Goals and Expectations

In this course, we will apply the analytical tools of economics and other social science disciplines to examine how and why race and ethnicity correlate with economic status.

The readings focus on African Americans, reflecting my expertise and the much larger body of economic research on this group relative to other minorities, but we will also study the experiences of Latinos and Asian Americans.

I have three major goals for the course.

**Develop and sharpen economic reasoning skills.** Many introductory economics courses purport to train the student “how to think like an economist.” My goal is less to train you to think like an economist (indoctrination) and more to help you understand how economists think (training for battle). Economists and economic analysis have a major influence on social policy and it is important, regardless of your career choice, to understand the assumptions that underlie economic arguments and to be able to evaluate economic evidence with some independence of thought. At the end of this semester, you should be better able to 1) Distinguish between simplifying assumptions and those that are essential to an economic model. 2) Compare the assumptions and predictions of competing economic theories; 3) Use economic theory to formulate a hypothesis to explain differences in economic outcomes; 4) Critique a statistical analysis of racial disparities in economic outcomes.

**Introduce the “Other” into economics.** In the majority of principle texts, consumers and firms are free of gender, race, ethnicity or family history. Specific references to the distinct economic experiences of minority groups are largely missing.¹

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This course will develop your knowledge of the research in economics on the economic status of African Americans and the growing literature on Latinos, Asian Americans and other groups. At the end of the semester, you should be better able to 1) Locate data on the socioeconomic status of demographic subgroups of the US population; 2) Describe the major historical trends in the economic status of African Americans in the US since Reconstruction; 3) Interpret summary measures of segregation and racial and ethnic disparity; 4) Summarize the economics literature concerning the role of discrimination vs. other factors in explaining racial and ethnic differences in socioeconomic status; 5) Assess the impact of public policies designed to reduce racial inequality in economic status.

**Model a rational discourse about race, ethnicity and economic disparity.** This course emphasizes evidence-based analyses of race and ethnicity. We will make distinctions between speculative hypotheses and conclusions based on a careful analysis of quantitative and qualitative data. At the end of the semester, you should be better able to 1) Avoid assessments based on stereotypes; 2) Support a position with references to empirical evidence; 3) Express disagreement by challenging the logical consistency or the evidentiary basis of an opponent’s statement.

**Sakai Course Management:** Lecture notes and other resources will be available through SAKAI.


**Exams:** Exams are scheduled for February 29th and May 7th (senior final to be arranged). If there are conflicts with those dates, please notify me by the third day of class. Otherwise, I expect you to take the exam at the scheduled date and time.

**Assignments:** Due dates are listed on the syllabus. Extensions will not be granted. Research paper may be revised and resubmitted within one week of the date they are returned to you. I prefer electronic submission of assignments. Use your Drop Box folder on Sakai. Be sure to include your name in the name of document, eg conradassignone.doc.

**Class Participation:** Class discussion is an important component of this course. I expect you to read assigned materials before class unless otherwise instructed. As many of the topics discussed in this class can be emotionally charged, I request that students follow the guidelines below.

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1. A discussion should be an exchange of ideas, one in which each party tries to, with persuasive argument, concrete examples and specific evidence, make others understand why they hold a certain point of view.

2. A discussion is not just one person talking. A discussion involves the voices of two or more people, and also involves listening to what others have to say.

3. A discussion is not an exchange between a single student and the faculty member.

4. Students should speak directly to each other.

5. Recognize limitations of personal experience or anecdotes as evidence. Avoid sweeping generalizations. Avoid outright judgments, accusatory language, and dismissal of others opinions.

6. Be able to divorce yourself from your opinions so you can try to understand a point of vie other than your own. I may ask you to do this in a class discussion.

7. The class must be a safe place for someone to ‘test’ a hypothesis without being labeled or condemned. If you don’t agree with a hypothesis, challenge the underlying analysis, ask for supporting evidence, but do not engage in a personal attack. I may ask both parties to a disagreement to bring additional research to a subsequent class.

8. Do not expect an individual student to represent the views of an entire racial or ethnic group.

9. When necessary, make amends and find alternative ways to connect and continue discussion.

Readings and Assignments

I. Overview

A. The Economic Way of Thinking About Race – January 18, 2012
   Levitt, Steven, “The Visible Hand,”
   http://www.freakonomics.com/2010/06/01/the-visible-hand/


C. Accessing Data About Race and Ethnicity – January 25, 2012
   CLASS WILL MEET IN HONNOULD LIBRARY, Keck Learning Room
   (If you have a laptop, bring it.)
ASSIGNMENT ONE, Quantitative Analysis of Racial Trends - Due January 30th

D. Neoclassical Explanations for Racial Differences in Economic Outcomes – January 30th – February 1st
   Whitehead, John, “Racial Economic Inequality and Discrimination: Conservative and Liberal Paradigms Revisited,” in Conrad et al.
   Loury, Glenn, The Anatomy of Racial Inequality, Chapter 2.

E. The Economics of Identity – February 6th

F. Heterodox Explanations for Racial Differences in Economic Outcomes – February 8th

G. Measuring Discrimination – February 13th -15th

ASSIGNMENT TWO - Oaxaca-Blinder Decompositions

II. Historical Perspectives on Racial Inequality
   A. The Great Migration - February 20th
King, Mary, “‘Keeping People in Their Place’: The Economics of Racial Violence,” in Conrad et al.

B. Historical Perspectives – Emergence of Black Industrial Working Class – February 22nd

C. Historical Perspectives - Chinese & Mexican Americans in the West – February 27th
SPECIAL GUEST LECTURE

MIDTERM – FEBRUARY 29th

III. Racial Differences in Labor Market Outcomes
A. General Overview – March 5th
McElroy, Susan Williams, “Race and Gender Differences in the U.S. Labor Market: The Impact of Educational Attainment,” in Conrad et al.

B. Explaining Wage Differences – Human Capital vs Discrimination – March 7th
GROUP PRESENTATION I: IS PROFESSIONAL SPORTS A MERITOCRACY? – MARCH 7TH

C. Explaining Differences in Employment and Occupations – March 19th

GROUP PRESENTATION II: WHY ARE UNEMPLOYMENT RATES PERSISTENTLY HIGHER FOR BLACKS THAN HISPANICS? – MARCH 19TH

D. The Effect of Antidiscrimination Laws on Racial Disparities in Labor Market Outcomes – March 21st

GROUP PRESENTATION III: DO EEOC ACTIVITIES INHIBIT OR PROMOTE ECONOMIC GROWTH? - MARCH 21ST

IV. The Geography of Race
   A. Trends in Residential Segregation – March 26th

ASSIGNMENT THREE, PATTERNS OF HOUSING SEGREGATION – DUE MARCH 26TH

B. Evidence of Discrimination in Housing Markets – March 28th


**GROUP PRESENTATION IV: ARE GHETTOES GOOD OR BAD? – MARCH 28TH**

V. Race and Asset Ownership

A. Racial Differences in Asset Accumulation – April 2nd


**GROUP PRESENTATION V: WHAT HAS HAPPENED TO THE RACIAL GAP IN HOMEOWNERSHIP SINCE 2008? – APRIL 2ND**

B. Discrimination in Credit Markets – April 9th


**GROUP PRESENTATION VI: DID THE CRA INCREASE MINORITY ACCESS TO CREDIT? – APRIL 9TH**

C. Business Ownership - April 11th

**GROUP PRESENTATION VII: WHAT EXPLAINS HIGHER RATES OF BUSINESS OWNERSHIP AMONG ASIANS AND HISPANICS THAN AMONG AFRICAN AMERICANS? - APRIL 11TH**

VI. Racial Differences in Pre-Market and Non-Market Activity
   A. Race and Family Structure – April 18th
      Conrad, Cecilia and Mary King, “Single Mothers” in Conrad et al.

   B. Racial Differences in Investments in Human Capital and in Academic Achievement – April 23rd-30th
      Neal, Derek, “Why Has the Black-White Skill Convergence Stopped?” NBER Working Paper

**GROUP PRESENTATION VIII: HOW ARE RACIAL DIFFERENCES IN EDUCATIONAL ATTAINMENT EXPLAINED DIFFERENTLY BY ECONOMISTS THAN BY SCHOLARS IN OTHER DISCIPLINES? - APRIL 25TH**

C. Race and the Pursuit of Health and Happiness – May 2nd
## ASSIGNMENT GRID

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<td>Quantitative Analysis of Racial Inequality</td>
<td>January 30, 2012</td>
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<td>Labor Market Problems and Oaxaca-Blinder Decomposition</td>
<td>February 15, 2012</td>
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<td>Midterm</td>
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<td>Residential Segregation</td>
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<td>Group Presentation</td>
<td>March 7, March 19, March 21, March 28, April 2, April 9, April 11, and April 25</td>
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<tr>
<td>Research Paper (related to Group Presentation)</td>
<td>First Draft Due at 5:00 pm on Date of Presentation; Revisions Due One Week Later.</td>
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<td>Class Participation (6 pts) &amp; Minimum of 3 Response Papers (3 Pts Each) (May substitute one additional response paper for class participation points.)</td>
<td>Response papers due 1 week following presentation.</td>
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<td>Final Exam</td>
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## GRADE DEFINITIONS

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