

# Inequality and the Macroeconomy

## Spring 2009

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This course will examine how inequality interacts with the economy at various levels. The focus will be both on the determinants and on the consequences of inequality. We will examine work on borrowing constraints, bequests, sorting into neighborhoods, schools, and marriages, heterogeneity in ability, beliefs, culture, environment, institutions, and information. We will look both at inequality across individuals and groups of individuals (gender, race, ability) and, to a lesser extent, inequality across countries. The exact topics covered will largely depend on student interest.

### **I. Some Empirical Evidence on Income and Wealth Distributions and Mobility**

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## II. The Representative Agent and Distribution

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## IV. Sorting and Local Interactions

### A. Some Theory

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### B. Sorting and Inequality: Location, Education, and Marriage

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## V. Culture as a Source of Inequality

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## VII. Inequality Across Countries

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