

Georgetown University – Spring 2022
Economics of Vice and Virtue
ECON 232
Instructor: Lawrence Costa

Course Description

This course surveys various issues economists have studied in areas that were not traditionally thought of as a realm of economics (or that don't neatly fit economic theory). Topics include the economics of drug addiction, religion, crime, the music industry, and more. We will discuss research on these sorts of topics with particular attention paid to how economists develop formal mathematical models to understand complex social issues. Class time will be split between lectures and discussion sections.

Citation Needed

The inspiration for this course is one I took as an undergraduate, *The Economics of Behavior and Misbehavior* (if memory serves), taught by [Simon Bowmaker](#) (who edited a book on the reading list).

Time/Location

Lecture: Reiss 262, Monday & Wednesday, 2:00 pm – 3:15 pm

Office Hours: Tuesday 1:30 pm – 2:30 pm in visitors' office in the econ dept., or by appointment

TA: Weipeng Zhang

TA Office Hours: Wednesday 4:00 pm – 5:00 pm over [Zoom](#), or by appointment

Midterms: 22 Feb. & 30 Mar., during class, ICC 204

Final: Saturday 14 May, 12:30-2:30, [as scheduled by the registrar](#)

Classroom Decorum, Attendance, & Academic Standards

I do not anticipate any problems here but this section is a sort of mandatory disclaimer. Appropriate classroom manners are expected. I do not take attendance but do expect that students will attend all lectures. As for academic standards, any dishonesty will be punished to the fullest extent possible.

Also, a note on the course material: keep in mind that some of the readings are a bit old and some of the course topics are rather serious. Discussions are to be polite and academic. If you would prefer not to be cold-called for a particular topic, you may discuss that with me (*before/at* the start of the semester).

Exams & Assignments

- Final exam: 30%
 - Cumulative
- Midterms: 25% – *policy revised*
 - If you miss the first midterm, the grade will be filled in with an average of your second midterm and final exam. If you miss the second midterm, the grade will be filled in with your final exam.

- If, for some reason, you miss both midterms, I may have you take a longer final exam (really you shouldn't miss both except in extraordinary circumstances).
- The midterms are not meant to be optional. So, I will need you to give me a good reason for missing one (sick with doctor's note, athletics travel, etc.).
- Discussion: 15%
 - You start with full credit here and lose it if unprepared. This is contingent on participating in discussion sessions (and thus having done the readings/knowing what you're talking about).
 - I will periodically cold-call students (as selected by random number generator); you may lose points if unprepared.
- Group Paper: 15%
 - Choose a topic (not covered in this course but in line with the course theme) and discuss economic findings on the subject. Your writing should be more in line with the *Economics Uncut* text than *Uncommon Sense* (i.e., a formal explanation, citation of the economic literature, not your personal opinion, &c.)
 - 3 pages maximum (no smaller than 11pt font and 1" margins). Graphs should be placed at the end; you may go on to a 4th page with graphs if absolutely necessary.
 - Grammatical/orthographic errors will negatively (and seriously) impact your score. Go to the writing center if you need help with this.
- Group Project: 15%
 - You will present a journal article in ~5 person groups.
 - Presentations from other groups are fair game for the final exam (incentive to pay attention to your classmates)

Course Structure

We will progress through the course in sections (listed below) and each will be accompanied by assigned readings. Class time will entail a mix of lectures and discussion sections (I'm expecting a fairly large class so may organize discussions around your groups).

Course Schedule

This is a new course so the schedule is subject to adjustments here and there. "Flex dates" are incorporated in case we run long on any topics (if not, I'll add additional material).

- 12 Jan. – Introduction
- 19 Jan. – Child labor
 - All the child labor articles in the articles section of the syllabus (focus on the important parts, what the research question is, why we care, what the findings are; this is a mid-level elective so I won't be expecting you to know the mathematical models)
- 24 Jan. – Sports
 - *Economics of Sport*, chapter 12 in *Economics Uncut*
 - *Doping Athletes*, chapter 34 in *Uncommon Sense*
 - *Moneyball*
- 26 Jan. – Sports

- Sanderson and Siegfried (2015)
- Betsey (2010)
- Wolfers (2006)
- 31 Jan. – Finish Sports
 - *Economics of Crime*, chapter 4 in *Economics Uncut*
- 2 Feb. – Crime
 - Part VII, excluding chapters 34, 36, 37, 39, 40, in *Uncommon Sense*
 - Klick and Tabarrok (2005)
 - Campaniello, Gray, and Matrobuoni. (2016)
 - Mello (2019)
 - Web Article: <https://marginalrevolution.com/marginalrevolution/2015/09/what-was-gary-beckers-biggest-mistake.html>
 - Web Article: <https://www.niskanencenter.org/how-a-focused-approach-to-policing-made-new-york-safer/>
- 7 Feb. – Crime
 - **Group choices due** (you will be randomly assigned to groups if you don't have a selection)
- 9 Feb. – Addiction
 - *Economics of Drug Addiction*, chapter 1 in *Economics Uncut*
- 14 Feb. – Addiction
- 16 Feb. – Marriage & dating
 - *Economics of Marriage and Divorce*, chapter 5 in *Economics Uncut*
 - Chapters 1-3 in *Uncommon Sense*
- 22 Feb. – **Exam 1**
- 23 Feb. – Marriage & dating
 - Baert, Neyt, and Vynckier (2019)
 - Bertrand, Kamenica, and Pan (2015)
 - Hitsch, Hortacsu, and Ariely (2010)
- 28 Feb. – Music
 - *Economics of Rock 'n' Roll*, chapter 14 in *Economics Uncut*
 - Chapters 8-9 in *Uncommon Sense*
- 2 Mar. – Discrimination
 - *The Economics of Discrimination*, Gary Becker
- 14 Mar. – Discrimination
- 16 Mar. – Discrimination
 - Chetty et al. (2020)
 - Bagde et al. (2016)
 - Bleemer (2022)
- 21 Mar. – Discrimination
- 23 Mar. – Suicide
 - *Economics of Suicide*, chapter 8 in *Economics Uncut*
 - Christian et al. (2019)
 - Marcotte (2003)
- 28 Mar. – Abortion/reproduction

- Chapters 10-11 in *Economics Uncut*
- Donohue and Levitt (2001)
- Foote and Goetz (2008)
- 30 Mar. – **Exam 2**
- 4 Apr. – Gambling
- 6 Apr. – Drug prohibition & liberalization
- 11 Apr. – Mania
 - *Tulipmania*, Anne Goldgar
 - *The Big Short*
- 13 Apr. – Mania
- 20 Apr. – Mania
- 25 Apr. – **Group projects**
- 27 Apr. – **Group projects**
- 2 May – **Group projects**
- 8 May – No class, **Group papers due**
- 14 May – **Final exam**

Readings

Books:

- *The Economics of Discrimination*, by Gary Becker, ISBN: 978-0226041162
- *Economics Uncut*, edited by Simon Bowmaker, ISBN: 978-1845425807 (you should be able to find this for no more than \$10 in paperback/used)
- *Tulipmania: Money Honor, and Knowledge in the Dutch Golden Age*, by Anne Goldgar, ISBN: 978-0226301266
- *Uncommon Sense: Economics Insights from Marriage to Terrorism*, by Gary Becker and Richard Posner, ISBN: 978-0226041025

Movies:

You're, of course, welcome to read the books instead (but you'll already be doing a good amount of reading so this is geared toward making it easier on you).

- *Moneyball*
 - Fits in the course material for the sports section, makes a minor point
- *The Big Short*
 - Fits in the course material alongside *Tulipmania*, and I expect you to fully understand what happened during the financial crisis

Articles:

- Baert, Stijn, Brecht Neyt, and Jana Vynckier. 2019. "Job Prestige and Mobile Dating Success: A Field Experiment." IZA Institute of Labor Economics Discussion Paper Series, IZA DP No. 12746.
- Bagde, Surendrakumar, Dennis Epple, and Lowell Taylor. 2016. "Does Affirmative Action Work? Caste, Gender, College Quality, and Academic Success in India." *American Economic Review*, 106(6): 1495-1521.

- Baland, Jean-Marie and James Robinson. "Is Child Labor Inefficient?" *The Journal of Political Economy*
- Basu, Kaushik and Pham Hoang Van. 1998. "The Economics of Child Labor." *American Economic Review*, 88(3): 412-427.
- Bertrand, Marianne, Emir Kamenica, Jessica Pan. 2015. "Gender Identity and Relative Income within Households." *The Quarterly Journal of Economics*, (2015): 571-614.
- Bleemer, Zachary. 2022. "Affirmative Action, Mismatch, and Economic Mobility after California's Proposition 209." *The Quarterly Journal of Economics*, 137(1): 115-160.
- Campaniello, Nadia, Rowena Gray, and Giovanni Matrobuoni. 2016. "Returns to Education in Criminal Organizations: Did Going to College Help Michael Corleone?" *Economics of Education Review*, 54(2016): 242-258.
- Chetty, Raj, Nathaniel Hendren, Maggie Jones, and Sonya Porter. 2020. "Race and Economic Opportunity in the United States: An Intergenerational Perspective." *The Quarterly Journal of Economics*, 135(2): 711-783.
- Christian, Cornelius, Lukas Hensel, and Christopher Roth. 2019. "Income Shocks and Suicides: Causal Evidence from Indonesia." *The Review of Economics and Statistics*, 101(5): 905-920.
- Doepke, Matthias and Fabrizio Zilibotti. 2005. "The Macroeconomics of Child Labor Regulation." *American Economic Review*, 95(5): 1492-1524.
- Donohue, John and Steven Levitt. 2001. "The Impact of Legalized Abortion on Crime." *The Quarterly Journal of Economics*, 116(2) 379-420.
- Foote, Christopher and Christopher Goetz. 2008. "The Impact of Legalized Abortion on Crime: Comment." *The Quarterly Journal of Economics*, 123(1) 407-423.
- Hitsch, Günter, Ali Hortaçsu, and Dan Ariely. 2010. "Matching and Sorting in Online Dating." *American Economic Review*, 100(1): 130-163.
- Klick, Jonathan and Alexander Tabarrok. 2005. "Using Terror Alert Levels to Estimate the Effect of Police on Crime." *The Journal of Law and Economics*, 48(1).
- Marcotte, Dave. 2003. "The Economics of Suicide, Revisited." *Southern Economic Journal*, 69(3): 628-643.
- Mello, Steven. 2019. "More COPS, Less Crime." *Journal of Political Economy*, 127: 174-200.
- Sanderson, Allen and John Siegfried. 2015. "The Case for Paying College Athletes." *Journal of Economic Perspectives*, 29(1): 115-138.
- Stevenson, Betsey. 2010. "Beyond the Classroom: Using Title IX to Measure the Return to High School Sports." *The Review of Economics and Statistics*, 92(2): 284-301.
- Wolfers, Justin. 2006. "Point Shaving: Corruption in NCAA Basketball." *American Economic Review*, 96(2): 279-283.