

Crime, Inequality, and Sex: Cohesive Themes in Principles of Microeconomics

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Background

- Women and members of racial and ethnic minorities in introductory economics report lower levels of content relevance (Bayer et al., 2020)
- Increasing students' exposure to topics not typically perceived as within the area of economics can increase probability of majoring in economics (Fricke et al., 2018)
- AEA Best Practices for Working with Students: Offer course content that counters stereotypes of economics and is relevant to diverse students

Our Goal: Increase content relevance and student engagement in *Principles of Microeconomics* by organizing class around a cohesive theme

Themed Sections in 2022-2023 at UR

- Crime, Inequality, Globalization, Dating and Sex
 - 9 of 24 *Principles of Microeconomics* sections had themes
 - 215 students enrolled in themed sections

- Example of student registration view:

ECON 101	07	1.000	PRINCIPLES OF MICROECONOMICS	FSSA MW	01:30 28	28	0
				LW3	pm-		
				SUIN	02:45		
					pm		

Focus on Crime Economics. This course will cover all standard ECON 101 topics, but many examples, applications, and assignments will focus on the economics of crime.

Workshop Goal: Begin to develop your own *Principles* theme & implementation plan

1. Group brainstorm: Theme Ideas
2. Small group discussion and brainstorm: opportunity cost examples
3. Implementation and pedagogical use of themes in our classrooms
4. Small group discussion and brainstorm: Your implementation ideas
5. Student survey results and reflections from our experience at UR

Workshop Goal: Begin to develop your own *Principles* theme & implementation plan

1. Group brainstorm: Theme Ideas
 - What are themes you could use throughout a *Principles* course?
2. Small group discussion and brainstorm: opportunity cost examples
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Group Brainstorm: Theme Ideas

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1. Group brainstorm: Theme Ideas
2. Small group discussion and brainstorm: opportunity cost examples
 - Each table has 3 different handouts describing our opportunity cost examples
 - Briefly discuss / describe each of the 3 examples at your table
 - Brainstorm: What is an opportunity cost example you could use in *Principles* within your chosen theme?
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Implementation: Dating, Sex, and Marriage Theme

- Prior to class, students read the textbook chapter on Elasticity and complete a reading quiz to ensure basic knowledge of terms
- In class, review the meaning of elasticity and the formula and motivate the concept
 - Also review the determinants of elasticity using examples
- In-class exercise on elasticity concepts using the price of flowers on Valentine's Day
 - Practice using elasticity formula
 - Practice applying determinants of elasticity by comparing demand on Valentine's Day and on other days
 - Calculate change in revenue and reflect on relationship with elasticity
 - Reflect on the elasticity of supply (based on reading an article in class)

Implementation: Inequality & Economic Mobility

- Life expectancies differ by racial/ethnic group. Life expectancy for white people is 76.4. For Black people and Hispanic people, it is 70.8 and 77.7, respectively. Why?
 - A common explanation for the lower life expectancy at birth of Black people is contemporary racism or discrimination.
- Implementation: Class Discussion
 - What specifically does it mean to say that contemporary racism or discrimination is leading to reduced life expectancy among Black people? Could historical racism in medical care still affect health today even in the absence of contemporary discrimination? How?
 - What are nonracial explanations for differences in life expectancies?
 - How might one test the relative importance of these various explanations?

Implementation: Inequality & Economic Mobility

- Implementation: Problem Set Question
 - Men have a shorter life expectancy than women. Black people have a shorter life expectancy than white people. Does the former necessarily imply that men's lower life expectancy is due to discrimination in society. Why or why not? Does the latter necessarily imply that lower life expectancy in Black people is due to discrimination in society? Why or why not? A complete answer would consider one dimension in which there are clear differences between men and women but not between races.

Implementation: Crime Theme

- Before topic introduced in class: guided reading to supplement textbook
 - Example: Chapter on labor markets combined with CEA Blog Post reading on “Expanding Economic Opportunity for Formerly Incarcerated Persons”

The CEA blog post writes, “Employment is a key ingredient in avoiding recidivism.” What economic concepts discussed thus far in class can explain this statement?

What are some of the factors that limit labor market opportunities for formerly incarcerated people? How do these factors relate to those described in chapter 12 [wage determinants]?

- After topic introduced in class: small group critical thinking problem
 - Example: If employers do not *internalize* crime-reducing benefits of hiring formerly incarcerated persons (FIPs), then hiring of FIPs will be too low. Show this on a graph.

Sources for Thematic Content

- Economics sources for *Principles* students:
 - *Planet Money*
 - *Econimate* YouTube Videos
 - AEA Research Highlights
 - CEA Blog Posts
 - *The Economist*
 - IZA World of Labor
 - World Bank Blogs
 - News articles about economic research
 - General audience book chapters
 - Opportunity Insights resources

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 - Tip: Themes can be implemented in small ways without course redesign
5. Student survey results and reflections from our experience at UR

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Survey Results and UR Experience

- Themes increased student interest in class
- Themes increased students' perception of the real-world relevance of economics
- Students appreciate when theme is consistently incorporated throughout semester
- Initial empirical results from survey: Student plans to major or minor in economics increase by ~ 7 ppt (on base of 15%) relative to beginning of semester

Survey Results and UR Experience

- Incorporating themed examples requires some upfront instructor time to develop, but is less intensive than a full course redesign or flipping a classroom
- Adding themes...
 - commits instructor to using real-world examples throughout course
 - improved classroom discussions
 - increased students' perception that topics are connected
 - improved interdisciplinary viewpoint of class
- Final notes
 - Fun teaching experience
 - Opportunity for instructor to learn about new area of economics

Thank you!

Further resources available at:

<https://MelissaKSpencer.com/resources/>

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Theme Idea for Principles of Microeconomics:

Economics of Crime

Themed Opportunity Cost Example:

August 2006: A new policy in Italy led to the release of 22,000 incarcerated people, more than 9,600 of whom were non-Italian foreigners.

January 1, 2007: Romania and Bulgaria are admitted into the European Union. Given the open-borders policy of the EU, formerly undocumented immigrants from Romania and Bulgaria in EU countries (such as Italy) immediately gain legal status (including legal work status).

Economists Mastrobuoni & Pinotti (2015) find that Romanian and Bulgarian immigrants released from prison in 2006 were less likely to recommit crimes upon release than other immigrants from non-EU countries in southeastern Europe.

How can the economic theories discussed thus far in class explain this finding?

Sources: Mastrobuoni, G., & Pinotti, P. (2015). Legal status and the criminal activity of immigrants. *American Economic Journal: Applied Economics*, 7(2), 175-206.

AEA Research Highlights: <https://www.aeaweb.org/research/are-immigrants-less-likely-to-commit-crime-legal-status>

Delivery or Implementation Method for Opportunity Cost Example:

At the beginning of class, the above question is displayed on the screen for students as a group discussion question. Students work in small groups to discuss the question and relate it to concepts covered in the first week of class. We then discuss the answer as a class and how this example relates to the concepts of cost-benefit analysis and opportunity cost. I also display quotes and figures from the AEA Research Highlights post about this article and explain how the legal status change allows the authors of the study to distinguish correlation from causation.

On the next exam, students were asked: "An economic study in Italy analyzed the effects of Bulgaria and Romania entering the European Union. The study found that Bulgarian and Romanian immigrants who had recently been released from prison were less likely to commit another crime because they now had legal work status. What economic concept can explain this finding? Explain."

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Theme Idea for Principles of Microeconomics:

Dating, Sex, and Marriage

Themed Opportunity Cost Example:

When Lisa Chow (Planet Money, episode 513) was dating, she almost stayed with someone who wasn't a great fit. Had she done so, she never would have met Steven, who eventually became her husband.

In "The Power of the Pill" (Goldin and Katz, 2002), the authors explain that when contraception became widely available, the opportunity cost of premarital sex decreased, which led to more women postponing marriage and attending graduate school.

Delivery or Implementation Method for Opportunity Cost Example:

Prior to the first class, students listen to Planet Money episode 513 ("Dear Economist, I Need A Date"). Students briefly reflect on the following questions using a think-pair-share format:

1. Do you think the suggestion to Skype before going on an actual date was a good one?
2. The podcast introduces Gary Becker's idea of quality versus quantity of children. Do you agree that there is a trade-off of that type? Why or why not?

Draw attention to the ideas of scarcity and trade-offs in student answers, then formally define scarcity, trade-offs, and opportunity cost. Ask students to apply the concepts to the story of Lisa Chow (start with opportunity cost and trade-offs, then think-pair-share about what was scarce).

Briefly summarize the history of oral contraceptives and explain the main mechanism in "The Power of the Pill": Show students a [map](#) of abortion bans by state. Ask students to think about whether this is likely to change choices about postponing marriage. Why or why not?

Students read Section 3.A. (pp.748-753) of "The Power of the Pill" and answer three related questions on the problem set:

1. What is the main take-away of Figure 4, part A?
2. According to Figure 6, what share of women born in 1940 had sex between the ages of 18 and 21? What about for women born in 1955?
3. According to Goldin and Katz, how is the wide availability of oral contraception in the late 1960s and early 1970s linked to women choosing to pursue professional degrees?

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Theme Idea for Principles of Microeconomics:

Inequality and Economic Mobility

Themed Opportunity Cost Example:

Inequality between male and female earnings: What is given up when having a child and removing oneself from the labor force for months or years? This raises the question of earnings inequality between men and women.

Delivery or Implementation Method for Opportunity Cost Example:

One the second day of the course, I use the Gapminder website to show empirical relationships across countries (and years) between GDP per capita and fertility rates (linear relationships and log linear relationships), consistent with fewer births when opportunity costs of time are higher. This relationship is consistent with a greater cost for persons (generally women) who sacrifice time on career for other household goals such as childbearing and childcare. We also discuss sections of Goldin's *Career and Family: Women's Century Long Journey Toward Equity*. She uses the term "greedy work" to describe jobs that pay well but that do not allow flexibility, for example, being available for certain childrearing responsibilities. The existence of greedy work creates tension between couple equity and maximizing family income, since the efficient route to higher family income is to have one member of a couple choose a greedy work job. I also share the results of some of the empirical work seeking to hold other factors constant or take them into account when estimating earnings differences.

Problem Set Question

Read the first fourteen pages of Claudia Goldin's *Career and Family: Women's Century -Long Journey Toward Equity*. Goldin is an economist at Harvard. This question is an extension of two discussions we have had: the opportunity costs of having children and how to think carefully about the difference in median full-time earnings between men and women.

- a. In 2020, what was the difference between men and women in terms of rates of completing college?
- b. Goldin uses the phrase "greedy work." What does that mean?
- c. She describes the tension or tradeoff between couple/family equity and maximizing a family's income. Explain what she means.
- d. Reviewing Chapter Eight ("Mind the Gap"), what was Goldin's **occupational sector evidence** (not her claim/argument) that much of the difference in female/male earnings is due to voluntary sorting of women into certain jobs rather than discrimination by employers?

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