

# 5

## Discrimination

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### PURPOSE

This is the first among the five chapters focused specifically on the issue of equity. We will define minority from a sociological perspective, and we will use census bureau statistics to present explanations of discrimination, the difficulty in measuring discrimination, and government policy regarding discrimination. We will also examine the growing diversity of the U.S. population.

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### LEARNING OBJECTIVES

The learning objectives for this chapter are:

1. to acquaint the student with the changing racial and ethnic composition of the United States.
  2. to define the term *minority* from its sociological perspective.
  3. to delineate the dimensions of labor market discrimination.
  4. to introduce to the student two of the more common theories (explanations) of labor market discrimination.
  5. to help the student understand the costs of discrimination to individuals and to society.
  6. to discuss government intervention in labor markets by means of legislation and affirmative action.
  7. to acquaint the student with other (nonlabor market) types of discrimination and policies aimed at these types of discrimination.
  8. to acquaint the student with the economic conservative and the liberal viewpoints on discrimination and government policy toward discrimination, as well as help students to approach an understanding of the nationalistic-populism perspective.
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### LECTURE SUGGESTIONS

- In this age of YouTube and other instant media, the racist comments of politicians, actors, and other celebrities come to the fore. If we pay attention to these and cite them to our students, our students will see more clearly that racism is alive and well in the U.S. You will undoubtedly want to discuss Donald Trump and his racism, as well as the nationalistic-populist context within which to place this.
- Some people have asserted that the election of Barack Obama signaled a post-racial era. Ask the students if they agree.
- One way to stimulate discussion about discrimination is to ask students if they are aware of any nonlabor market discrimination in their town or university. For example, in my town and campus, merchants often watch young people (and follow them around) in their stores and require that they place their backpacks on a shelf before entering. (They never ask me to place my bag there.) Police officers will occasionally charge students with loitering in public parks. (Doesn't loitering in a park seem like an oxymoron?) My students tell me that their pierced eyebrows and tongues often mean that they are not hired by employers and that blue or orange hair is often grounds for losing their jobs. Others have experienced more clear-cut discrimination based on their race, ethnicity, gender, nationality, or sexual preference.

- Students often come to my class under the assumption that labor market discrimination no longer exists. They are often shocked to see the earnings differentials between men and women and between whites and minorities. Young women are especially shocked to see that upon graduation, they are likely to receive much smaller earnings than young men with similar education. This presents a good opportunity to discuss the reasons for the earnings differentials.
- Just as students may believe that discrimination does not exist, they are often very leery of affirmative action, believing that it amounts to reverse discrimination. This presents a good opportunity to discuss the value of a diverse student body and faculty at institutions of higher learning.
- Students are often confused about unemployment rates. They believe that unemployment rates are higher for women because many women choose to stay home with their young children. It must be pointed out that a person is considered unemployed *only* if he or she is actively seeking employment, but is unable to find a job outside of the home. This will be discussed in detail in Chapter 14, but needs to be mentioned now.
- If your classes are somewhat like mine, there may be very few students of a particular race or ethnicity. I'm sure you've discovered that we need to be very cautious about discussing topics that may be embarrassing to them. Similarly, we can't expect a student to be knowledgeable or representative of all aspects of their race, ethnicity, or nationality.
- This chapter provides a good opportunity to alert students to the importance of using precise meanings in economics. For example, the difference between *earnings* and *income* and between *mean* and *median* are important. Similarly, we look at the earnings of *full-time workers* in order to remove the effects of part-time employment of many women.
- Students often come to my class with preconceived notions about the material covered in this chapter. They often define *minority* on the basis of numbers rather than power. They have much anecdotal evidence about relatives and friends who they think have been treated unfairly, either because they are minorities or because a minority person was given preference. They usually see discrimination as a personal and emotional issue, rather than as a function of societal institutions. We can try to break down stereotypes through wide-ranging discussion, assuring students in the process that anecdotal evidence does not necessarily correspond to the statistics.
- I challenge students to explain the differences in the statistics, and I do not accept discrimination as the only reason for the differences. (Students would indeed be pretty hostile to the notion that all differentials are due to discrimination.) I try to dig out cultural attitudes. I look for relationships between individual decisions and the presence of institutional discrimination. I really emphasize the problems in measuring the extent of discrimination.
- When I discuss the theories or explanations for discrimination, I always use the framework suggested in Question # 2 in the following section. I find that it stimulates discussion and leads the discussion toward institutional, rather than personal, aspects of discrimination.

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## ADDITIONAL DISCUSSION AND ACTION QUESTIONS

1. What is a minority? Is it simply a matter of numbers? As the racial and ethnic composition of the U.S. changes, does it affect the position of minorities? of whites?
2. Looking at the two explanations (theories) of discrimination presented in the chapter, discuss each of the following questions:
  - a. Who gains and who loses? (Be sure to include society at large in the discussion.)
  - b. Is this discrimination the result of prejudice on the part of employers? If not, what is it the result of?
  - c. Is there any reason to believe that this discrimination will end without government or private policy aimed at it?
3. Should affirmative action be eliminated? amended? expanded?

4. Assume there are 240 teachers at your educational institution. Half are men and half are women. Assume they will be employed in only three areas: economics, engineering, and English. Assume that the first two are “men’s” fields and the third is a “women’s” field.

The demand schedule for workers is the same in all areas and is shown below:

<u>Wage Rate</u>	<u>Workers Demanded</u>
\$21	60
18	80
15	100
12	120
9	140
6	160

What will be the men’s wage? the women’s? Show graphically.

If occupational crowding were eliminated, what would be the wage rate? Discuss verbally and graphically.

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## SOME ANSWERS AND COMMENTS ON THE TEXT DISCUSSION QUESTIONS

1. Student answers will vary, but show signs of research.
2. Certainly, if minorities have less power. Think of black Africans in South Africa during apartheid or women throughout the world today. This brings up another interesting point. Studies indicate that at some point in the relatively near future, minority persons of all sorts will outnumber whites in the U.S. This does not mean that whites will be a minority in the sociological sense.
3. With regard to women, the major factors are occupation and experience (being in and out of the labor market instead of continuously engaged in it), in addition to discrimination. With regard to African Americans and Hispanics, education, occupation, and residence (not living where the good jobs are) are important, in addition to discrimination. In all cases, earnings differentials exist when education is controlled for.
4. Education and income are positively related, but other factors explain more of the differences between various groups than does years of education. These factors include occupation, continuity in the labor force, residence, and personal factors.
5. A form of statistical discrimination may occur when young men and students with low grades must pay higher auto insurance rates than young women and good students.
6. Occupational crowding has decreased over time between whites and African Americans more than it has between men and women. There are still some occupations that are clearly considered to be “women’s work,” despite the decreasing social pressure on young women. Keep in mind that your author is an economist and a woman!
7. The data do not support the idea of reverse discrimination. White males are still clearly better off in terms of earnings than women or minorities.
8. Student answers will vary, but should demonstrate rational analysis and explanation.
9. Statistics generally show that the greater the percentage of women in an occupation, the less its stature and pay scale.
10. Individual choice and cultural factors contribute to the same effects as discrimination.
11. Student answers will vary.
12. Student answers will vary.
13. Student answers will vary.
14. Student answers will vary.

## SUGGESTED TEST QUESTIONS

### *Multiple-Choice Questions*

1. Which group represents the smallest share of the U.S. population?
  - a. Hispanics
  - a. African Americans
  - b. Asian Americans
  - c. Native Americans**
2. Which of the following is clearly an instance of discrimination?
  - a. An orthopedic surgeon earns more than a pediatrician.
  - b. The chancellor's secretary earns more than the Economics Department secretary.
  - c. A male factory worker earns more than a female worker doing the same job and with identical qualifications and efficiency.**
  - d. A nurse practitioner earns less than the doctor who supervises her.
3. Statistical discrimination:
  - a. is clearly illegal and almost never practiced.
  - b. involves judging prospective employees on the basis of their group rather than individually.**
  - c. increases the costs of the discriminator.
  - d. All of the above
4. Among the effects of discrimination are:
  - a. the national output is less than it could be.**
  - b. ethnic minorities, but not women, have lower earnings.
  - c. men have lower earnings.
  - d. women have much higher unemployment rates than men.
5. Among the problems in measuring the extent of discrimination is:
  - a. there is very little data available on the income of various groups.
  - b. some income differences are the result of choice and cultural factors, not discrimination.**
  - c. discrimination is illegal and therefore it is not possible to get information on earnings.
  - d. All of the above
6. Government data indicate that if we control for level of education:
  - a. men and women have equal earnings.
  - b. whites, African Americans, and Hispanics have equal earnings.
  - c. men have larger earnings than women, while whites have larger earnings than African Americans and Hispanics.**
  - d. discrimination on the basis of race no longer exists.
7. The government act that forbids racial, gender, color, religious, or national origin discrimination in the workplace is:
  - a. the Civil Rights Act.**
  - b. the Equal Opportunity Act.
  - c. the Equal Employment Opportunity Commission.
  - d. the Equal Pay Act of 1963.
8. Affirmative action programs were begun as a result of:
  - a. the Equal Pay Act of 1963.
  - b. the Civil Rights Act of 1964.
  - c. executive orders in the 1960s.**

- d. the Kerner Commission report.
9. If an employer pays an African American woman a lower wage than a similarly qualified and experienced man doing the same job, it is an example of:
- occupational crowding.
  - wage discrimination.**
  - discrimination in human capital.
  - employment discrimination.
10. Discrimination that segregates qualified women into lower paying jobs is called:
- occupational crowding.**
  - wage discrimination.
  - discrimination in human capital.
  - employment discrimination.
11. Census data comparing earnings by gender and race:
- provide proof that discrimination exists.
  - provide proof that no discrimination exists.
  - must be interpreted cautiously because culture and individual choice may explain some of the observed differentials.**
  - must be interpreted cautiously because they are politically sensitive.
12. Conservatives frequently argue that current antidiscrimination policies, such as affirmative action, are:
- insufficient because they do not correct the effects of past discrimination.
  - bad because they actually create too much efficiency.
  - ineffective because they conflict with union hiring policies.
  - unnecessary because the passage of antidiscrimination laws has alleviated the problem of discrimination.**
13. About what percent of the median weekly earnings of full-time male workers age 25 and older is the median weekly earnings of full-time female workers age 25 and older?
- 116%
  - 99%
  - 81%**
  - 52%
14. The African American unemployment rate is about \_\_\_\_\_ that of whites.
- the same as
  - twice**
  - four times
  - six times
15. Women have unemployment rates that:
- are significantly larger than men.
  - are significantly smaller than men.
  - are approximately the same as men.**
  - swing much higher and much lower than men.

### ***True-and-False Questions***

- In sociology, a *minority* is considered a group that has lesser access to status, prestige, and positions of power when compared to other groups in that society. (T)
- Labor market discrimination clearly has been eliminated in the United States. (F)
- It is easy to separate out the effects of discrimination and the impact of personal choices and culture when looking at earnings statistics. (F)

4. Human capital discrimination occurs when some groups arbitrarily receive more or better education than others. (T)
5. Women have higher unemployment rates than men because they often prefer to be stay-at-home moms. (F)
6. The Hispanic population has been shrinking as a percent of the total population. (F)
7. The Puerto Rican poverty rate is about 5 percent. (F)
8. You cannot be a minority unless you belong to a group whose numbers are smaller than the dominant group. (F)
9. Labor market discrimination means treating equally productive workers differently on the basis of some arbitrary characteristic. (T)
10. Occupational crowding can mean that there are “men’s” jobs and “women’s” jobs or jobs traditionally held by whites while others are held by African Americans (or other groups). (T)
11. Hispanic people may be of any race. (T)
12. The U.S. population is growing more diverse over time. (T)
13. African Americans represent the largest minority racial (not ethnic) group in the population. (F)
14. Discrimination decreases the national output. (T)
15. Discrimination benefits some groups while hurting others. (T)
16. A goal of affirmative action in employment is to have a firm’s workforce reflect the labor forces’ demographics. (T)
17. Differences in education explain all the earnings differences between African Americans and whites. (F)
18. The term “mean” refers to “middle”, whereas the term “median” refers to “average”. (F)
19. Promoting a healthy economy with low unemployment is an antidiscrimination policy. (T)
20. A criticism of affirmative action is that it results in tokenism. (T)
21. Transportation can be a civil rights issue. (T)
22. By far the largest single share of Hispanics in the U.S. is of Mexican origin. (T)
23. The liberal viewpoint upholds that affirmative action policies are necessary and need to be continued. (T)
23. Residential segregation and educational segregation no longer exist. (F)
24. Donald Trump believes that college admissions should be “race-neutral”. (T)

### Short-Answer Questions

1. Indicate the effect of labor market discrimination on the production possibilities curve graph below. What would happen if occupational discrimination were eliminated? (**We would move from a point below the curve to a point closer to the curve.**)



***Critical Thinking Question***

Explain the complex relationship between culture, individual choice, and discrimination. Can the knowledge of the existence of discrimination influence the choices made by members of a minority group? If so, explain how?

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**INTERNET RESOURCES**

**<http://www.census.gov>**

(This is the site of the U.S. Bureau of the Census. It contains the most current information on population, poverty, earnings, and income.)

**<http://www.bls.gov>**

(The Bureau of Labor Statistics site has current information on employment and earnings.)

**<http://aad.english.ucsb.edu/pages/primary-docs.html>**

(This site is maintained by the University of California at Santa Barbara. It contains information, both pro and con, on affirmative action.)

**<http://www.eeoc.gov>**

(This is the Equal Employment Opportunity Commission site.)

**<http://www.affirmativeaction.org>**

(This site presented by the American Association for Affirmative Action clarifies Supreme Court rulings on affirmative action.)

**<http://www.law.harvard.edu>**

(This is the Civil Rights Project at Harvard University.)