

# Economics 4524 : Economic History of the United States

Fall 2017 • Muenzinger Psychology E431 • MonWedFri, 1-1:50pm

Instructor: Taylor Jaworski • Email: [taylor.jaworski@colorado.edu](mailto:taylor.jaworski@colorado.edu)

Office: Economics 14C • Office Hours: Thursday, 2-4pm (or by appointment)

## Description

The United States has experienced sustained economic growth over most of its history. More recently growth has slowed and economists, policymakers, and pundits have strained for explanations. This course will look to the past to understand the sources of economic growth throughout US history and the reasons for optimism or pessimism about prospects for future growth. We will examine processes that are ongoing such as the expansion of markets, immigration, urbanization, and structural transformation; we will study the role of institutions, from indentured servitude and slavery to the Constitution and finance; and we will examine the experience of specific groups (e.g., Native Americans, African-Americans, and women) and impact of particular events (e.g., Great Depression, Dust Bowl, New Deal, and World War II) as the country progressed along its long-run growth path.

## Course Materials & Statistical Software

Course materials—including lectures, readings, and assignments—will be made available on [Desire2Learn](#). Students are also **required** to have access to the statistical software **Stata/IC**. Information on [student pricing](#) is available on the **Stata** website.

## Grading

*Attendance/Participation* (10%): Students are required to come to class ready to participate in discussion of readings marked with “★” in the course outline. Each class you will be required to do a 1/2 page summary of the reading assignment for that day. These assignments will be given either 0 or 1.

Students should attend class unless you are ill. If you are absent more than four times this will affect your course grade.

To remain enrolled in the course you must attend the first 3 classes. If you do not, you will be administratively dropped from the course.

*Presentations* (30% total,  $2 \times 15\%$  each): Each student will be part of two group presentations of papers marked on the course outline below. For the first presentation (up to 25 minutes), your group will be responsible for presenting the paper for that day as if it was your own research. For the second presentation (up to 15 minutes), your group will be responsible for critiquing the paper.

For each presentation 10 points will be allocated based on the quality of the presentation and 5 points will be allocated based on the assessment of your collaborators. Students should submit a grade up to 5 points for each member of the group. The grade for this portion of each presentation will be the average points submitted by the rest of your group.

Students are responsible for coming to prepared with their own thoughts or questions on the presentation papers and ready to “think on your feet.”

*Exams* (60% total, 3 × 20% each): There will be three exams covering material for roughly 1/3 of the course each. Exams will involve answering questions about course material as well as replicating or extending the empirical analysis in research papers. Exams will cover **all** readings listed below. Dates for the exams are marked on the course outline below. You should prepare for the exams independently and answers should reflect your understanding and reflections on the course material. Originality and creativity will be rewarded.

*Policy on referencing:* Be careful to document (author, title, publication, year) all references to work that is not your own. You should include a “references” section for all work handed in for credit and follow the guidelines for “author-date system” in [The Chicago Manual of Style Online](#).

*Policy on late work:* Late work will be assessed a penalty of 5 percentage points per day. Students unable to complete coursework for medical reasons must provide written documentation.

### **Office Hours & Email**

I encourage you to attend office hours or to setup a time to meet outside of office hours if the day/time listed above do not work for you. You should come to office hours prepared with questions or ready to discuss the course material (or anything else). Office hours (**not** email) is the appropriate forum for addressing questions about course material or policies. Use email to setup a time to meet outside of office hours, if necessary.

### **Cell Phones, Laptops, Etc**

Laptops, cell phones, and other devices with screens are not to be used during class without permission of the instructor.

### **Accommodation for Disabilities**

If you qualify for accommodations because of a disability, please submit your accommodation letter from Disability Services to your faculty member in a timely manner so that your needs can be addressed. Disability Services determines accommodations based on documented disabilities in the academic environment. Information on requesting accommodations is located on the [Disability Services website](#). Contact Disability Services at 303-492-8671 or [dsinfo@colorado.edu](mailto:dsinfo@colorado.edu) for further assistance. If you have a temporary medical condition or injury, see Temporary Medical Conditions under the Students tab on the Disability Services website and discuss your needs with me.

### **Religious Holidays**

Campus policy regarding [observance of religious holidays and absences from classes and/or exams](#) requires that faculty make every effort to deal reasonably and fairly with all students

who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. See the campus policy regarding religious observances for full details.

### **Classroom Behavior**

Students and faculty each have responsibility for maintaining an appropriate learning environment. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with race, color, national origin, sex, pregnancy, age, disability, creed, religion, sexual orientation, gender identity, gender expression, veteran status, political affiliation or political philosophy. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records. For more information, see the policies on classroom behavior and the Student Code of Conduct.

### **Sexual Misconduct, Discrimination, Harassment and/or Related Retaliation**

The University of Colorado Boulder is committed to maintaining a positive learning, working, and living environment. CU Boulder will not tolerate acts of sexual misconduct, discrimination, harassment or related retaliation against or by any employee or student. CU's Sexual Misconduct Policy prohibits sexual assault, sexual exploitation, sexual harassment, intimate partner abuse (dating or domestic violence), stalking or related retaliation. CU Boulder's Discrimination and Harassment Policy prohibits discrimination, harassment or related retaliation based on race, color, national origin, sex, pregnancy, age, disability, creed, religion, sexual orientation, gender identity, gender expression, veteran status, political affiliation or political philosophy. Individuals who believe they have been subject to misconduct under either policy should contact the Office of Institutional Equity and Compliance (OIEC) at 303-492-2127. Information about OIEC, the above referenced policies, and the campus resources available to assist individuals regarding sexual misconduct, discrimination, harassment or related retaliation can be found at the [OIEC website](#).

### **Honor Code**

All students enrolled in a University of Colorado Boulder course are responsible for knowing and adhering to the academic integrity policy. Violations of the policy may include: plagiarism, cheating, fabrication, lying, bribery, threat, unauthorized access to academic materials, clicker fraud, resubmission, and aiding academic dishonesty. All incidents of academic misconduct will be reported to the Honor Code Council ([honor@colorado.edu](mailto:honor@colorado.edu); 303-735-2273). Students who are found responsible for violating the academic integrity policy will be subject to nonacademic sanctions from the Honor Code Council as well as academic sanctions from the faculty member. Additional information regarding the academic integrity policy can be found at the Honor Code Office website.

## Course Outline

### Week 1: Introduction

*Introduce the study of economic history, the empirical toolkit we will rely on throughout the course, and a framework for putting together the individual topics we will consider in this course to tell the story of the development of the American economy.*

08/28 LECTURE on “Introduction to the Course”

08/30 LECTURE on “Toolkit for Economic History”

09/01 LECTURE on “Frameworks for US Economic History”

\*Jill Lepore on [Traveling through Time](#), Conversations with Tyler

\*Goldin, “The Economist as Detective,” *Passion and Craft: Economists at Work*

### Week 2: Settlement of the New World

*Analyze colonial institutions in comparative perspective, including the implications for economic growth in the short- and long-run as well as a preliminary examination of the origins of prosperity and poverty.*

09/04 No Class – Labor Day

09/06 \*Acemoglu, Johnson & Robinson, “The Colonial Origins of Comparative Development: An Empirical Investigation,” *American Economic Review*

09/08 Presentation #0 on \*Dell, “The Persistent Effects of Peru’s Mining *Mita*,” *Econometrica*

### Week 3: The Native Economy

*Examine the interaction between European settlers and native americans in Canada and the United States, including the role of the development of trading relationships and the long-run implications of resource management by both groups.*

09/11 \*Carlos & Lewis, “Indians, the Beaver, and the Bay: The Economics of Depletion in the Lands of the Hudson’s Bay Company, 1700–1763,” *Journal of Economic History*

09/13 Presentation #1 on \*Carlos & Lewis, “Trade, Consumption, and the Native Economy: Lessons from York Factory, Hudson Bay,” *Journal of Economic History*

09/15 \*Feir, Gillizeau, & Jones, “The Slaughter of the Bison,” Working Paper

### Week 4: Indentured Servitude

*Provide an economic interpretation of indentured servitude. We will consider why indentured servitude was created and how it functioned, the implications for the types of people that traveled to the New World, and how the system evolved over time.*

09/18 Presentation #2 on \*Galenson, “The Rise and Fall of Indentured Servitude in the Americas: An Economic Analysis,” *Journal of Economic History*

09/20 \*Abramtizky & Braggion, “Migration and Human Capital: Self-Selection of Indentured Servants to the Americas,” *Journal of Economic History*

09/22 **Presentation #3** on \*Grubb, “The Market for Indentured Immigrants: Evidence on the Efficiency of Forward-Labor Contracting in Philadelphia, 1745–1773,” *Journal of Economic History*

## **Week 5: American Independence and the Early Republic**

*Understand the causes of the American Revolution, the structure of political and economic institutions implied by the founding documents, and the consequences of economic policy-making in the Early Republic.*

09/25 LECTURE on “Reasons for the Revolution”

Galiani & Torrens, “Why Not Taxation and Representation? A Note on the American Revolution,” Working Paper

09/27 \*[Declaration of Independence, US Constitution, Bill of Rights](#)

\*Jill Lepore, “[Tea And Sympathy](#)” *The New Yorker*

09/29 **Presentation #4** on \*Irwin, “The Welfare Costs of Autarky: Evidence from the Jeffersonian Trade Embargo, 1807–09,” *Review of International Economics*

## **Week 6: The Market Revolution**

*Examine innovation, the expansion of markets, and the growth of agriculture (and other sectors) over the course of the nineteenth century. We will revisit a classic question in economic history: Were railroads indispensable for the development of the American economy?*

10/02 **Presentation #5** on \*Sokoloff, “Inventive Activity in Early Industrial America: Evidence From Patent Records, 1790–1846,” *Journal of Economic History*

10/04 EXAM #1

10/06 LECTURE on “The Debate Over the Impact of Railroads”

Donaldson & Hornbeck, “Railroads and American Economic Growth: A Market Access Approach,” *Quarterly Journal of Economics*

## **Week 7: Slavery**

*Analyze the operation of the institution of slavery, the incentives faced by slaveowners and slaves, its role in US economic development, and the implications for differences between the outcomes of African-Americans and other groups today.*

10/09 \*Gonzalez, Marshall, & Naidu, “Start-up Nation? Slave Wealth and Entrepreneurship in Civil War Maryland,” *Journal of Economic History*

10/11 **Presentation #6** on \*Allen, “The Promise of Freedom: Fertility Decisions and the Escape from Slavery,” *Review of Economics and Statistics*

10/13 LECTURE on “Legacies of Slavery”

Collins & Wanamaker, “Up From Slavery? African American Intergenerational Economic Mobility Since 1880,” Working Paper

Goldin, “The Economics of Emancipation,” *Journal of Economic History*

Goldin & Lewis, “The Economic Cost of the American Civil War: Estimates and Implications,” *Journal of Economic History*

**Week 8: Age of Mass Migration**

*Provide a brief introduction to the economics of immigration as well as examine important events and patterns in the history of immigration. Of particular interest, we will consider the economic effects of political responses to immigration during the Age of Mass Migration.*

10/16 LECTURE on “Immigration, Diversity, and the Labor Market”

Abramitzky & Boustan, “Immigration in American History,” *Journal of Economic Literature*

Nunn, Qian, & Sequeira, “Migrants and the Making of America,” Working Paper

10/18 **Presentation #7** on \*Ferrie, “The Wealth Accumulation of Antebellum European Immigrants to the U.S., 1840–60,” *Journal of Economic History*

10/20 \*Bandiera et al, “Nation-Building Through Compulsory Schooling During the Age of Mass Migration,” Working Paper

**Week 9: Finance**

*Understand the role of finance in economic growth in general and the evolution of financial institutions over time in the United States. We will examine self-regulating features of financial markets in the early twentieth century and the determinants of compensation in the industry.*

10/23 **Presentation #8** on \*Lamoreaux, “Banks, Kinship, and Economic Development: The New England Case,” *Journal of Economic History*

10/25 \*Frydman & Hilt, “Investment Banks as Corporate Monitors in the Early Twentieth Century United States,” *American Economic Review*

10/27 **Presentation #9** on \*Philippon & Reshef, “Wages and Human Capital in the US Finance Industry: 1909–2006,” *Quarterly Journal of Economics*

**Week 10: The Great Depression**

*Consider the success or failure trade and fiscal policy responses to the Great Depression. In addition, we will study the causes and consequences of the 1930s Dust Bowl as well as the responses to environmental catastrophe over the long run.*

10/30 **Presentation #10** on \*Eichengreen & Irwin, “The Slide to Protectionism in the Great Depression: Who Succumbed and Why?” *Journal of Economic History*

- 11/01 LECTURE on “Causes and Consequences to Environmental Catastrophes”  
 Hansen & Libecap, “Small Farms, Externalities, and the Dust Bowl of the 1930s,” *Journal of Political Economy*  
 Hornbeck, “The Enduring Impact of the American Dust Bowl: Short- and Long-Run Adjustments to Environmental Catastrophe,” *American Economic Review*  
 Coase, “The Problem of Social Cost,” *Journal of Law and Economics*
- 11/03 **Presentation #11** on \*Hausman, “Fiscal Policy and Economic Recovery: The Case of the 1936 Veterans’ Bonus,” *American Economic Review*

### Week 11: World War II

*Examine the economics of World War II, including industrial mobilization and whether the war contributed to recovery from the Great Depression. We will consider the challenges of measurement and national accounting in wartime and economics more generally.*

- 11/06 \*Thompson, “How Much Did the Liberty Shipbuilders Learn? New Evidence for an Old Case Study,” *Journal of Political Economy*
- 11/08 EXAM #2
- 11/10 **Presentation #12** on \*Higgs, “Wartime Prosperity? A Reassessment of the U.S. Economy in the 1940s,” *Journal of Economic History*

### Week 12: Race

*Analyze the economic outcomes of African-Americans in the United States after the end of slavery. We will focus on educational attainment in the early twentieth century, migration to Northern cities after 1940, and differences in health and healthcare utilization following revelations about the Tuskegee experiments in the 1970s.*

- 11/13 **Presentation #13** on \*Aaronson & Mazumder, “The Impact of Rosenwald Schools on Black Achievement,” *Journal of Political Economy*
- 11/15 \*Boustan, “Competition in the Promised Land: Black Migration and Racial Wage Convergence in the North, 1940-1970,” *Journal of Economic History*
- 11/17 **Presentation #14** on \*Alsan & Wanamaker, “Tuskegee and the Health of Black Men,” Working Paper

### Week 13: Women

*Understand the economics of female participation in the labor force, decisions to invest in more schooling, and role of contraception. Broadly, we will focus on the interaction between technology and institutions over the course of the twentieth century.*

- 11/27 \*Goldin, “The Quiet Revolution That Transformed Women’s Employment, Education, and Family,” *American Economic Review*
- 11/29 **Presentation #15** on \*Goldin & Katz, “The Power of the Pill: Oral Contraceptives and Women’s Career and Marriage Decisions,” *Journal of Political Economy*

- 12/01 LECTURE on “The Economic Impact of Women’s Changing Social Status”  
 Hurst et al, “The Allocation of Talent and U.S. Economic Growth,” Working Paper  
 Doepke, Tertilt & Voena, “The Economics and Politics of Women’s Rights,” *Annual Review of Economics*  
 Aaronson et al, “The Effect of Fertility on Mothers’ Labor Supply over the Last Two Centuries,” Working Paper

## Week 14: Cities & Regions

*Examine economic change in cities and regions in the United States. We will focus on transportation infrastructure and neighborhood characteristics, including the implications for where people live within cities and the integration across cities or regions.*

- 12/04 \*Baum-Snow, “Did Highways Cause Suburbanization,” *Quarterly Journal of Economics*  
 12/06 **Presentation #16** on \*Boustan, “Was Postwar Suburbanization ‘White Flight’? Evidence from the Black Migration,” *Quarterly Journal of Economics*  
 12/08 LECTURE on “Structural Transformation and Problems in Regional Development”  
 Jaworski & Kitchens, “National Policy for Regional Development: Historical Evidence From Appalachian Highways,” Working Paper

## Week 15: The Future

*A few thoughts on the relevance of economic history for understanding the present and future of economic growth. We will focus on the impact of technological change on labor force attachment and role of human capital in development and growth.*

- 12/11 \*Aguiar et al, “Leisure Luxuries and the Labor Supply of Young Men,” Working Paper  
 12/13 LECTURE on “The Future Economic History of the United States”  
 Davidson, “[Making It in America](#),” *The Atlantic*  
 Mokyr, Vickers, & Ziebarth, “The History of Technological Anxiety and the Future of Economic Growth: Is This Time Different?” *Journal of Economic Perspectives*  
 Gordon, *The Rise and Fall of American Growth: The U.S. Standard of Living since the Civil War*, Chapter 1  
 Mokyr, “Long-Term Economic Growth and the History of Technology,” *Handbook of Economic Growth*  
[Tyler Cowen’s \*Stubborn Attachments\*](#). FT Alphachat podcast. April 2017.

EXAM #3 will be a take-home exam due on, **Monday, December 18, 4pm**, which is the date of [final exam scheduled by the University](#).