79; C: 74-76; C-: 70-73.¹ Late assignments are penalized by 10% of that assignment's maximum grade value for being late. Papers turned in more than 24 hours after the deadline are marked down by 20% of maximum grade, over 48 hours — by 30%. I do not accept assignments more than three days after they are due—they will be assigned a grade of zero.

A list of assignments, due dates, and relative weighting can be found above. Students should upload written assignments in PDF format.

Class Format, Attendance, Readings, and Electronic Devices

The class meets in person via a once-a-week seminar. Consistent with central UT policy, I do not encourage students to attend the seminar virtually, as that would severely disrupt the educational experience for everyone. If you need to attend the class remotely (e.g., if you have a fever), I will provide a Zoom link by request. However, you will not receive any points for in-class participation even if you actively participate. To safeguard the classroom space as a place where students can try out ideas and speak freely, I also do not allow recordings of the seminar, audio, or video. Anyone violating this policy is subject to serious disciplinary consequences by the LBJ School.

Attendance is mandatory and crucial to student success in the course. In class discussions, students apply the concepts they encounter in their weekly readings to real-world scenarios. As per UT Austin policy, students must notify the instructor of any pending absence at least fourteen days before the date of observance of a religious holy day. If students must miss a class, an examination, a work assignment, or a project to observe a religious holy day, they will be given an opportunity to complete the missed work within a reasonable time after the absence. Students are each allowed **one** "freebie" absence. Any further unexcused absences reduce a student's class participation grade by 10%.

All the readings are available on the course's Canvas page. Students need to print these documents themselves or read them from the laptop. You are allowed to use laptops in my class if you need to look at the slides and papers we are discussing or type the notes.

University Stipulations

The University of Texas has a set of stipulations governing learning protocol and campus life. The most important of these stipulations are summarized here:

Proofreading, Academic Honesty, Artificial Intelligence, and Rules for Class Discussion

Public policy students at the LBJ School are expected to produce fluent and lucid writing. Students should proofread their papers before submitting them or ask a fellow student to do so. Any assignment with **more than three spelling or grammar mistakes per page may be returned to the student** and incur a one-day late penalty. I am not a native speaker myself, but there are free software (e.g., [Grammarly](#)) that should help you write without mistakes. I encourage you to use this software.

The core values of The University of Texas at Austin are learning, discovery, freedom, leadership, individual opportunity, and responsibility. Each member of the university is expected to uphold these values through integrity, honesty, trust, fairness, and respect toward peers and the community. I expect students to be familiar with the University's academic honesty policies and abide by them. This includes rules prohibiting plagiarism, including unauthorized use of Artificial Intelligence tools on assignments unless expressly allowed by the assignment prompt.

¹Note that for the MPaff students, according to Graduate School rules, a student must earn at least a C—i.e., at least 74/100—to pass the course.

This course is taught as a seminar. We will spend most of our time discussing the readings, applying them to current events, and debating topics (sometimes controversial) in public policy analysis. Some of these topics may be uncomfortable or even upsetting to students. To maintain an inclusive, welcoming, but rigorous classroom atmosphere, I will enforce the following three cardinal rules of discussion participation:

1. **Commitment to civility** Students should remain civil toward each other. I will not allow students to raise their voices, talk over each other, or engage in personal attacks.
2. **Commitment to evidence-based policy** Students should defend their arguments with evidence. I will challenge all arguments based solely on subjective feelings, conspiracy theories, or disreputable sources.
3. **Commitment to the fundamental dignity of all persons** Students should respect the worth of all humans equally. A classroom is a safe place for exploring all manner of ideas, and students should feel free to advance arguments they may disagree with or may be unpopular. I will, however, not entertain any argument that questions the fundamental dignity of any person, whether based on their race, nationality, sex/gender/sexual orientation, or any other immutable characteristic.

Office Hours, Guns, and Safety & Security on Campus

My office hours are “drop-in” style — no appointments are needed. Time intervals are Wednesday 1:00–2:00 pm and Thursday 11:30 am–1:00 pm. Students can come at any time during these time intervals. If I need to change the time of the office hours, I will announce the new time in advance. I can meet in person, in my office (SRH 3.224, second floor, next to the computer labs on the I-35 side of the building), or virtually by appointment via Zoom or MsTeams.

My office is a gun-free zone. You may not bring any concealed weapons to my office. According to state law, I cannot legally prohibit students from bringing a concealed weapon to class. The university’s policies on concealed carry are available [here](#). Students, however, should note that this course includes no activities or intellectual exercises for which a firearm would benefit. A classroom should be a safe space for intellectual exploration. Instead of packing heat, pack your brains.

Occupants of buildings on The University of Texas at Austin campus must evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside. Students should familiarize themselves with all exit doors of each classroom and building they may occupy. Students should remember that the nearest exit door may not be the one they used when entering the building. Students requiring assistance in evacuation shall inform their instructor in writing during the first week of class. In the event of an evacuation, students are to follow the instructions of faculty or class instructors. No one should re-enter a building unless instructed by the Austin Fire Department, The University of Texas at Austin Police Department, or the Fire Prevention Services office. Information regarding evacuation routes and procedures can be found [here](#).

Disabilities, Mental Health Resources, and Other University Resources

The university is committed to creating an accessible and inclusive learning environment consistent with university policy and federal and state law. Students experiencing any barriers to learning should notify me so I can work with them to ensure they have equal opportunity to participate fully in this course. Any student with a disability or who thinks they may have a disability and need accommodations should contact Disability and Access via its [website](#). Students already registered with that office should deliver their Accommodation Letter to me as early as possible in the semester so we can discuss their accommodations and needs in this course.

Students needing immediate mental health support can call UT’s Counseling & Mental Health Center Monday-Friday 8 am-5 pm at 512-471-3515 or UT’s 24/7 Crisis Line at 512-471-2255. Students should note the contact information for the [Behavior Concerns Advice Line](#) (BCAL): 512-232-5050, and the Campus Safety & Wellness Resources [website](#). The LBJ School also has a dedicated Counselor in Academic Residence: [Bryce Moffett](#). She can be a great resource for any student needing short-term counseling, advice on seeking longer-term services, or a sympathetic ear. She is also well-placed to refer students to other mental health

resources on campus and in the broader Austin community. Students can reach her at 512-232-4449, and her drop-in office hours are Mondays 1-2 pm in SRH 3.119.

Special Accommodations for Religious Holidays

Observance of religious holidays by individual students is respected. Class members should inform the instructor of pending absence at least fourteen days before the date of observance, and preferably at the beginning of the semester. While the class will not be canceled because of individual members' religious observance, the due dates of projects can be modified.

Harassment Reporting Requirements

[Senate Bill 212 \(SB 212\)](#), which took effect January 1, 2020, is a Texas State Law that requires all employees (both faculty and staff) at a public or private post-secondary institution to promptly report any knowledge of any incidents of sexual assault, sexual harassment, dating violence, or stalking "committed by or against a person who was a student enrolled at or an employee of the institution at the time of the incident." Please note that the instructor for this class is a mandatory reporter and must share with the [Title IX office](#) any information about sexual harassment/assault shared with me by a student, whether in-person or as part of a journal or other class assignment. Note that a report to the Title IX office does not obligate a victim to take any action, but this type of information cannot be kept strictly confidential except when shared with designated confidential employees. A confidential employee is someone a student can go to and talk about a Title IX matter without triggering that employee to have to report the situation to have it automatically investigated. A list of confidential employees is available on the [Title IX website](#).