

UNIVERSITY OF COLORADO-BOULDER
Economics of Inequality and Discrimination
Instructor: Alpna Bhatia
Spring 2007: Econ 4626

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and By Appt.

What is economic well being? Are there any significant differences in income and wealth? Are there any patterns in these differences? What light can neoclassical economic theory shed on these differences? Are there other explanations for these differences? **The Economics of Inequality and Discrimination** is a course that assumes that economic outcomes are not only based on personal preferences and decisions but also the race and gender identity of the economic actor, the microeconomic climate, and macroeconomic institutions. The importance of these identities vary from place to place and from time to time, depending on the social definitions and the relative privilege (or disadvantage) of each identity.

This course will attempt to define and understand socio-economic stratifications of income, and how they impact our economic lives. We will look at how economics as an academic discipline incorporates these social groups into its analysis of decisions and outcomes. Some topics include labor force participation decisions, theories of discrimination, and patterns of occupational segregation. We will explore both the dominant form of economic analysis—the neoclassical model—and also criticisms and alternatives to that model (heterodox economics). Lastly, we will incorporate some specific economic, social, and political issues that involve race, and gender, and analyze them with the tools we have learned. We will also review basic statistical concepts and tools in class. How do you formulate a hypothesis? How do you empirically test a hypothesis? What is the difference between statistical significance and economic significance? How do you interpret the output from a regression? Prior programming experience is not required or expected.

This course will be a mixture of lecture and class discussion. It is also a reading-and writing intensive course, and the quality of the class discussion depends on thoughtful and timely reading of the assignments. We are not constrained to follow this syllabus exactly-- if we find that there is another issue we wish to explore, we can decide to do so.

The course web page is located at <https://culearn.colorado.edu>. At that page you should be able to log on using your student user name and password. All information for the course will be posted on the web page. I will also post relevant administrative and substantive information regarding exams, and other announcements about the course at the above website. It is your responsibility to check the website for announcements, assignments, and any possible changes related to the course plan.

Course Prerequisite :This class requires previous completion of Intermediate Microeconomics or the equivalent. We will use a lot of algebra and some calculus (integration and differentiation) and draw LOTS of graphs. This preparation is non-negotiable.

Required Text: I will be drawing a lot of my lecture materials for the textbooks below. Schiller, The Economics of Poverty and Discrimination is the selected textbook for the class.

ISBN	Author	Title	Edition	Publisher	Required
9780321305039	Ehrenberg and Smith (E&S)	Modern Labor Economics: Theory and Public Policy,	9/E	Addison Wesley	optional
1-878585-45-2	Collins et. all editors	The Wealth Inequality Reader	1 E 2004	Dollars and Sense	optional
9780130385680	Schiller	The Economics of Poverty and Discrimination,	9E	Prentice Hall	selected

I will follow the texts closely on theoretical parts of the lecture. However, most lectures are not in any one text. Also, for some topics, my treatment will be different than that of the text. The texts should be viewed as a complement to the lectures, not a substitute. You are responsible for the material in the assigned texts, and in the lectures. These books should be available at the University Bookstore.

Appropriate additional readings will also be assigned during the course of the semester. You should also try and have access to a newspaper with substantial economic reporting such as The Wall Street Journal, The New York Times, or The Financial Times. Some of these have free content available online, some have content available through Norlin.

Exams will focus primarily on material presented in lecture-including material not in the text, current events, and such. If I spend class time on a topic/event I consider it material for your tests.

Office Hours: Office hours are Tuesdays and Thursdays 1p -2:30p and by appointment.. Tuesdays I will hold my office hours in my office in the Economics building in room 109. Thursdays I will hold my office hours in my office in the Sewall building in room 42C. These hours are reserved for you, and I encourage you to to spend as much of this time as you need getting help. If you are unable to make these office hours I will also schedule appointments at other times at your request.

E-mail:

Email is absolutely the best way to get in touch with me, except in case of emergencies. I try to be prompt about replying to e-mail. However, you must allow me 24 hours to respond.

Work: The class grade is based on a (one best of 2) midterm exams, a final exam, home works, papers, journal entries, and your class participation grade.

Final Grade:

1 best of 2 midterms:	75 points	:	75
1 Final:	100 points.	:	125
2 Papers:	50 points each	:	100
In Class exercises	5 best	:	25
<u>In Class Participation (subjective)</u>		:	<u>25</u>
Grand Total			350

Actual letter grades will be based on a combination of each student's performance relative to others in the class and the typical grading scale.

Your score	Grade	Your score	Grade
92.5% to 100%	A	73% to 77.5%	C
90% to 92.5%	A-	70% to 72.5%	C-
88% to 89.5%	B+	68% to 69.5%	D+
83% to 87.5%	B	63% to 67.5%	D
80% to 82.5%	B-	60% to 62.5%	D
78% to 79.5%	C+	<u>Below 59.5%</u>	<u>F</u>

Exams: The course will include three exams: two midterms and a final. Exams will be a combination of multiple choice and short answer/long answer questions involving graphs.

I have a strict no make-up exam policy. If you miss any of the exams, no make up exam will be given. If you miss one midterm, the grade on the second midterm will count. If you miss BOTH midterms, due to circumstances beyond your control that you have documented to my satisfaction of course, then the weight on your final exam will increase appropriately. Students anticipating conflict with an exam date due to religious observance must bring these to my attention within the first 3 weeks of class. In case of over-scheduling (3 or more exams on the same day) it is your third exam of the day that must be changed. The final is cumulative as much of the later material builds on the earlier material.

Papers: There will be an extensive written component for all assessment.

Understanding the difference between description and argument is essential for a good grade on these papers. The first paper will be concerned with the income levels in a country. You can choose to write about the United States or a country other than the United States. For the country paper you will analyze income stratifications in the country of your choice.

Your second paper will involve your writing about current events (education reform, affirmative action, child care, or health care, and so on) and relating them to topics being discussed in class. You may write in response to readings, lectures, class discussions, current events, or any other ideas you might have. Your paper must also deal with gender or racial-ethnic differences related to the topic of your choice: If there is any segregation, discrimination or rational choice that may explain any differences.

Each paper should include a brief summary of the issue, any economic tools that might be helpful in understanding the issue, and any personal opinions about the issue. Late papers are subject to a 5 points a class penalty. There are no make up papers if you completely miss an assignment.

In Class Exercise: We will have a fair number of in-class exercises. I will grade the best 5 of your assignments.

Extra Credit Assignments: Might be given during the class period. If so, I will announce the assignment in the class.

Reading Summaries: Students may turn in a short reaction (2-3 paragraphs) to the readings for **five** of the class periods over the semester for extra-credit. These ***typed*** summaries must be delivered to me before the beginning of the class period for which the readings are discussed. The summaries will be graded as "0" for turning in insubstantial information, and 1 for a well thought of one.

Attendance:

I realize that a majority of students do attend class regularly, but to aid the few that don't, in order to re-enforce the importance of attendance, it will be factored into final grades. This is subjective evaluation, on my part, of your contribution to class: you show up, behave appropriately, and contribute positively. I reserve the right to record an absence or negative grade students who spend substantial class time on non-class activities (e.g. reading the paper, sleep) or leave the class early, unless I ask you to do so.

Students who miss six class hours will fail the course. Six class hours is two weeks of classes. To be clear, these absences are intended to cover both valid (religious, illness, car breaking down) and invalid reasons for missing class. Excused absences will therefore not be granted.

There will be a few students who will be unable to attend class for more than two weeks due to very extreme circumstances. We can discuss these students on a case by case basis but no make-up exams will be given.

Incomplete Policy:

Incomplete grades (IW or IF) are NOT granted for low academic performance. To be eligible for an Incomplete grade, students MUST:

- (1) successfully complete a substantial amount of course requirements: a minimum of 75% of the course ,
- (2) have special circumstances (verification required) that precludes the student from attending classes and/or completing graded assignments, and
- (3) make arrangements to complete missing assignments with the original instructor in a timely manner.

A grade of incomplete will be given only in the **most dire of circumstances**. I cannot award an incomplete that stipulates: (1) a student may repeat the entire course, (2) repeat or replace existing grades, (3) allow the student an indeterminate period of time to complete a course, or (4) allow the student to repeat the course with a different instructor.

Week of	Topic	Schiller	Readings*	Assignment
15-Jan	21-Jan Introduction and Review Inequality	Ch 1, 2 Class notes	Becker, Cotter	
22-Jan	28-Jan Inequality measures including Wealth Inequality, and Mobility	2		HW 1
29-Jan	4-Feb Poverty	Ch 3,5		HW 2
5-Feb	11-Feb Differences in Occupations and Earnings: Overview	Class notes		
12-Feb	18-Feb Allocation of time between household and Labor markets	4	Bergmann	HW3
19-Feb	25-Feb Age and Health Gender Labor Issues: price of motherhood, child care issues Changing Work Roles and the Family.	6 7	Waldfogel Macunovich	paper I
26-Feb	4-Mar Policies Affecting Paid Work and Family	13, 14		H W4
5-Mar	11-Mar Welfare Policies	12	Kimmel	
Midterm I due 11th March				
12-Mar	18-Mar The Human Capital Model	9	Card and Krueger	
19-Mar	25-Mar Perspectives on discrimination.	10, 11	Heckman	HW 5
26-Mar	1-Apr	Spring Break		
2-Apr	8-Apr Discrimination: Labor Markets, partial eqb. Political Economy	10,11	Schelling Carnoy	HW 6
9-Apr	15-Apr Measurements of labor market discrimination			HW 7
16-Apr	22-Apr Discrimination and labor market policies	15	Revkin	HW 8
Midterm II due April 22				
23-Apr	29-Apr Housing segregation, Fair housing		Zax, Benabou	
30-Apr	6-May Review, and Catch-up			paper II
Final: 6th May 7:30 am- 10 am				

Additional Readings may be assigned during the semester.

Statement on Academic Dishonesty: I strongly believe in the Honor Code and expect you to abide by it. Academic dishonesty includes, but is not limited to: Plagiarism, Fabrication, Cheating, Forgery and Altering Documents. All instances of dishonesty will result in penalty without exception. The maximum penalty for the first offense is a grade of "F" for the course and the incident will be reported to the Academic Vice President for inclusion in the student's permanent university file. A second and all subsequent offenses (in any course across the university) may result in the student's expulsion from the university. The university is really not kidding about this. Cheating includes:

- Turning in papers without adequate references.
- Copying the work of another student during an examination or Permitting another student to copy one's work during an examination.
- Possessing unauthorized notes, crib sheets, or other material during an examination.
- Writing an answer to an exam question outside of class and submitting that answer as part of an in-class exam.
- Taking an examination for another student or someone taking an exam for you.
- Altering or falsifying examination results after they have been evaluated by the instructor and returned to the student.

The CU Honor Code is available at <http://www.colorado.edu/academics/honorcode/>

ADA Statement

I will try and make all reasonable accommodations for persons with documented disabilities. If you qualify for accommodations because of a disability please submit a letter to me from Disability Services in a timely manner so that your needs may be addressed. Disability Services determines accommodations based on documented disabilities (303-492-8671, Willard 322, (www.colorado.edu/disabilityservices)). Please realize I am under no obligation to provide retroactive accommodations.

CLASSROOM BEHAVIOR POLICY

I generally make sure that this class starts and ends on time. It is especially important that an atmosphere which facilitates the maximum opportunity for learning be present at all times. It is expected that all students present on a given day be attentive, polite and not a source of distraction to the instructor or any other student.

Arriving late or departing early (except for a health *emergency*) unless you make prior arrangements with me disrupts the class. Reading the newspaper disrupts the class. Talking with other students about matters extraneous to the course while the class is in session, reading anything while class is in session unless specifically instructed by me to do so, and taking or making cell-phone calls or responding to a pager during class, disrupt the class. Please refrain from doing so. Cell phones and other beeping, chirping, singing, game-playing, text-messaging, yodelling, and otherwise noise-making electronic things should be turned OFF during class else I will give the class a pop-quiz.

The subject matter in this class is often sensitive and many of us have strong feelings about some issues. We all need to practice listening to others even when their views may be diametrically opposed to our own and we need to think about what we say before we speak. We will all learn more and feel more comfortable expressing our own views in a respectful environment. For more information about the Classroom Behavior Policy, go to <http://www.colorado.edu/policies/classbehavior.html>

Please note:

You should try and read the assigned material before coming to class. It is not expected that you will understand everything you read the first time. However, reading before class and having a good sense of the material will make the lectures a lot easier to understand.

After attending lecture, you should go over your notes and reread any material that is confusing. Take class notes thoroughly. Course material not in the textbook will be presented in class so attending lecture is both helpful in getting a good grade and maximizing your learning experience.

If you miss class, you are responsible for obtaining the material you missed. You should arrange to obtain notes from a classmate not from the professor. I encourage you to come to my office hours to discuss the material you missed, but you must first obtain the notes and relevant handouts, go over the information for yourself, and prepare specific questions to ask me.

If you are having any problems in the course, or are encountering personal problems that may affect your grade, please come to see me, when the problem occurs. Do not wait until the end of the semester when it is difficult, if not impossible, to correct any difficulties.

No student should expect special consideration beyond that offered due to a student.. Students struggling with material or with weak math backgrounds should take advantage of tutoring services offered by The Economics department.

Students who come to see me with concerns about the course will be asked about each of these expectations in turn. My belief is that for most students to succeed in this course they must follow the above guidelines.