This is the “capstone” class for the economics major. Having taught you some economics, we now ask you to apply your skills to researching a particular topic. You have learned the tools of economics, and you can now apply those tools and do what economists do: use economic theory and empirical evidence to answer a question of interest. This is not a class where most of the learning occurs through lectures; instead this class is designed to allow you to explore the topic through discussion of readings and presentation of your own research.

The topic for this seminar is labor market discrimination. We will explore the theory and measurement of discrimination, and then look more closely at two groups, women and African Americans.

Goals

1. Bring together the economics you’ve learned in the past three years and begin to do economics.
2. Reinforce and improve your econometrics and Stata skills.
3. Develop your ability to do independent research.
4. Learn to define and measure labor market discrimination.

Readings

Class discussion of texts will be an important part of what we do. Most days there is a reading, which we will discuss in class. For this to work, you must do the reading. As an incentive to do so, there will be occasional quizzes. Each students will lead class discussion on one of the papers.

You will buy the following books:


Other readings will be posted on Moodle.

Assignments

1. Exams
   
   There will be three exams during the semester, but no final exam.

2. Research Paper
   
   The most important assignment for this class is the research paper, which will involve analysis of data. The paper should be around 10-12 pages (not counting figures and tables).
Instead of asking you to work on your paper over the whole semester (which rarely happens anyway), we will devote one week of classtime to intensive work on the paper. You will have the week before Thanksgiving to concentrate on the paper. We will not meet as a class, but I will ask you to meet with me individually sometime during that week.

**Presentation:** During the last two weeks of class you will present your research to the rest of the class. Your presentation should be 10-15 minutes.

**Some Example Paper Topics:**
You should choose a topic related to labor market discrimination, broadly understood. A good way to choose a paper topic is to take the reading that interested you the most and do something similar.

- Examine the wage gap by gender or race.
  - How has the gap changed over time?
  - How do racial wage gaps vary by gender, education, age, etc?
  - How do gender gaps vary by race, marital status, family size, age, etc?
  
  Data: CPS, Census, or ACS, all available at IPUMS

- What do more recent data suggest about the differences in time use between married men and married women, or parents and non-parents?
  
  Data: Time Use Survey

3. **Leading Class Discussion**
Each student will lead the class discussion on one of the readings. Your job is not to explain the paper to the class, but to generate discussion. You might pose some questions and ask your classmates to answer them individually or in groups. Feel free to do something creative like play a game. You do not have to use the whole period, but you should use at least 30 minutes.

4. **Data Labs**
To improve your data analysis skills and your Stata skills, there will be four data labs. My goal is for you to be able to carry out an empirical investigation from start to finish, including obtaining data, cleaning the data, running Stata, and interpreting the output.

5. **Participation**
You are expected to attend class, think carefully about the readings, and contribute to class discussions. I will use homework and quizzes evaluate whether you are keeping up with reading, and these will count toward the participation grade.

Your grade will be based on the following formula:

- Three Exams 15% each
- Research Paper (Presentation 5%; Final Paper 25%) 30%
- Data Labs + Leading Class Discussion 15%
- Participation, Quizzes, and Homework 10%

**Outline of the Class**

A. **Theory**

1. Becker and Wage Discrimination

   Becker, *The Economics of Discrimination*, Ch. 1 – 6
2. Crowding


Additional References:

3. Statistical Discrimination

Classroom game at veconlab.econ.virginia.edu

Additional References:


4. How does Discrimination Really Work?


Additional References:


B. Evidence

1. Wage Regressions with Dummy Variables


Additional References:


2. The Oaxaca Decomposition


*Additional References:*

3. Audit Studies


*Additional References:*

4. Production Functions

Burnette, “The Emergence of Wage Discrimination in US Manufacturing,” 2011

*Additional References:*

5. Profitability


C. Women


Claudia Goldin, “The Rising (and then Declining) Significance of Gender” NBER, 2002


Additional References:


D. African Americans


Additional References:

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Theories of Discrimination

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Mechanisms of Discrimination

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