

University of Missouri
Economics 4004: Economics of Discrimination
Fall Semester 2018

Meeting Time: Monday and Wednesday, 3:30-4:45 p.m.

Meeting Place: Cornell Hall 114

Course Instructors:

Dr. Jeff Milyo
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Course Overview:

This course surveys economic research on the nature and causes of disparities across race and sex, with a particular emphasis on recent empirical studies and current domestic policy debates. Topics include disparities and discrimination in: educational attainment; unemployment, compensation and promotion; housing and lending; crime and sentencing; policing; health care; and political representation. Disparities by sexual preference, physical appearance and disability are also discussed.

This course satisfies the DI requirement by intentionally and intensively examining sources of unequal outcomes and policies aimed at ameliorating these disparities through the lens of objective and scientific analysis.

Prerequisite:

Economics 4371 or Statistics 3500 (or equivalent training in statistics through multivariate regression analysis)

Required for Purchase:

O'Flaherty (2015). *The Economics of Race in the United States*. Harvard University Press (Cambridge, MA).

Blau, Ferber and Winkler (2018). *The Economics of Women, Men and Work* (7th edition). Pearson prentice Hall (Upper Saddle River, NJ).

All other readings will be distributed through the course website on Canvas.

Grading:

Course grades are based on the weighted average of two reflection essays (3 points each), two reaction paper (40 points each) and participation (18 points total). Final course grades will be assigned as follows (class scores are rounded to the nearest integer):

A+ = 97-104	B+ = 87-89	C+ = 77-79	D+ = 67-69
A = 93-96	B = 83-86	C = 73-76	D = 63-66
A- = 90-92	B- = 80-82	C- = 70-72	D- = 60-62
			F = 59 and lower

Reflection Essays:

Students will complete two 1-2 page reflection essays, one at the start of class and one at the end of class. The initial essay will discuss course expectations and aspirations. The second essay will revisit these initial thoughts and discuss the value-added of the course.

Reflection essays may be informal in style, but must be well written. The initial essay is scored only on timely completion and the quality of the writing. The second essay will be graded on these criteria, but also on the content and the extent to which it conveys a sincere and serious contemplation on the class experience.

Reaction Papers:

Reaction papers are extended assignments that involve multiple drafts in response to peer review. Students will produce a preliminary draft of each paper to be submitted for peer review, then a final draft of each paper to be graded by the instructors.

Reaction papers are well-written 4-5-page commentaries that apply, extend or critique class material. Papers may be informal in tone and may include some normative analysis; however, the goal of a reaction paper is to demonstrate value-added from class via positive analysis. As such, reaction papers should not summarize class material or outside sources except as necessary to motivate or advance the substantive analysis.

A common strategy for writing a successful reaction paper is to summarize and critically analyze a study related to the class material but not assigned as a required reading in class. Alternatively, you may discuss a current event or studies and topics from other classes as the basis for your reaction paper, just as long as your paper demonstrates value added from this course.

The first draft of each reaction paper will be distributed in class to two peer-reviewers. The peer-reviewers will provide written comments back to the author within one week.

The final draft of the paper must include the peer reviews as attachments, as well as a cover letter explaining your response to the reviewers' comments.

Reaction papers are scored on a 40-point scale based upon: 1) timely completion of a paper that meets all required elements; 2) the quality of the writing, 3) the quality of the analysis, 4) the response to peer reviews, and 5) originality, creativity and presentation.

Participation:

Participation is graded on an 18-point scale. Timely completion of referee reports that include substantive praise and constructive criticism count for a maximum of 8 points (2 points each). Regular attendance and participation in class discussion constitute the remainder of the participation score (10 points). However, unexcused absences, failure to answer questions on assigned reading will result in a 1-point penalty to participation (maximum -1 point per class). Participation scores are not bound at zero, so chronic non-participation will have a strongly detrimental impact on the overall course grade.

Style Guide for Writing Papers:

All papers should be printed single-sided, double-spaced and in 12 point font with one-inch margins all around. Multiple pages must be secured together by a mechanical fastening device. The author's name should appear at the upper left corner of the first page.

Additional guidelines for citations, quotations, etc. to follow

COURSE OUTLINE AND ASSIGNMENTS

(Subject to modification: See Canvas for specific assignments)

Introduction (Day 1)

What Is This Course About and Why Are We Teaching It?
Disparities, Bias and Discrimination: What's the Difference?

EXPLAINING RACIAL DISPARITIES IN EMPLOYMENT, BUSINESS AND WEALTH

Background (Day 2)

O'Flaherty, chapter 2, "Classic Texts"
Thomas Sowell, chapter 2, "The Economic Evolution of Black Americans" (see Canvas)

Optional

O'Flaherty, chapter 3, "What is Race"
Thomas Sowell, chapter 1, "American Slavery" (see Canvas)

Premarket: Education (Week 2)

O'Flaherty, chapter 7, "Education"

Labor Market: Disparities and Theories of Discrimination (Weeks 3-4)

O'Flaherty, chapter 5, "Employment and Earnings"
O'Flaherty, chapter 13, "Wealth"

EXPLAINING GENDER DIFFERENCES IN EMPLOYMENT

Background (Week 5)

Blau and Winkler, chapter 2 "Women and Men: Historical Perspective"
Blau and Winkler, chapter 3, "The Family as an Economic Unit: Theoretical Perspective"
Blau and Winkler, chapter 5, "Labor Force: Definitions and Trends"

The Gender Gap in Wages and Occupations (Week 6)

Blau and Winkler, chapters 7-11, "Labor Market Outcomes" "Education" "Other Sources" "Evidence on Sources" "Theories of Discrimination"

Government Policies (Week 7)

Blau and Winkler, chapter 12, "Government Policies to Combat Employment Discrimination"

Week 7: Other Groups in the Labor Market: Sexual Preference, Physical Appearance and Disability

Black, Sanders and Taylor. 2007. "The Economics of Lesbian and Gay Families," *Journal of Economic Perspectives*, 21(2): 53–70.

Burkhauser and Daly (2002). "U.S. Disability Policy in a Changing Environment," *Journal of Economic Perspectives*, 16(1): 213-224.

TBA

Week 8: Home Ownership and Lending

O'Flaherty (2015). *The Economics of Race in the United States*; Chapter 10

TBA

Week 9-10: Social Capital: Neighborhoods, Friends and Families

Blau et al. (2018). *The Economics of Women, Men and Work*; Chapters 4

O'Flaherty (2015). *The Economics of Race in the United States*; Chapters 8-9

Alesina and La Ferrara (2000). "Participation in Heterogeneous Communities," *Quarterly Journal of Economics*, 847-904.

Camargo et al. (2010). "Interracial Friendships in College," *Journal of Labor Economics*, 28(4): 861-892.

Week 10-11: Health

O'Flaherty (2015). *The Economics of Race in the United States*; Chapter 4

Mellor and Milyo (2004). "Individual Health Status and Racial Minority Concentration in U.S. States and Counties," *American Journal of Public Health*, 94(6): 1043–1048.

Schulman et al. (1999). "The Effect of Race and Sex on Physicians' Recommendations for Cardiac Catheterization," *New England Journal of Medicine*, 340:618-626.

Skinner et al. (2005). "Mortality after Acute Myocardial infarction in Hospitals that Disproportionately Treat Black Patients," *Epidemiology*, 112: 2634-2641.

Week 12-13: Crime, Sentencing and Policing

O’Flaherty (2015). *The Economics of Race in the United States*; Chapter 11

Mustard (2001). “Racial, Ethnic and Gender Disparities in Sentencing: Evidence from the U.S. Federal Courts,” *Journal of Law and Economics*, 44: 285-314.

Ayres and Waldfogel (1994). “A Market Test for Race Discrimination in Bail Setting,” *Stanford Law Review*, 46: 987-1047.

Grogger and Ridgeway (2006). “Testing for Racial Profiling in Traffic Stops From Behind a Veil of Darkness,” *Journal of the American Statistical Association*, 101(475): 878-887.

Fryer (2016). “An Empirical Analysis of Racial Differences in Police Use of Force,” NBER #22399.

TBA

Week 14-15: American Politics

O’Flaherty (2015). *The Economics of Race in the United States*; Chapter 14-15

Luttmer (2001). “Group Loyalty and a Taste for Redistribution” *Journal of Political Economy*, 109(3): 500-528.

Hajnal et al. (2017). “Voter Identification Laws and the Suppression of Minority Votes,” *Journal of Politics*, 79(2): 363-379.

TBA

Academic Integrity

Academic integrity is fundamental to the activities and principles of a university. All members of the academic community must be confident that each person's work has been responsibly and honorably acquired, developed, and presented. Any effort to gain an advantage not given to all students is dishonest whether or not the effort is successful. The academic community regards breaches of the academic integrity rules as extremely serious matters. Sanctions for such a breach may include academic sanctions from the instructor, including failing the course for any violation, to disciplinary sanctions ranging from probation to expulsion. When in doubt about plagiarism, paraphrasing, quoting, collaboration, or any other form of cheating, consult the course instructor.

Accommodation of Disabilities

If you anticipate barriers related to the format or requirements of this course, if you have emergency medical information to share with me, or if you need to make arrangements in case the building must be evacuated, please let me know as soon as possible.

If disability related accommodations are necessary (for example, a note taker, extended time on exams, captioning), please register with the [Disability Center](#), S5 Memorial Union, 882-4696, and then notify me of your eligibility for reasonable accommodations. For other MU resources for students with disabilities, click on "Disability Resources" on the MU homepage.

Intellectual Pluralism

The University community welcomes intellectual diversity and respects student rights. Students who have questions or concerns regarding the atmosphere in this class (including respect for diverse opinions) may contact the Departmental Chair or Divisional Director; the Director of the [Office of Students Rights and Responsibilities](#) (<http://osrr.missouri.edu/>); or the [MU Equity Office](#) (<http://equity.missouri.edu/>), or by email at equity@missouri.edu. All students will have the opportunity to submit an anonymous evaluation of the instructor(s) at the end of the course.

Academic Inquiry, Course Discussion and Privacy

University of Missouri System Executive Order No. 38 lays out principles regarding the sanctity of classroom discussions at the university. The policy is described fully in Section 200.015 of the Collected Rules and Regulations. In this class, students may make audio or video recordings of course activity unless specifically prohibited by the faculty member. However, the redistribution of audio or video recordings of statements or comments from the course to individuals who are not students in the course is prohibited without the express permission of the faculty member and of any students who are recorded. Students found to have violated this policy are subject to discipline in accordance with provisions of [section 200.020](#) of the Collected Rules and Regulations of the University of Missouri pertaining to student conduct matters.