

## ***ECONOMICS 154 — Economics of Discrimination Seminar***

<http://www.econ.berkeley.edu/~olney/spring16/econ154>

Meetings: Wednesdays, 2:10 - 5:00 p.m., 289 Cory

CCN: 22588

This syllabus is the (lengthy) contract between you and me. Please read it carefully. "I didn't read the syllabus" is not an acceptable excuse for overlooking an assignment, being late, and so on. Prof. Olney

Economics 154 is a seminar course on the economics of discrimination. The primary goal of the seminar is to develop critical reading, research, and writing skills.

Not all difference results from discrimination. Not all discrimination results in observable differences. This course focuses on issues of difference and discrimination associated with race, ethnicity, gender, sexual orientation, citizenship status, or nation of birth, focusing particularly on markets other than the labor market. Is there evidence of discrimination in credit markets? In education? A critical skill for economic analysis of discrimination is econometric method, and so in this seminar we will look carefully at the ways in which econometrics is used to address questions of discrimination.

Economics 154 must be taken for a grade if it is to be used toward the requirements for the major. Economics 154 meets the research requirement for students writing an Economics thesis.

### ***Professor's Office Hours***

Professor Martha Olney, 691 Evans Hall, 642-6083. [Olney@berkeley.edu](mailto:Olney@berkeley.edu) (Allow 48 hours for a reply.)

Twitter: @MarthaOlney or directly at <https://twitter.com/MarthaOlney>

Mondays: open drop-in office hours 1:00 - 2:00 p.m. (Must end promptly at 2:00)

Fridays : By appointment 9:00 - 10:30 a.m. Sign up for 10-minute appointments at <http://wejoinin.com/sheets/jfily>

No appointments on Friday Jan 22, Friday Mar 4, Friday Apr 1

***Prerequisites*** Economics 100A, 100B, and 140 or 141.

### ***Required Textbooks***

Becker, Gary. *Economics of Discrimination*. 2d edition. University of Chicago Press, 1971.

McCloskey, Deirdre N. *Economical Writing*. 2d edition. Waveland Press, Inc, 2000.

Reader from Copy Central, Bancroft Way (about \$55, or download the articles yourself).

### ***Responsibilities: Mine and Yours***

My responsibilities are to design appropriate class activities, come to class prepared, encourage class participation, promptly grade papers, be available during scheduled office hours and for scheduled appointments, and stimulate enthusiasm for economics, for research, and for learning.

Your responsibilities are to attend and participate in class three hours per week, complete all readings by the date shown on the syllabus, complete all assignments on time, write one midterm, write and present team papers, and write and present a term paper.

### ***Letter of Introduction***

For our second meeting, please write a one-page letter of introduction of yourself to me (Professor Olney). Include your name and anything about yourself that you would like to share. Please include or embed a photo; it will be helpful to me in three years when you ask for a letter of recommendation. Your letter may be typed or handwritten. Please bring the assignment to class on January 27.

### ***Special Accommodations***

If you require special accommodations due to learning or other disability, or if you need special assistance during an emergency evacuation, speak with or email Professor Olney **no later than February 3**. You don't need your official DSP evaluation completed by February 3 but before any accommodation can be offered your letter must be sent to Prof. Olney by an adviser in the Disabled Students' Program (260 César Chávez Student Center).

### ***Honor Code and Academic Honesty Policy***

Everyone at UC Berkeley is expected to abide by the Honor Code: "As a member of the UC Berkeley community, I act with honesty, integrity, and respect for others."

In fairness to students who put in an honest effort, cheaters will be treated harshly. Any evidence of cheating will result in a score of zero (0) on that assignment or paper. Plagiarism on the term paper or cheating on the midterm results in a failing grade in the course. Incidences of cheating will be reported to the Center for Student Conduct which may administer additional punishment. Cheating includes plagiarism. **What is most important is that everyone learns the proper methods of crediting their sources so as to avoid inadvertent plagiarism.** Plagiarism includes re-submitting work prepared for another class, appropriation of whole passages with or without credit, appropriation of words and phrases without credit, appropriation of both main and supporting ideas without credit, and paraphrasing without credit. Plagiarism also includes submitting a paper written by someone else. If you are unsure of how to properly cite sources, ask for guidance.

### ***Laptop Policy***

If you use your laptop during class, you can not multi-task. If I determine that laptops are being used for email, other course work, or any other laptop activity not directly related to Econ 154, then everyone will lose the privilege of using a laptop in class.

### ***Course Assignments, Determination of Grades, and Due Dates***

There are two big individual assignments – a midterm and the term paper – and one big team assignment. To develop research and writing skills capable of producing a quality research paper, there are a number of other assignments due along the way.

If an assignment is not properly formatted, you lose 1 point on the assignment. For each assignment other than the term paper, put your name, the date, **and the word count** in the upper right hand corner. Omit the word count if the assignment says "no word limit." Include a brief centered title. Use an 11 or 12 pt font. **Double space** your text. For example:

Martha Olney January 19, 2016 Word Count: 59
Syllabus for Economics 154
Text starts here. Word count includes only the text, not the title nor the headings at top right.
Your word processor has a way of counting the number of words in a block of text. If you don't know what that is, use the "help" command on your word processor and search for help on "count" or "word count."

**Note: 250 words is approximately one double-spaced, 12 pt font, page with 1 inch margins on all sides.**

### **Regarding the Assignments**

For graded assignments, a grading rubric is posted to the course website.

**Summary of Article:** (500 word limit) For the first day of class, bring in one news article. Do a 2-minute oral presentation that includes (a) what is the issue of the article, (b) what is the difference that is discussed there, and (c) what sort of policy solutions (if any) are proposed/discussed. Turn in a 1-2 page write-up of your (a)-(b)-(c) summary. Your paper should be typed, 11-12 pt font, double-spaced, with your name, the date, and the word count in the upper right hand corner. Attach a copy of the article to your paper. Submit a hard copy of paper in class.

**Letter of Introduction:** (no word limit) A one-page paper in which you introduce yourself to Prof. Olney. Please embed a photo of yourself. Handwritten is ok but typed is preferred. Grading is based on on-time submission, not content. Submit a hard copy in class.

**Library Quiz** (no word limit) After the library seminar on February 3 you will receive a quiz by email. Submit it to Prof Olney on bCourses by 8 a.m. on Wednesday February 10.

**500 words maximum: Critical analysis.** You will read an article of your choice in an economics journal, identify assumption(s) made by the author(s), and critically analyze the argument(s). Your approach will be based on the method discussed in class on January 27. *Include in your paper a permalink to the article – and – attach the article’s abstract, introduction, and conclusion to your paper.* Submit a hard copy in class.

**250 words maximum: Topic idea.** Include a statement of your term paper topic, what researchable answerable questions you might ask, and why those are interesting questions. Submit a hard copy in class.

**2 - 3 pages (very soft page limit): Data analysis.** (no word limit) You will analyze a data set of your choice. Briefly describe the data set (what is being measured, by whom). Using your econometric and analytical skills, present some analysis of the data. Include at least one table you have prepared. If a graph is appropriate, include a graph too. Clearly explain the empirical results you present. If you cannot locate a data set, you may use one of the data set(s) that Prof. Olney places on the course website. Submit a hard copy in class.

**Annotated bibliography.** (no word limit) Prepare a preliminary bibliography for your term paper. Use Chicago Style citation system (a.k.a. Turabian, linked from <http://www.lib.berkeley.edu/instruct/guides/citations.html>). Include at least seven different items. At least two must be academic journal articles. *Annotate your bibliography;* that is, for each item, include one sentence that briefly states what is in the source and a second sentence that explains how the source will be useful. Submit via bCourses.

**Data Description and Analysis.** (no word limit) Locate a data source relevant to your term paper topic, describe the data source, and present one piece of preliminary analysis. Indicate how your results are relevant to your term paper topic. If you used your data set for the Feb. 24 data analysis, present additional result(s), make corrections based on the comments to your Feb. 24 assignment, and attach the graded copy of the Feb. 24 assignment. Submit a hard copy in class.

**MIDTERM EXAM.** The midterm exam will consist of three essay questions addressing the readings. Be sure you are completing your “reading guide” on each article as it is assigned; you can use them & will need them for the midterm!

**750-1,000 words: TEAM PAPER: Take a Stand: Pro.** In teams of two or three, choose an issue statement from the options provided in class on March 9, and “take a stand” *in favor* of the statement. Every member of the team must contribute to this paper. Your position can not be rhetorical. You must defend your position with your own or previously published economic analysis and data. Make your assumptions clear. Present the strongest case possible but do not, even once, resort to rhetorical excess. Don’t demonize your opponents. That’s especially important because of the next assignment.

**750-1,000 words: TEAM PAPER: Take a Stand: Con.** With the same team, now “take a stand” *against* the same statement you addressed in the “Take a Stand: Pro” assignment. Every member of the team must contribute to this paper. Your position can not be rhetorical. You must defend your position with your own or previously published economic analysis and data. Make your assumptions clear. Present the strongest case possible but do not, even once, resort to rhetorical excess. Don’t demonize your opponents: that was you in the other paper. All team members must contribute to both papers.

**Team evaluations:** Write a *confidential* evaluation of each person's contribution to the two "take a stand" papers. Evaluate yourself, too. Should the course grades on the two papers be awarded equally to all team members, or does one person deserve a little more (or less) credit than the other(s)? Give each person, including yourself, a "participation & contribution" score out of a possible 10 points.

**PRESENTATION of "Take a Stand" Papers.** Each team will present their "Take a Stand" papers. Explain the issue addressed, the conceptual points on both sides of the issue, the assumptions that divide one side from the other, and what research is needed to try to resolve the debate. Each presentation should be 10 to 12 minutes long.

**Minimum 8 pages: Draft of at least 50 percent of your term paper.** The more you can turn in, the more useful my comments. Submit via bCourses.

**PRESENTATIONS.** In class, you will offer a 10 minute presentation of your term paper. What is your topic? What question(s) did you ask? Why are those interesting question(s)? What is the relevant related literature? What analysis did you conduct with what data? What did you find?

**15 to 18 pages: Term Paper!** What you've been building toward all semester. A term paper, on issues of discrimination or difference, race, gender, sexual orientation, nativity, or the like. An answerable economic question, a discussion of related literature, inclusion of an economic model, presentation and description of data set, an empirical analysis of the problem, and a conclusion. Make it something you can include in your grad school applications or recruitment packets.

Assignment (see above for descriptions)	Due Date (2:10 p.m.)	Number of Points & Share of Course Grade
Summary of News Article & Presentation	Wed., Jan. 20 Hard copy in class	3
Letter of Introduction	Wed., Jan. 27 Hard copy in class	2 (1 point if late)
Library Quiz (questions will be sent via email on 2/3 or 2/4)	Wed., Feb 10 (On bCourses by <b>8 am</b> )	5
Critical analysis of economics article of your choice (500 word maximum)	Wed., Feb. 10 Hard copy in class	5
Term paper topic idea (250 words max)	Wed., Feb. 17 Hard copy in class	loss of 1/3 of a letter grade on term paper if assignment is late or unacceptable
Data analysis of data set of your choice (2 - 3 pp)	Wed., Feb. 24 Hard copy in class	5
Annotated Bibliography (minimum 7 items, at least 2 of which must be academic journal articles)	Wed., March 2 Via bCourses by 2 pm	loss of 1/3 of a letter grade on term paper if assignment is late or unacceptable
Description of your data set and one piece of preliminary analysis	Wed., March 9 Hard copy in class	loss of 1/3 of a letter grade on term paper if assignment is late or unacceptable
In-class Midterm Exam	Wed., March 16	25
Team Paper: Take A Stand: Pro & Con Team Presentation of Take A Stand Papers	Wed., March 30 Hard copy in class (1 per team)	15

Assignment (see above for descriptions)	Due Date (2:10 p.m.)	Number of Points & Share of Course Grade
Team Evaluations	Wed., March 30 Hard copy in class	loss of entire grade on team papers if not turned in
Paper draft, at least 50 percent complete (minimum 8 pages)	Wed., April 6 Via bCourses by 2:10 pm	loss of 1/3 of a letter grade on term paper if assignment is late or unacceptable
Presentations of term papers	Wed., April 20 & April 27	5
Term Paper (15 - 18 pages)	Monday May 9 by 8 a.m. Via bCourses	30
"Reading Guide" Write-ups	most weeks	5

### **Late Penalties**

Ungraded assignments:

- Loss of **1/3 of a letter grade** on the term paper if the assignment is 1 day to 2 weeks late, or if it is on time but unacceptable and an acceptable re-write is submitted promptly. For example, an A- term paper becomes a B+, a B+ term paper becomes a B, and so on.
- Assignments more than 2 weeks late result in a **full grade drop** on the term paper (e.g., an A- paper becomes a B-).
- Assignments that are initially on time but unacceptable and which are not rewritten by the deadline specified in an email to you from Prof. Olney result in a **two grade drop** on the term paper (e.g., an A- paper becomes a C-).
- If one of these assignments is never completed before the final draft of the term paper is turned in, the term paper receives a **D or an F**.

Graded assignments:

For each day (or part thereof) that a graded assignment is late, you'll lose 10% of the possible points. Weekend days count. So if an assignment is turned in a week late, you'll lose 70% of the possible points right off the top. For example, turning in the term paper one day late costs you 3 points; turning it in 3 days late costs you 9 points.

### **Incentive to Attend and Participate**

A "reading guide" form is available on the course website. Each week starting February 10 you should bring in completed reading guides for the journal articles we will discuss that day. During the break, Prof. Olney will skim over your reading guide. Reading guides that appear to reflect "an honest effort" will receive ½ point. You must be present in order to earn reading guide points. 5 points are possible for "reading guide write-ups" but 9 points can be earned. If you earn 7 or more points, you will receive one of the two rewards listed below:

1. One of the papers toward the term paper can be two weeks late with no penalty, **OR**
2. The points in excess of the first 5 can be used to increase one or more of the 5 point papers to full credit, so long as you earned at least 2 points on that paper in the first place. (You can't skip an assignment altogether, but you can use attendance to bring a grade from something between 2 and 5 up to 5 points.)

Prof. Olney will determine which reward benefits you the most and will apply that one.

### **Course Outline and Reading Assignments**

**Wednesday, January 20**

**DUE in class: Summary & Presentation of News Article**

Introduction; Overview of Course; Presentation of News Articles; Interests; Background Data

**Wednesday, January 27**

**DUE in class: Letter of Intro**

Background Articles on Economists, Economics, and Discrimination; Discussion of "Doing Research" and Critical analysis.

**Be sure to read articles before coming to class!** Cold calling starts today.

Who are Economists?

- (1) "Report: Committee on the Status of Minority Groups in the Economics Profession." *American Economic Review* 105 (May 2015): 762-74. <http://dx.doi.org/10.1257/aer.15000021>
- (2) Price, Gregory N. "The Problem of the 21st Century: Economics Faculty and the Color Line." *Journal of Socio-Economics* 38 (March 2009): 331-343. <http://dx.doi.org/10.1016/j.socec.2008.10.007>
- (3) McElroy, Marjorie. "Report: Committee on the Status of Women in the Economics Profession (CSWEP)." *American Economic Review* 105 (May 2015): 742-761. <http://dx.doi.org/10.1257/aer.15000020>
- (4) Bayer, Amanda and Cecilia Rouse, "A New Look at Diversity in the Economics Profession," Mimeo, December 2015. <https://www.aeaweb.org/aea/2016conference/program/retrieve.php?pdfid=1529>

How Economists Think about Discrimination

- (5) Arrow, Kenneth, "What Has Economics to Say about Racial Discrimination?" *Journal of Economic Perspectives* 12 (Spring 1998): 91-100. <http://www.jstor.org/stable/2646963>
- (6) Charles, Kerwin Kofi and Jonathan Guryan, "Studying Discrimination: Fundamental Challenges and Recent Progress." *Annual Review of Economics* 3 (September 2011): 479-511. <http://dx.doi.org/10.1146/annurev.economics.102308.124448>

**Wednesday, February 3**

**Meet in Doe Library Room 105**

Library Seminar; Data Sources

**Wednesday, February 10**

**DUE by 8 a.m. via bCourses: Library Quiz**

Discuss Becker; Race and Wealth and Savings

**DUE in class: Critical Analysis**

**Be sure to read articles before coming to class!** Reading guides required starting today (but not for Becker)

Becker, Economics of Discrimination

- (1) Becker, Gary, *Economics of Discrimination*, 2d edition, University of Chicago Press, 1971, pp. 9-32.
- (2) Figart, Deborah M. And Ellen Mutari, "Rereading Becker: Contextualizing the Development of Discrimination Theory," *Journal of Economic Issues* 39 (June 2005): 475-483. <http://www.jstor.org/stable/4228160>

Race and Wealth and Savings

- (3) Wolff, Edward. "Household Wealth Trends in the United States, 1962-2013: What Happened Over the Great Recession?" NBER working paper #20733 (December 2014). <http://www.nber.org/papers/w20733>
- (4) Chiteji, Ngina S. and Darrick Hamilton, "Family Connections and the Black-White Wealth Gap among Middle-Class Families," *The Review of Black Political Economy* 30 (Summer 2002): 9-28. <http://dx.doi.org/10.1007/BF02808169>

**Wednesday, February 17**

**DUE in class: Topic Idea**

**Meet in 64 Barrows**

Discussion of writing; Stata workshop

READ: (1) **McCloskey** (entire book - no reading guide due on this reading, but expect cold calling regarding content)

**Wednesday, February 24**

**DUE in class: Data Analysis (any data set)**

Housing & Homeownership; Discussion of compiling a reading list

- (1) **Toussaint-Comeau**, Maude and Rhine, Sherrie, "The Relationship between Hispanic Residential Location and Homeownership," *Federal Reserve Bank of Chicago Economic Perspectives* 28 (3rd Quarter 2004): 2-12. <https://www.chicagofed.org/publications/economic-perspectives/2004/3qtr2004-p1-toussaintcomeaurhine>

(2) **Gaddis**, S. Michael & Raj Ghoshal, "Arab American Housing Discrimination, Ethnic Competition, and the Contact Hypothesis," *Annals of the American Academy of Political and Social Science* 660 (July 2015): 282-299.

<http://dx.doi.org/10.1177/0002716215580095>

(3) **Hall**, Matthew, Kyle Crowder, and Amy Spring, "Variations in Housing Foreclosures by Race and Place, 2005–2012," *Annals of the American Academy of Political and Social Science* 660 (July 2015): 217-237

<http://dx.doi.org/10.1177/0002716215576907>

### Wednesday, March 2

### DUE via bCourses: Annotated Bibliography

Lending & Credit Markets; In-class small group presentations of topic ideas and plans for paper

(1) **Mijid**, Naranchimeg and Bernasek, Alexandra. "Decomposing Racial and Ethnic Differences in Small Business Lending: Evidence of Discrimination." *Review of Social Economy* 71 (Dec 2013): 443-473.

<http://dx.doi.org/10.1080/00346764.2012.761751>

(2) **Firestone**, Simon, "Race, Ethnicity, and Credit Card Marketing," *Journal of Money, Credit, and Banking* 46 (Sep 2014): 1205-1224. <http://dx.doi.org/10.1111/jmcb.12138>

(3) **Do**, Chau and Arturo Gonzalez. "Hispanic Brokers and Borrowers: the Effect of Language Affinity on the Price of Home Mortgages," *Regional Science and Urban Economics* 50 (January 2015): 77-86.

<http://dx.doi.org/10.1016/j.regsciurbeco.2014.11.001>

### Wednesday, March 9

### DUE in class: Data Analysis (term paper data set)

Nativity & Economic Status; Constructing arguments; Forming teams for "Take a Stand" papers

(1) **Keister**, Lisa A. "Financial Asset Ownership: The Case of Chinese and Indian Immigrants to the United States." *Business and Economics Journal* 6: 184 (2015). <http://dx.doi.org/10.4172/2151-6219.1000184>

(2) **Flippen**, Chenoa and Eunbi Kim, "Immigrant Context and Opportunity: New Destinations and Socioeconomic Attainment among Asians in the United States," *Annals of the American Academy of Political and Social Science* 660 (July 2015): 175-198. <http://dx.doi.org/10.1177/0002716215577611>

(3) **Hunt**, Jennifer, "Are Immigrants the Most Skilled US Computer and Engineering Workers?" *Journal of Labor Economics* 33 (July 2015): S39-S77. <http://dx.doi.org/10.1086/678974>

### Wednesday, March 16

In-class Midterm

### Wednesday, March 23

Spring Break: no class

### Wednesday, March 30

### DUE in class: Take A Stand Papers (1 set per team) and Individual Evaluations of Team

Team presentations of "Take a Stand" papers

### Wednesday, April 6

### DUE via bCourses: Draft of 50%+ of Term Paper

Marriage, Divorce, and other Demographic Indicators; In-class small group discussions of term papers

(1) **Kim**, Yujin; Raley, R Kelly, "Race-Ethnic Differences in the Non-marital Fertility Rates in 2006-2010," *Population Research and Policy Review* 34 (Feb 2015): 141-159. <http://dx.doi.org/10.1007/s11113-014-9342-9>

(2) **Fu**, Vincent Kang and Nicholas Wolfinger, "Broken Boundaries or Broken Marriages? Racial Inter-marriage and Divorce in the United States," *Social Science Quarterly* 92 (Dec 2011): 1096-1117.

<http://dx.doi.org/10.1111/j.1540-6237.2011.00809.x>

(3) **Trandafir**, Mircea, "Legal Recognition of Same-Sex Couples and Family Formation," *Demography* 52 (Feb 2015): 113-151.

<http://dx.doi.org/10.1007/s13524-014-0361-2>

**Wednesday, April 13**

Education

- (1) **Fairlie**, Robert et al., "A Community College Instructor Like Me: Race and Ethnicity Interactions in the Classroom," *American Economic Review* 104 (Aug 2014): 2567-2591. <http://dx.doi.org/10.1257/aer.104.8.2567>
- (2) **Arcidiacono**, Peter et al. "Exploring the Racial Divide in Education and the Labor Market through Evidence from Interracial Families," *Journal of Human Capital* 9 (July 2015): 198-238. <http://dx.doi.org/10.1086/681957>
- (3) **Pope**, Devin G. and Justin R. Sydnor. "Geographic Variation in the Gender Differences in Test Scores." *Journal of Economic Perspectives* 24 (Spring 2010): 95-108. <http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.24.2.95>

**Wednesday, April 20**

Presentations of term papers (random draw of 50-60% of class, selected by April 6)

**DUE: Presentations**

**Wednesday, April 27**

Presentations, continue (the other 40-50% of the class)  
Pizza after class.

**DUE: Presentations**

**Monday, May 9 by 8:00 a.m.**

**DUE via bCourses: Term Papers!**