

Economics 216, Fall 2020

Bates College

Homework Assignment #3

Due October 2

This assignment asks you to answer a series of questions about economic downturns. Each consists of three parts:

- i. You are asked to describe the historical relationship between U.S. recessions and the subject of each question. For these parts, you generally want to provide either data or a source.
- ii. You are asked to provide intuition for your result from i. Explain the choices that cause the relationship to exist. You may want to reference relevant economic theory.
- iii. You are asked to discuss whether the relationship from 1) seems to be holding up during the current recession. Note that the answer may be inconclusive. As with i, you are encouraged to provide either data or a source.

One or two concise paragraphs are sufficient for each part. Proerly cite each of your sources using parenthetical notation (*e.g.* Jones (2031) argues that...). The American Economic Association of America **provides sample references** which follow the Chicago Manual of Style.

1. Crime

- a. Have crime rates historically risen or fallen during economic downturns?
- b. Provide intuition for your result from a.
- c. Has the relationship(s) from a) continued during the covid-19 recession.

2. Inequality

- a. Has economic inequality historically risen or fallen during economic downturns? Your answer may focus on the general distribution of income or wealth (*e.g.* how much income is earned by the

top 10% of earners). Or it may consider different levels of income or wealth across demographic groups.

b. Provide intuition for your result from a.

c. Has the relationship(s) from a) continued during the covid-19 recession.

3. Politics

a. Do economic downturns typically hurt the political party in power (incumbents) during presidential and Congressional elections?

b. Provide intuition for your result from a.

c. Has the relationship(s) from a) continued during the covid-19 recession.