

Spring 1996  
Syracuse University  
Class Time: T-Th., 10:00 a.m. - 11:20 a.m.  
Classroom: 111 Eggers  
Office Hours: T-Th 9:00 a.m. - 10:00 a.m.  
or by appointment

Professor Burkhauser  
Office: 426 Eggers Hall  
Secretary: Esther Gray  
Phone: 443-9040

### **ECN552/PPA730 - ECONOMICS OF AGING**

**Text:** A bound packet of readings is available at Campus Copy. Items marked with an asterisk (\*) are not in the packet but are on reserve at Bird Library.

This course provides an economic perspective for students interested in aging issues. You will develop an “economic tool-kit” for evaluating public policies targeted on older people. You will read articles on selected aging issues that illustrate the use of economic analysis to predict the behavioral affects and income distribution consequences of government policy.

You will also learn to use computer software on panel data from the Panel Study of Income Dynamics (PSID) to estimate the economic well-being of older people and show how sensitive your results are to the methods used.

#### **COURSE REQUIREMENTS**

1. Assigned readings below.
2. Preparation of a report on the economic well-being of older people using data from the PSID.
3. Development of a position brief in response to Section 503 of the American with Disabilities Act. (Maximum length 1000 words)
4. Attendance and active participation in class.
5. A midterm and final exam.

#### **Grading Policy**

The approximate weights in your final grade are:

30 percent	Midterm exam
25 percent	PSID project
10 percent	ADA position brief
35 percent	Final exam

## COURSE PREPARATION

The course prerequisite is Microeconomic Theory (ECN 301) or Managerial Economics for Public Administration (PPA 730). It is designed for students with a grasp of applied micro theory and a desire to use it to evaluate public policies targeting older people. Because statistical evidence is brought to bear in some of the articles on the reading list, Economic Statistics (ECN521) or its equivalent will provide useful background for this course. However, it is not required. I will provide in class, a heuristic guide for interpreting key statistical concepts and results.

The course primarily deals with Old-Age, Survivors and Disability Insurance (Social Security) because that is the single most important social program in the United States budget and it most dramatically affects older people. But other programs—Supplemental Security Income, Food Stamps, etc.—will be discussed as will policies that attempt to end discrimination against the old or those with disabilities.

## IMPORTANT DATES

Midterm exam	March 9
Class Discussion of PSID Results	March 21-23
Class Discussion of Section 503	April 18-20
Final Exam	May 8 (2:45 p.m. - 4:45 p.m.)

## SCHEDULED CLASSES

**January 17** Introduction

**January 19-26** **Measures of Economic Well-Being: The Ground Rules for Setting Policy Goals.**

1. Danziger, Sheldon H., Robert H. Havemen, and Robert D. Plotnick. 1986. "Antipoverty Policy: Effects on the Poor and Nonpoor." In Sheldon H. Danziger and Daniel H. Weinberg (eds.), *Fighting Poverty: What Works and What Doesn't*. Cambridge, MA.: Harvard University Press, 50-77.
2. Burkhauser, Richard V., Timothy M. Smeeding, and Joachim Merz. Forthcoming. "Relative Inequality and Poverty in Germany and the United States Using Alternative Equivalency Scales." *The Review of Income and Wealth*.
3. Burkhauser, Richard V., Amy D. Crews, Mary C. Daly, and Stephen P. Jenkins. 1995. "Where in the World is the Middle Class? A Cross-National Comparison of the Shrinking Middle Class Using Kernel Density Estimates." Cross-National Studies in Aging Program Project Paper No. 26, All-University Gerontology Center, The Maxwell School. Syracuse, NY: Syracuse University, October [revised February 1996]

4. Burkhauser, Richard V., Amy D. Crews, and Mary C. Daly. 1996. "Recounting Winners and Losers in the 1980s: A Critique of Income Distribution Measurement Methodology," Working Paper, Center for Policy Research, The Maxwell School. Syracuse, NY: Syracuse University.

**January 31- February 2      Measures of Economic Well-Being: Single Versus Multi-Period Analysis**

1. Bane, Mary Jo and David T. Ellwood. 1986 "Slipping Into and Out of Poverty: The Dynamics of Spells," *Journal of Human Resources* (Winter): 1-24.
2. Holden, Karen C., Richard V. Burkhauser, and Daniel A. Myers. 1986 "Income Transitions at Older Stages of Life: The Dynamics of Poverty," *The Gerontologist* 26(3) (June): 292-297.
3. Burkhauser, Richard V., Karen C. Holden, and Daniel A. Myers. 1986 "Marital Disruption and Poverty: The Role of Survey Procedures in Artificially Creating Poverty," *Demography* 23(4) (November): 621-631.
4. Burkhauser, Richard V., Kenneth A. Couch, and John W. Phillips. Forthcoming "Who Takes Early Social Security Benefits: The Economics and Health Characteristics of Early Beneficiaries," *The Gerontologist*.

**February 7-9                      Program Concepts: In-Kind versus In-Cash Transfers and Welfare versus Insurance Programs**

1. Smeeding, Timothy M. 1977. "The Antipoverty Effectiveness of In-Kind Transfers," *Journal of Human Resources*, XII(3): 361-378.
2. Warlick, Jennifer L. and Richard V. Burkhauser. 1986. "Who Gets What from Social Security? Analyzing the Redistributive Effects of Government Transfer Programs," *Journal of Economic Education*: 187-194.
3. Burkhauser, Richard V. and Timothy M. Smeeding. 1987. "The Net Impact of the Social Security System on the Poor," *Public Policy*, 29(2): 159-178.
4. Steuerle, C. Eugene and Jon M. Bakija. 1994. *Retooling Social Security for the 21st Century*. Washington, DC: The Urban Institute Press, Chapter 5.

**February 14-16                      Program Concepts: Horizontal versus Vertical Equity**

1. Burkhauser, Richard V. and Karen C. Holden. 1982. "Introduction." In Richard V. Burkhauser and Karen C. Holden (eds.), *A Challenge to Social Security: The Changing Roles of Women and Men in American Society*. New York: Academic Press, pp. 1-29.
2. Burkhauser, Richard V. 1984. "Alternative Social Security Responses to the Changing Roles of Women and Men." In Colin Campbell (ed.), *Controlling the Cost of Social Security*. Lexington, MA: Lexington Books, pp. 141-162.

3. Myers, Robert J. 1982. "Incremental Change in Social Security Needed to Result in Equal and Fair Treatment of Men and Women." In Richard V. Burkhauser and Karen C. Holden (eds.), *A Challenge to Social Security: The Changing Roles of Women and Men in American Society*. New York: Academic Press, pp. 235-246.
4. Burkhauser, Richard V. and Timothy M. Smeeding. 1994. "Social Security Reform: A Budget Neutral Approach to Reducing Older Women's Disproportionate Risk of Poverty," Center for Policy Research Policy Brief No. 2, The Maxwell School. Syracuse, NY: Syracuse University.

**February 21-23                      Managing Social Security**

1. Burkhauser, Richard V. 1988. Book Review of, "Policymaking for Social Security" by Martha Derthick, *Journal of Human Resources*, 16 (Winter): 157-160.
2. \*Derthick, Martha. 1979. *Policymaking for Social Security*. Washington, DC: The Brookings Institution.
3. \*Derthick, Martha. 1990. *Agency Under Stress: The Social Security Administration in American Government*. Washington, DC: The Brookings Institution.

**February 28-March 7              The Labor Force Participation of Older Workers**

1. Burkhauser, Richard V. 1980. "The Early Acceptance of Social Security: An Asset Maximization Approach," *Industrial Labor Relations Review*, 33(4): 484-492.
2. Quinn, Joseph F. and Richard V. Burkhauser. 1983. "Influencing Retirement Behavior: A Key Issue for Social Security," *Journal of Policy Analysis and Management*, 3(1) (Fall): 1-13.
3. Burkhauser, Richard V. and Joseph F. Quinn. 1994. "Changing Policy Signals: How to Increase Work Effort at Older Ages." In Matilda White Riley, Robert L. Kahn, and Anne Foner (eds.), *Age and Structural Lag: Society's Failure to Provide Meaningful Opportunities in Work, Family, and Leisure*. New York: John Wiley and Sons, Inc., pp. 237-262.

**March 9                                      Midterm Exam**

**March 14-16                              Spring Break**

**March 21-23                              PSID Economic Well-Being Reports**

**March 28-30                              What is Discrimination and How is it Measured?**

1. Garfinkel, Irwin and Robert H. Haveman. 1977. *Earnings Capacity, Poverty, and Inequality*. New York: Academic Press, pp. 70-90.
2. Baldwin, Marjorie and William G. Johnson. 1994. "Labor Market Discrimination Against Men with Disabilities," *Journal of Human Resources*, 29(1) (Winter): 7-19.

**April 4-6**

**Unisex**

1. *Los Angeles v. Manhart* (435 US 702, 1978).
2. Keyfitz, Nathan. 1981. "Equity between the Sexes: The Pension Problem," *Journal of Policy Analysis and Management*, 1(1) (Fall): 133-135.
3. Chamberlin, John. 1983. "Pension Plan Equity: The Case Against Gender Classification," *Journal of Policy Analysis and Management*, 3(1) (Fall): 125-128.
4. Kulash, Marjorie M. 1983. "Pension Plan Equity: The Unintended Consequences," *Journal of Policy Analysis and Management*, 3(1) (Fall): 129-134.
5. Burkhauser, Richard V. 1984. "Pension Plan Equity: Second Round Consequences," *Journal of Policy Analysis and Management*, 3(4): 613-617.

**April 11-13**

**The Americans with Disabilities Act of 1990**

1. Burkhauser, Richard V. and Mary C. Daly. 1996. "The Potential Impact on the Employment of People with Disabilities." In Jane West (ed.), *Implementing The Americans with Disabilities Act*. Cambridge, MA: Blackwell Publishers, pp. 153-192.
2. Aarts, Leo, Richard V. Burkhauser, and Philip de Jong. 1992. "A Cautionary Tale of European Disability Policy: Lessons for the United States," *Regulation*, 15: 75-86.
3. Burkhauser, Richard V. Forthcoming. "Post-ADA: Are People with Disabilities Expected to Work?" *The Annals of the American Academy of Political and Social Science*.
4. Burkhauser, Richard V., Andrew J. Glenn, and David C. Wittenburg. Forthcoming. "Building a Work-Based Disability Policy: The Disabled Worker Tax Credit." In Virginia Reno, Jerry Mashaw, and William Gradison (eds.), *Disability: Challenges for Social Insurance, Health Care Financing and Labor Market Policy*. Washington, DC: National Academy of Social Insurance.

**April 18-20**

**Making Disability Policy: Section 305 of the ADA**

1. \*U.S. Congress, Office of Technology Assessment. 1993. *Access to Over-the-Road Buses for Persons with Disabilities*, OTA-SET-547. Washington, DC: U.S. Government Printing Office, May.

**April 25-27**

**Review**

**May 8**

**Comprehensive Final Exam (2:45 p.m. - 4:45 p.m.)**