Classes will be held in TBD from 11:07am to 12:00pm every Monday, Wednesday, and Friday, except for those dates indicated on the lecture calendar.

Sections will be held once a week, at times to be arranged.

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 October 18 -- 25 percent
• two four-page memos due at the beginning of class on October 30 and November 29 -- 25 percent
• a final exam given in December -- 50 percent
• Paper Option: Students have the option of writing a 20-25 page research paper (due on December 4) 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. 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, you must also acknowledge this assistance.

The course website can be accessed here: https://canvas.harvard.edu/courses/29991
## Schedule
### American Economic Policy
#### Fall 2017

<table>
<thead>
<tr>
<th>Day</th>
<th>Date</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>W</td>
<td>Aug. 30</td>
<td>Introduction (Feldstein)</td>
</tr>
<tr>
<td>F</td>
<td>Sep. 1</td>
<td>Where are we? How did we get here? What next? (Feldstein)</td>
</tr>
<tr>
<td>M</td>
<td>Sep. 4</td>
<td>No Class (Labor Day)</td>
</tr>
<tr>
<td>W</td>
<td>Sep. 6</td>
<td>National Savings and U.S. Fiscal Policy (Liebman)</td>
</tr>
<tr>
<td>F</td>
<td>Sep. 8</td>
<td>Preventing and Responding to Financial Crises (Summers)</td>
</tr>
<tr>
<td>M</td>
<td>Sep. 11</td>
<td>Growth, Productivity, and Distribution (Feldstein)</td>
</tr>
<tr>
<td>W</td>
<td>Sep. 13</td>
<td>Keynesian Economics: Retreat and Return (Feldstein)</td>
</tr>
<tr>
<td>F</td>
<td>Sep. 15</td>
<td>Monetary Policy: Business Cycles and Inflation (Feldstein)</td>
</tr>
<tr>
<td>M</td>
<td>Sep. 18</td>
<td>Monetary Policy: Business Cycles and Inflation (Feldstein)</td>
</tr>
<tr>
<td>W</td>
<td>Sep. 20</td>
<td>Monetary Policy and Financial Stability (Feldstein)</td>
</tr>
<tr>
<td>F</td>
<td>Sep. 22</td>
<td>Budget Deficits and Surpluses (Liebman)</td>
</tr>
<tr>
<td>M</td>
<td>Sep. 25</td>
<td>Fixing the Budget Deficit (Feldstein)</td>
</tr>
<tr>
<td>W</td>
<td>Sep. 27</td>
<td>Tax Policy (Feldstein)</td>
</tr>
<tr>
<td>F</td>
<td>Sep. 29</td>
<td>Fundamental Tax Reform (Liebman)</td>
</tr>
<tr>
<td>M</td>
<td>Oct. 2</td>
<td>Tax Policy (Feldstein)</td>
</tr>
<tr>
<td>W</td>
<td>Oct. 4</td>
<td>Tax Policy (Feldstein)</td>
</tr>
<tr>
<td>F</td>
<td>Oct. 6</td>
<td>Inequality (Liebman)</td>
</tr>
<tr>
<td>M</td>
<td>Oct. 9</td>
<td>No Class (Columbus Day)</td>
</tr>
<tr>
<td>W</td>
<td>Oct. 11</td>
<td>Immigration (Liebman)</td>
</tr>
<tr>
<td>F</td>
<td>Oct. 13</td>
<td>Budget and Tax Discussion (Feldstein and Liebman)</td>
</tr>
<tr>
<td>M</td>
<td>Oct. 16</td>
<td>Social Security Reform (Feldstein)</td>
</tr>
<tr>
<td>W</td>
<td>Oct. 18</td>
<td>Midterm</td>
</tr>
<tr>
<td>F</td>
<td>Oct. 20</td>
<td>Social Security Reform (Feldstein)</td>
</tr>
<tr>
<td>M</td>
<td>Oct. 23</td>
<td>Disability Insurance and Unemploy. Insurance (Liebman)</td>
</tr>
<tr>
<td>W</td>
<td>Oct. 25</td>
<td>Energy and Climate Change (Liebman)</td>
</tr>
<tr>
<td>F</td>
<td>Oct. 27</td>
<td>Health Care Policy (Liebman)</td>
</tr>
<tr>
<td>M</td>
<td>Oct. 30</td>
<td>Health Care Policy (Chandra)</td>
</tr>
<tr>
<td>W</td>
<td>Nov. 1</td>
<td>Health Care Policy (Chandra)</td>
</tr>
<tr>
<td>F</td>
<td>Nov. 3</td>
<td>Trade Policy (Summers)</td>
</tr>
<tr>
<td>M</td>
<td>Nov. 6</td>
<td>Trade Imbalances and the Dollar (Feldstein)</td>
</tr>
<tr>
<td>W</td>
<td>Nov. 8</td>
<td>Trade Imbalances and the Dollar (Feldstein)</td>
</tr>
<tr>
<td>F</td>
<td>Nov. 10</td>
<td>The Economics of National Security (Feldstein)</td>
</tr>
<tr>
<td>M</td>
<td>Nov. 13</td>
<td>Economic Policy Discussion (Liebman and Summers)</td>
</tr>
</tbody>
</table>
W  Nov. 15  Transfer Programs and Welfare Policy (Liebman)
F  Nov. 17  Transfer Programs and Welfare Policy (Liebman)
M  Nov. 20  Globalization and Economic Policy (Summers)
W  Nov. 22  No Class (Thanksgiving)
F  Nov. 24  No Class (Thanksgiving)
M  Nov. 27  Technological Change and Job Creation (Summers)
W  Nov. 29  Where Do We Go from Here (Feldstein)
F  Dec. 1  No class

Reading Period: December 2 – 8
Final Exam: TBD

READING LIST

The following useful resources are available free and on line:
Congressional Budget Office
Economic Report of the President
NBER Digest
NBER Reporter
NBER Working Papers

Introduction: Where are we? How did we get here? What next? (August 30, September 1)

Martin Feldstein, “The U.S. Economy is in Good Shape,” WSJ, Feb 21, 2016.


Economic Report of the President 2016, Chapter 7, discusses the role of the Council of Economic Advisers and includes recollections from several former CEA chairmen. The Feldstein recollection is included in the 1420 readings.

National Savings and U.S. Fiscal Policy (September 6)


Preventing and Responding to Financial Crises (September 8)


**Growth, Productivity, and Distribution (September 11)**


Bruce Meyer, “CPS Overestimates the Poverty Rate,” NBER WP 21676, summarized in NBER Digest February 2016.


**Keynesian Economics: Retreat and Return (September 13)**


**Monetary Policy: Business Cycles and Inflation (September 15 and 18)**


Martin Feldstein, “Where the Fed will be when the next downturn occurs,” WSJ, July 5, 2016.


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

Monetary Policy and Financial Stability (September 20)


Budget Deficits and Surpluses (September 22 and 25)


*Additional optional resources:*


**Tax Policy (September 27, October 2 and 4)**


Additional optional resource:


Fundamental Tax Reform (September 29)


Inequality and Equitable Growth (October 6)


**Immigration (October 11)**


*Additional optional resource:*


**Budget and Tax Discussion (October 13)**

No additional readings.

**Social Security Reform (October 16 and 20)**


Congressional Budget Office, The 2016 Long Term Budget Outlook, Chapter 2.


*Disability Insurance and Unemployment Insurance (October 23)*


**Energy and Climate Change (October 25)**


**Health Care Policy (October 27 and 30, November 1)**


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


Kaiser Family Foundation, “Summary of New Health Reform Law,”


*Additional optional resources:*

Kaiser Family Foundation, “Primer on Medicare.”

Kaiser Family Foundation, “Primer on Medicaid.”

*Trade Policy (November 3)*


**Trade Imbalances and the Dollar (November 6 and 8)**


**The Economics of National Security (November 10)**


*Additional optional resource:*


**Economic Policy Discussion (November 13)**

No additional readings.

**Transfer Programs and Welfare Policy (November 15 and 17)**


**Globalization and Economic Policy (November 20)**


**Technological Change and Job Creation (November 27)**

Keynes, John. 1930. "Economic Possibilities for our Grandchildren"


**Where We Go From Here (November 29)**

No additional readings.