

Hubert H. Humphrey Institute of Public Affairs
UNIVERSITY OF MINNESOTA
Twin Cities Campus

**Economics for Policy Analysis and Planning, Part 1
PA 5022-Section 3**

Course Designator: 59743
1.5 credits - HHHCtr 30 (01/18/2005-03/13/2005)
Thursday 9:45 AM – 12:30 PM
Spring 2005 01/18/2005-05/06/2005

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Syllabus, Readings, and Class Information

Available online at <http://webct.umn.edu> → click on “Log In to my WebCT

For students new to WebCT a self-guided tutorial is available at <http://webct.umn.edu/students/>

Disability Accommodations

The University of Minnesota is committed to ensure equal learning and working opportunities for disabled students and guests by increasing the capacity of communities to eliminate physical, programmatic, policy, informational, and attitudinal barriers. This course will provide reasonable accommodations for students or guests with physical, sensory, cognitive, systemic, learning, and psychiatric disabilities. Please contact the instructor or his assistant to discuss accommodations for this course.

Incompletes

To receive an "I", the student must contact the instructor before the last day of class to request permission. The instructor and student should discuss specific guidelines, conditions, and/or time limits for course completion, and the consequences of failure to complete outstanding coursework.

All coursework included on a student's degree program must be complete, with grades posted, to be eligible for degree clearance. However, incomplete courses not included on the degree program do not need to be completed for this purpose. Graduate School students are not permitted, under any circumstances, to retroactively withdraw from a course, including any incomplete course which is not a degree requirement. Incompletes are not calculated into a Graduate School student's grade point average. The maximum number of credits of incompletes allowable at the Humphrey Institute is six. For detailed policy on incompletes, please see Student Handbook.

Overview

This Part One is a skills-based course designed to introduce students of policy analysis and other applied social sciences to the tools of measuring and detecting discrimination in market and non-market contexts. The focus is on the application of the modern tools of labor econometrics and race relation research to specific problems of market and non-market discrimination. Students will work through several exercises designed to sharpen empirical skills related to analyzing discrimination.

Methods and Procedures

The course will focus on the theory and methods of measuring and detecting discrimination. Lectures and discussions will focus largely on the assigned readings. Students are expected to have read and thoroughly digested the contents of the required readings prior to the assigned lecture/discussion. There will be two quizzes and two exercises. Students will be assisted by the professor and TA to achieve hands-on applications of the tools presented in the course.

Grading:

Quiz #1	25%
Quiz #2	25%
Exercise #1	25%
Exercise #2	25%

Course Schedule (Part I): Theories and Evidence of Discrimination

1/20/05 Historical and Legal Underpinnings

Readings:

Susan Gluck Mezey. 1992. In *Pursuit of Equality: Women, Public Policy, and the Federal Courts*. New York: St. Martins Press. Chapter 1: The Constitution and Equality, pp. 8-34; Chapter 2: Equal Employment Opportunity: Title VII- The Formative Years, pp. 35-54. Chapter 3: Equal Employment Opportunity: Proving Discrimination, pp. 54-73.

U.S. Department of State. Background on Civil Rights Act of 1964.

<http://usinfo.state.gov/usa/infousa/laws/majorlaw/civilr19.htm>

U.S. Equal Employment Opportunity Commission

- Civil Rights Act of 1991, <http://www.eeoc.gov/policy/cra91.html>
- Disparate Treatment Theory, <http://www.eeoc.gov/policy/docs/disparat.html>
- Human Resources Guide, Disparate Impact Theory, <http://www.hr-guide.com/data/G702.htm>

1/27/05 Measurement: Disproportionality, Disparity vs. Discrimination

Readings:

US Office of Special education Program: Individuals with Disabilities Education Acts (IDEA) Data - Methods for Assessing Racial/Ethnic Disproportionality in Special Education: A Technical Assistance Guide

<http://www.ideadata.org/docs/Disproportionality%20Technical%20Assistance%20Guide.pdf>

Chakravarty, Shanti P. 2002. "Economic Analysis of Police Stops and Searches: A Critique." *European Journal of Political Economy* 18: 597-605.

Borooah, Vani K. 2001. "Racial Bias in Police Stops and Searches: An Economic Analysis." *European Journal of Political Economy* 17: 17-37.

Knowles, John, Nicola Persico and Petra Todd. 2001. "Racial Bias in Motor Vehicle Searches: Theory and Evidence." *Journal of Political Economy* 109(1): 203-229

Myers, Jr., Samuel L. 2002. "Analysis of Racial Profiling as Policy Analysis," Curriculum and Case Notes, *Journal of Policy Analysis and Management* 21(2): 287-300.

Exercise #1 Distributed

2/03/05 Evidence of Non-market Disparities

Readings:

Health Disparities

Ana Balsa and Thomas McGuire, 2003, Prejudice, Clinical Uncertainty and Stereotyping as Sources of Health Disparities. *Journal of Health Economics*. Vol. 22. pp.89-116.

Child Welfare Disparities

Sheila Ards, Samuel Myers, Jr., Allan Malkis. Racial Disproportionality in Reported and Substantiated Child Abuse and Neglect: An Examination of Systematic Bias. *Children and Youth Service review*. Vol. 25 (5-6). 375-92.

Mark E.Courtney, Richard P. Barth, Jill Duerr Berrick. 1996. Race and Child Welfare Services: Past Research and Future Directions. *Child Welfare* 75(Mar./Apr): 99-137

David Rosner and Gerald Markowitz. 1997. Race, Foster Care, and the Politics of Abandonment in New York City. *The American Journal of Public Health* 87(11)(November): 1844-1849.

Criminal Justice Disparities

David Harris. 2003. The Reality of Racial Disparity in Criminal Justice: The significance of Data Collection. *Law and Contemporary Problems*. Vol. 66 (1). pp. 71-98.

Educational Disparities

Daniel Losen and Gary Orfield. 2002. Introduction: Racial Inequality in Special Education. In *Racial Inequity in Special Education*. Edited by Daniel Losen and Gary Orfield. <http://gseweb.harvard.edu/%7Ehepg/introduction.html>

Jim Cunnings. 2001. Framing the Universe of Discourse: Are the Constructs of Power and Identity Relevant to School Failure? *Harvard Educational Review*. Vol. 71(4). 649-655.

Jim Cunnings. 1986. Empowering Minority Students: A Framework for Intervention. *Harvard Educational Review*. Vol. 56(1). 656-675.

Stephen Brookfield. 2003. Racializing the Discourse of Adult Education. *Harvard Educational Review*. Vol. 73(4). 497-523.

Exercise #1 Due

2/10/05 Evidence of Labor Market Disparities

Readings:

Labor Market Disparities

Francine Blau and Lawrence Kahn. 2000. Gender Difference in Pay. *The Journal of Economic Perspectives*. Vol. 14(4). 75-100.

William A. Darity, Jr. and Patrick L. Mason. 1998. Evidence on Discrimination in Employment: Codes of Color, Codes of Gender. *The Journal of Economic Perspectives* 12(2)(Spring): 63-90.

William A. Darity, Jr. (ed). 1995. *Economics and Discrimination, Vol 1* (The International Library of Critical Writing in Economics; 57) Aldershot, UK: Edward Elgar Publishing. Introduction, xiii-li.

William A. Darity, Jr. (editor). 1995. Gary Becker, Chapter 13: The Economics of Discrimination, 183-206 in *Economics and Discrimination, Vol 1* (The International Library of Critical Writing in Economics; 57) Aldershot, UK: Edward Elgar Publishing.

June O'Neill. 1990. The Role of Human Capital in Earnings Differences Between Black and White Men. *The Journal of Economic Perspectives* 4(4)(Autumn): 25-45.

Quiz #1

2/17/05 Evidence on Mortgage Credit and Housing Market Disparities

Helen F. Ladd. Evidence on Discrimination in Mortgage Lending. *The Journal of Economic Perspectives* 12(2)(Spring): 41- 62.

Stephen Ross and John Yinger, 2002, *The Color of Credit: Mortgage Discrimination, Research Methodology, and Fair-Lending Enforcement*, MIT Press.

John Goering and Ron Wienk (eds.). 1996. *Mortgage Lending, Racial Discrimination, and Federal Policy*. Washington, D.C.: The Urban Institute Press. Part One. Chapter 4. Turning a Critical Eye on the Critics. Geoffrey M.B. Tootell, pp. 143-182.

Glenn W. Harrison. 1998. Mortgage Lending in Boston: A Reconsideration of the Evidence. *Economic Inquiry* 36(1)(January): 29-39.

Alice H. Munnell, Geoffrey M.B. Tootell, Lynn E. Brown, and James McEneaney. 1996. Mortgage Lending in Boston: Interpreting the HMDA Data. *American Economic Review* 86(1)(March): 25-53.

Anthony M. Yezer, (ed.). 1995. *Fair Lending Analysis: A Compendium of Essays on the Use of Statistics*. Washington, D.C.: American Bankers Association. The History and Value of HMDA Data For Studies of Individious Discrimination. George J. Benston, pp. 5-12; Biases in Tests for Redlining by Lenders. Anthony M. Yezer, pp.13-22; Uses and Limitations of HMDA Data in Identifying Discrimination and Redlining. Michael Shill and Susan Wachter, pp. 23-28.

Housing Discrimination

Stephen Ross and John Yinger, 2002, *The Mortgage Market and the Definition of Mortgage Lending Discrimination*. Chapter 2 In *The Color of Credit: Mortgage Discrimination, Research Methodology, and Fair-Lending Enforcement*, MIT Press.

2/24/05

Theoretical Explanations:

Economics of Discrimination I (Becker Model)

Readings:

William A. Darity, Jr. (ed). 1995. *Economics and Discrimination, Vol 1* (The International Library of Critical Writing in Economics; 57) Aldershot, UK: Edward Elgar Publishing. Introduction, xiii-li.

William A. Darity, Jr. (editor). 1995. *Economics and Discrimination, Vol 1* (The International Library of Critical Writing in Economics; 57) Aldershot, UK: Edward Elgar Publishing, pp 183-205. Originally from:

- Gary S. Becker. 1957. Chapter 1: The Forces Determining Discrimination in the Market Place. pp. 13-18. *The Economics of Discrimination*. Chicago: University of Chicago Press.
- Gary S. Becker. 1957. Chapter 6: Market Discrimination, pp. 84-100. *The Economics of Discrimination*. Chicago: University of Chicago Press.

Ray Marshall. 1974. The Economics of Racial Discrimination: A Survey, *Journal of Economic Literature* 12(3)(September): 849-871.

3/03/05

Theoretical Explanations:

Economics of Discrimination II (Statistical Discrimination)

Readings:

Kenneth J. Arrow. 1998. What Has Economics to Say about Racial Discrimination? *The Journal of Economic Perspectives* 12(2)(Spring): 91-100.

William A. Darity, Jr. and Patrick L. Mason. 1998. Evidence on Discrimination in Employment: Codes of Color, Codes of Gender. *The Journal of Economic Perspectives* 12(2)(Spring): 63-90.

Quiz #2; Exercise #2 Distributed

3/10/05

Audits and Experiments

Readings:

Discrimination in Metropolitan Housing Markets: Phase 1, HUD 2002:
<http://www.huduser.org/publications/hsgfin/phase1.html>

Discrimination in Metropolitan Housing Markets: Phase 2, HUD 2003:
http://www.huduser.org/publications/hsgfin/hds_phase2.html

Ronald B. Mincy. 1995. Chapter 20: The Urban Institute Audit Studies: Their Research and Policy Context” in William A. Darity, Jr., (ed.), *Economics and Discrimination Vol II*, (The International Library of Critical Writing in Economics; 57) Aldershot, UK: Edward Elgar Publishing, pp. 346-435.

Joseph Rosenstein and Michael A. Hitt, 1986. Experimental Research on Race and Sex Discrimination: The Record and the Prospects, *Journal of Occupational Behaviour* (7)(3)(July): 215-226.

John Yinger. 1995. Measuring Racial Discrimination with Fair Housing Audits. in William A. Darity, Jr., ed., “Introduction,” *Economics and Discrimination Vol. II*, (The International Library of Critical Writing in Economics; 57) Aldershot, UK: Edward Elgar Publishing, pp. 325-337.

John Yinger. 1995. Chapters 2: The Housing Discrimination Study; Chapter 3; Chapter 3: Discrimination in Housing, pp. 31-49. *Closed Doors, Opportunities Lost: The Continuing Costs of Housing Discrimination*. New York: Russell Sage Foundation.

John Yinger: 1995. *Closed Doors, Opportunities Lost: The Continuing Costs of Housing Discrimination*. New York: Russell Sage Foundation. Part 3. Chapter 6. The Direct Cost of Current Discrimination, pp. 89-103; Part 4. Chapter 9. The Causes of Discrimination in Housing, pp. 161-186.

Stephen Ross and John Yinger, 2002, *The Color of Credit: Mortgage Discrimination, Research Methodology, and Fair-Lending Enforcement*, MIT Press.