

U6016: Cost-benefit analysis
School of International and Public Affairs, Columbia University
FALL 2003
Lecture outline

III. DISTRIBUTIONAL ANALYSIS

A. Introduction

1. Three examples
 - a. grain import program
 - b. minimum wage legislation
 - c. neighborhood choice for subway station
2. Matrix of distributional and efficiency effects
3. Why worry about distributional effects?
4. Quantifying distributional effects
5. Adjusting for distributional effects

B. Distributional analysis using leaky bucket ratios

1. A benchmark tax and transfer program
2. Calculating leaky bucket ratios
3. Using estimated leaky bucket ratios

C. Distributional analysis using distributional weights

1. Welfare economics: a brief introduction
2. Measures of individual welfare
3. Aggregating across individuals: social welfare functions
 - a. Generic representation
 - b. Examples: utilitarian
 - c. Examples: Rawlsian
 - d. Examples: hyperbolic
4. Deriving distributional weights