

Hubert H. Humphrey School of Public Affairs

UNIVERSITY OF MINNESOTA
Twin Cities Campus

PA 5022 - 004 (65700)
**Economics For Policy Analysis and Planning II - Race,
Crime, and Public Policy**
T-R 1:00 – 2:15 pm, Room HHH 184

Instructor:	Samuel L. Myers, Jr.	TA:	Thomas Durfee
Office:	263 Humphrey Center 301-19th Avenue South Minneapolis, MN 55455 (612) 625-9821	Office:	270 Humphrey Center 301-19th Avenue South Minneapolis, MN 55455
Office Hours:	Wednesdays 4-5:30 pm or by appointment	Office Hours:	Thursdays 4:00-5:30 p.m. or by appointment
Email:	myers006@umn.edu	E-Mail:	durfe019@umn.edu

Assignments, readings and lecture notes can be accessed via Moodle.

Reasonable accommodations will be provided for students with physical, sensory, cognitive, systemic, learning, and psychiatric disabilities. Please contact the instructor or the teaching assistant to discuss accommodations for this course.

Prerequisite: PA 5021 Economics for Policy Analysis and Planning I or equivalent, advanced policy analysis methods concentration, or instructor consent.

Overview

This course is designed to help students learn how to read and interpret a technical economics journal article, report, or analysis. The focus will be on articles in the domain of the economics of crime and law enforcement. Policy topics range from those dealing with optimal enforcement of the law to examinations of domestic violence, racial disparities in the criminal justice system, and gun control. Students will gain an appreciation for has the strengths and weaknesses of the rational choice model of crime and the use of economics to develop policies addressing problems of race, crime and law enforcement

There are many crime and law enforcement policy debates that hinge on economic modeling. Do body cameras reduce racial disparities in police use of deadly force? Do gun buy-backs, waiting periods, mandated gun designs (such as trigger locks), background checks, or high taxes on gun sales reduce violence? Do metal detectors in schools and zero-tolerance policies affect the likelihood of mass shootings on school campuses? Do increased police response times and arrests reduce the risk of intimate partner violence in domestic disputes? Do welfare reforms that make it more difficult for women to leave abusive relationships increase the risk of violence?

More fundamentally, how does *Policy Analysis* frame these questions so that answers can be sought? What are the tools of applied microeconomics and quantitative policy analysis

that are useful in addressing these questions of developing strategies for reducing or controlling crime and violence in society? How can conventional rational choice models be applied effectively to help structure these questions? When do these models fail? What types of empirical approaches can overcome the conceptual weaknesses of choice models in designing and evaluating anti-violence initiatives?

This course approaches these questions. It is a course on *Applied Policy Analysis* with a focus on methods and techniques for problem solving related to criminal justice issues. The course does not delve into the literature on the social or psychological underpinnings of crime. The common theme, derived from the economics of crime literature, is that under certain circumstances deterrence and sanctions work to influence individual outcomes. The course introduces modeling schemes for helping to craft interventions that might work. The course explores how one goes about measuring and estimating *how effectively* these policy instruments work.

Methods and Procedures

Lectures

Tuesday classes will be devoted to presentations by the instructor related to the salient features of the required and optional readings of the week. Some of the material presented will be of a technical nature drawing on the tools and techniques of decision making under uncertainty. Students needing a refresher should consult: Lee S. Friedman. 2002. *The Microeconomics of Public Policy Analysis*. Princeton and Oxford: Princeton University Press. Chapter 7: Uncertainty and Public Policy, pgs. 220-277 or Hal R. Varian. 1996. *Intermediate Microeconomics*, New York: W.W. Norton & Company. Chapter 12: Uncertainty

Team Presentations of Assigned Paper Critique

Students will be assigned to teams of 5-6 persons based on the results of the diagnostic examination. The goal of the team formation is to create a diverse group with at least one person in each team with strong economics and empirical skills.

Teams will review the assigned article and produce a 3-4 page review and critique of the assigned article. The review and critique should address these questions:

- What is the policy question identified in the article? What are the central findings? What is the main policy conclusion?
- What is the theoretical technique used to address the policy question?
- What data sources are used to discuss this question?
- What empirical techniques did the author(s) employ to answer this policy question?
- How does this paper fit into the larger literature on this subject?
- Are the data, techniques, framing, and context appropriate for addressing the policy question?

- What are the limiting theoretical assumptions or empirical shortcomings that may affect the interpretations of the results or the policy relevance of the conclusions?

The written critique is due at 11:59 pm the day before the scheduled presentation. The critique will be graded by the instructor according to the following scale:

Satisfactory Plus (S+) = 100 Correctly addresses all points

Satisfactory (S) = 90 Adequately addresses most points with few errors

Satisfactory Minus (S-) = 80 Some significant misunderstandings but addresses all points

Unsatisfactory (N) = 70 Fails to address all points and/or major misunderstandings

Teams will prepare a presentation of their article review/critique and lead the class discussion. Presentations should be from 30-40 minutes, with 20-30 minutes reserved following presentation for general discussion.

Presentations should be clearly organized and easy to follow. Peers will evaluate the presentations. The criteria for evaluation will include:

1. sufficiency of background information provided;
2. organization;
3. adequacy of visual aids if used;
4. ability to keep within time limits;
5. overall success of the session in maintaining students' interest

Scores will range from unsatisfactory to outstanding with the following conversions:

Unsatisfactory	60
Needs Improvement	70
Good	80
Very Good	90
Outstanding	100

Midterm Examination

There will be an in-class midterm examination covering the required readings, lectures and the assigned articles. The midterm will consist of short answers and a few simple calculations and derivations and problem solving based on examples or illustrations from the readings and lectures. A study guide will be provided two weeks prior to the examination.

Research Note:

Individual students will choose a single policy topic from the list below and locate a single academic journal article published within the past 10 years addressing one of the following topics:

- Police use of deadly force

- Racial disparities in arrests
- Racial disparities in incarceration
- Drug use and drug selling
- Racial Profiling
- Racial disparities in traffic stops
- Labor Markets and Crime
- Effects of imprisonment on post-prison employment
- The effects on incarceration on marriage and family structure
- Causes of the drop in crime rates
- Evaluation of "Broken Windows" policies
- Stop and Frisk policies
- Racial discrimination in pre-trial detention
- The effectiveness of community policing
- The effects on violent crimes of
 - Gun buy-backs,
 - Waiting periods,
 - Mandated gun designs (such as trigger locks),
 - Background checks,
 - High taxes on gun sales
 - High taxes on bullets
 - High gun registration fees
- The impacts of risk assessment protocols in child abuse and neglect investigations on:
 - Child-homicides
 - Racial disparities in substantiation rates
- The effects of longer prison sentences and/or increased arrests for drug violations on injuries sustained by victims of robberies and other property crimes
- The impacts of airport profiling and targeted searches on arrests of drug dealers and/or terrorists
- Police response times, arrests and intimate partner violence
- Effects of welfare reforms on intimate partner violence
- Metal detectors in schools and mass shootings on secondary school campuses
- Employee security checks and the risk of workplace violence
- Arming teachers and mass shootings in schools

The article should be published in an economics or applied economics/econometrics peer reviewed journal. In exceptional circumstances, individuals may wish to justify using a working paper, a book or a government document (such as a publication of the Congressional Research Service (CRS) or the General Accounting Office (GAO)).

ABSTRACTS

Abstracts of the chosen article (with full citation) are due **April 10, 2018 by 11:59 pm Central time. Full credit awarded for satisfactory abstracts submitted on time.** A satisfactory submission is one that identifies an economics article that addresses the research topic posed. For example, for the topic of "Do more guns result in less crime?" the classic economics article is: John R. Lott, Jr. & David B. Mustard, Crime, Deterrence, and Right-to-Carry Concealed Handguns, 26 J. LEGAL STUD. 1 (1997).

Students are expected to produce a professional-quality, Research Note, of 2,000 – 2,500 words, including tables, references, captions and footnotes. A Research Note is much shorter than a typical journal article and can take the form of one of the following:

- Commentary or critique of the existing theory or empirical result
- Detailed comparison with another competing article or research report
- A re-estimation of a previously published analysis that adopts an alternative model specification or estimation technique and compares the results
- Presentation of new data or evidence that confirms or contradicts previously reported findings

A preliminary draft of the Research Note will be presented in class during the last two weeks of class. The presentation should be a 10 – 15 minute summary of the Research Note, allowing time for questions and peer feedback.

The final Research Note is due May 8, 11:59 pm.

Course Grading

1. Abstract of Research Note Article	10%
2. Research Note Presentation (Peer Evaluated)	10%
3. Final Research Note	20%
4. Midterm Examination	30%
5. Team Review/Critique of Assigned Article	20%
6. Peer Evaluation of Team Presentation	10%
TOTAL	100%

Incompletes

Humphrey School of Public Affairs policy stipulates that incompletes only be given under extenuating circumstances and only after the instructor and student have mutually agreed upon a timetable (contract) for completion of all coursework. This course, moreover, is structured so that all student work can be delivered before the end of the quarter.

Accordingly, only in the most compelling instances will the instructor consider a request for an incomplete.

Organization of the Course

Week 1: Major Economic Trends

Required Reading

Lofstrom, Magnus, and Steven Raphael, 2016. "Crime, the Criminal Justice System, and Socioeconomic Inequality." *The Journal of Economic Perspectives*, Vol 30, No 2, Pg 103-126

Optional Readings

DiIulio, John (1996). "Help Wanted: Economists, Crime, and Public Policy." *Journal of Economic Perspectives*, v. 10:1-23

Levitt, Steven D. (2004), "Understanding Why Crime Fell in the 1990s: Four Factors that Explain the Decline and Six that Do Not", *Journal of Economic Perspectives*, 18(1), 163-190.

Myers, S. L. What Have We Learned about Incarceration and Race? Lessons from 30 years of Research. In J. Ward (Ed.), *Policing and Race in America: Economic, Political, and Social Dynamics*. Lexington Books, 2017.

Myers, Samuel and Margaret Simms, (1988) (Eds) *Economics of Race and Crime*, co-edited with Margaret Simms. New Brunswick, NJ: New Brunswick, NJ Transaction Press, Introduction.

Week 2: The Becker Model of Crime

Required Readings

Gary S. Becker: 1968. "Crime and Punishment: An Economic Approach." *The Journal of Political Economy* 76(2) (Mar.-Apr.): 169-217 (www.jstor.org).

Isaac Ehrlich. 1996. "Crime, Punishment, and the Market for Offenses." *The Journal of Economic Perspectives* 10(1) (Winter): 43-67 (www.jstor.org).

Optional Readings

Isaac Ehrlich. 1973. "Participation in Illegitimate Activities: A Theoretical and Empirical Investigation." *The Journal of Political Economy* 81(3): 521-65 (www.jstor.org).

Isaac Ehrlich. 1981. "On the Usefulness of Controlling Individuals: An Economic Analysis

of Rehabilitation, Incapacitation, and Deterrence.” *The American Economic Review* 71(3) (June): 307-322 (www.jstor.org).

Issac Ehrlich. 1975. “The Deterrent Effect of Capital Punishment: A Question of Life and Death.” *The American Economic Review* 65(3) (June): 397-417 (www.jstor.org)

Tekin, Erdal, Volkan Topalli, Chandler McClellan, and Richard Wright, 2014. “Liquidating Crime with Illiquidity: How Switching from Cash to Credit Can Stop Street Crime.” CESifo DICE report

Samuel L. Myers, Jr. "The Rehabilitation Effect of Punishment," *Economic Inquiry* 18 (July 1980): 353–366.

Samuel L. Myers, Jr. "Estimating the Economic Model of Crime: Employment vs. Punishment Effects," *Quarterly Journal of Economics* XCVIII(1)(February 1983): 157–166.

Helen V. Tauchen, Ann Dryden Witte, and Sharon K. Long. 1991. “Domestic Violence: A Nonrandom Affair.” *International Economic Review* 32(2) (May): 491-511.

Wright, Richard, Erdal Tekin, Volkan Topalli, Chandler McClellan, Timothy Dickinson, Richard Rosenfeld, 2017. “Less Cash, Less Crime: Evidence from the Electronic Benefit Transfer Program.” *The Journal of Law and Economics*

Critique Paper

Helen Tauchen and Ann Dryden Witte. 1995. “The Dynamics of Domestic Violence.” *American Economic Review* 85(2) (May): 414-418 (www.jstor.org).

Week 3: Racial Profiling and Discrimination in the CJS

Required Reading

Mason, Patrick L. “Driving while black: Do police pass the test?” *Swedish Economic Policy Review*, (2007) 79-113

Optional Readings

Agan, Amanda, and Sonja Starr, 2018. “Ban the Box, Criminal Records, and Racial Discrimination: a Field Experiment.” *The Quarterly Journal of Economics*, pg 191-235

Alesina, Alberto, and Eliana La Ferrara, 2011. “A Test of Racial Bias in Capital

Sentencing.” *The National Bureau of Economic Research*, Working paper 16981

Anwar, Shamena, Patrick Bayer, and Randi Hjalmarsson, 2010. “The Impact of Jury Race in Criminal Trials.” *The National Bureau of Economic Research*, Working paper 16366

Donohue, John J., III and Steven D Levitt, "The Impact of Race on Policing and Arrests." *Journal of Law and Economics*, 2001, 44(2), pp. 367-94.

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

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

Myers, Samuel L. "Racial Disparities in Sentencing: Can Sentencing Reforms Reduce Discrimination in Punishment?" *University of Colorado Law Review* 64(3) (1993): 781–808.

Myers, S. L. (1985). Statistical tests of discrimination in punishment. *Journal of Quantitative Criminology*, 1(2), 191-218. DOI: 10.1007/BF01062214

Ritter, Joseph. (2013) “Racial Bias in Traffic Stops: Tests of a Unified Model of Stops and Searches” *Working Paper No. 2013-05*, Minnesota Population Center.

Rhodes, William, Ryan Kling, Jeremy Luallen, and Christina Dyous, 2015. “Federal Sentencing Disparity: 2005-2012.” *Bureau of Justice Statistics Working Paper Series*.

Critique Paper

Arnold, David, Will Dobbie, and Crystal Yang, 2018. “Racial Bias in Bail Decisions.” *The National Bureau of Economic Research*. Working paper 23421

Week 4: Effects of Incarceration

Required Reading

Mechoulan, S. 2011. “The External Effects of Black-Male Incarceration on Black Females.” *Journal of Labor Economics* 29 (1): 1-35.

Optional Readings

Charles, K. K., & Luoh, M. C. (2010). Male Incarceration, the Marriage Market, and Female Outcomes. *The Review of Economics and Statistics*, 614-627.

Lynch, James P., and William J. Sabol. 2003. Assessing the longer-run consequences of incarceration: Effects on families and employment. In *Crime control and social justice: The delicate balance*, ed. Darnell F. Hawkins, Samuel L. Myers, and Randolph N. Stone. Santa Barbara, CA: *Greenwood Press*.

Darity, Jr. William and Samuel Myers, 1995. "Family Structure and the Marginalization of Black Men: Policy Implications," with in *The Decline in Marriage Among African Americans*, M. Belinda Tucker and Claudia Mitchell-Kernan, Editors. New York: *Russell Sage/UCLA Press*, pp. 263–309.

Harry J. Holzer, "Collateral Costs: The Effects of Incarceration on Employment and Earnings of Young Workers," in *Do Prisons Make Us Safer?: The Benefits and Costs of the Prison Boom* edited by Steven Raphael, Michael A. Stoll

Week 5: Gun Violence

Required

Lott, John, Jr, and David B Mustard, 1997. "Crime, Deterrence, and Right to Carry Concealed Handguns" *The Journal of Legal Studies*, Vol 26, No 1.

Optional Readings

Aneja, Abhay, John Donahue, and Alexandria Zhang, 2012. "The Impact of Right to Carry Laws and the NRC Report." *The National Bureau of Economics Research*. Working paper 18294

Cook, Phillip, and Jens Ludwig, 2004. "The Social Cost of Gun Ownership." The National Bureau of Economic Research, Working Paper 10736

Lott, John, John Whitley, 2001. "Safe Gun Storage Laws: Accidental Deaths, Suicides, and Crime." *Journal of Law and Economics*, 44, pg 659

McClellan, Chandler, and Erdal Tekin, 2018. "Stand Your Ground Laws, Homicides, and Injuries." The National Bureau of Economic Research, Working Paper 18187

Mocan, H. Naci, and Erdal Tekin, 2003. Guns, drugs, and Juvenile Crime: Evidence from a Panel of Siblings and Twins." The National Bureau of Economic Research, Working paper 9824

Critique Paper

Ian Ayres and John J. Donohue III, "Shooting Down the More Guns, Less Crime Hypothesis," Yale Law School Legal Scholarship Repository, 1-1-2003

Weeks 6-7: Presentation of Individual Research Notes

COURSE SCHEDULE					
Week Number	Dates	Lecture	Team Presentation	Exam	Other
1	20-Mar-18	Overview			Diagnostic Exam (Take Home)
	22-Mar-18	Economic Trends			
2	27-Mar-18	Becker Model			
	29-Mar-18		Team 1		
3	3-Apr-18	Discrimination			
	5-Apr-18		Team 2		
4	10-Apr-18	Incareration			Abstracts of Research Notes Due
	12-Apr-18			<i>Midterm Examination</i>	
5	17-Apr-18	Guns and Violence			
	19-Apr-18		Team 3		
6	24-Apr-18				Research Notes 1 -4
	26-Apr-18				Research Notes 5-9
7	1-May-18				Research Notes 10-14
	3-May-18				Research Notes 15-18
	8-May-18				FINAL RESEARCH NOTES DUE

Please review the following academic policies:

Equity, Diversity, Equal Opportunity, and Affirmative Action:

The University will provide equal access to and opportunity in its programs and facilities, without regard to race, color, creed, religion, national origin, gender, age, marital status, disability, public assistance status, veteran status, sexual orientation, gender identity, or gender expression. For more information, please consult **Board of Regents Policy:** http://regents.umn.edu/sites/default/files/policies/Equity_Diversity_EO_AA.pdf.

Disability Accommodations:

The University of Minnesota is committed to providing equitable access to learning opportunities for all students. Disability Services (DS) is the campus office that collaborates with students who have disabilities to provide and/or arrange reasonable accommodations.

If you have, or think you may have, a disability (e.g., mental health, attentional, learning, chronic health, sensory, or physical), please contact DS at 612-626-1333 to arrange a confidential discussion regarding equitable access and reasonable accommodations.

If you are registered with DS and have a current letter requesting reasonable accommodations, please contact your instructor as early in the semester as possible to discuss how the accommodations will be applied in the course.

For more information, please see the DS website, <https://diversity.umn.edu/disability/>.

Mental Health and Stress Management:

As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance and may reduce your ability to participate in daily activities. University of Minnesota services are available to assist you. You can learn more about the broad range of confidential mental health services available on campus via the Student Mental Health Website: <http://www.mentalhealth.umn.edu>.

Student Conduct Code:

The University seeks an environment that promotes academic achievement and integrity, that is protective of free inquiry, and that serves the educational mission of the University. Similarly, the University seeks a community that is free from violence, threats, and intimidation; that is respectful of the rights, opportunities, and welfare of students, faculty, staff, and guests of the University; and that does not threaten the physical or mental health or safety of members of the University community.

As a student at the University you are expected adhere to Board of Regents Policy: *Student Conduct Code*.

To review the Student Conduct Code, please see:

http://regents.umn.edu/sites/default/files/policies/Student_Conduct_Code.pdf.

Note that the conduct code specifically addresses disruptive classroom conduct, which means "engaging in behavior that substantially or repeatedly interrupts either the instructor's ability to teach or student learning. The classroom extends to any setting where a student is engaged in work toward academic credit or satisfaction of program-based requirements or related activities."

Use of Personal Electronic Devices in the Classroom:

Using personal electronic devices in the classroom setting can hinder instruction and learning, not only for the student using the device but also for other students in the class. To this end, the University establishes the right of each faculty member to determine if and how personal electronic devices are allowed to be used in the classroom. For complete information, please reference:

<http://policy.umn.edu/Policies/Education/Education/STUDENTRESP.html>.

Scholastic Dishonesty:

You are expected to do your own academic work and cite sources as necessary. Failing to do so is scholastic dishonesty. Scholastic dishonesty means plagiarizing; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty

permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; altering, forging, or misusing a University academic record; or fabricating or falsifying data, research procedures, or data analysis. (Student Conduct Code:http://regents.umn.edu/sites/default/files/policies/Student_Conduct_Code.pdf)

If it is determined that a student has cheated, he or she may be given an "F" or an "N" for the course, and may face additional sanctions from the University. For additional information, please see [:http://policy.umn.edu/Policies/Education/Education/INSTRUCTORRESP.html](http://policy.umn.edu/Policies/Education/Education/INSTRUCTORRESP.html).

The Office for Student Conduct and Academic Integrity has compiled a useful list of Frequently Asked Questions pertaining to scholastic dishonesty: <http://www1.umn.edu/oscai/integrity/student/index.html>.

If you have additional questions, please clarify with your instructor for the course. Your instructor can respond to your specific questions regarding what would constitute scholastic dishonesty in the context of a particular class-e.g., whether collaboration on assignments is permitted, requirements and methods for citing sources, if electronic aids are permitted or prohibited during an exam.

Makeup Work for Legitimate Absences:

Students will not be penalized for absence during the semester due to unavoidable or legitimate circumstances. Such circumstances include verified illness, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, and religious observances. Such circumstances do not include voting in local, state, or national elections. For complete information, please see: <http://policy.umn.edu/Policies/Education/Education/MAKEUPWORK.html>.

Appropriate Student Use of Class Notes and Course Materials:

Taking notes is a means of recording information but more importantly of personally absorbing and integrating the educational experience. However, broadly disseminating class notes beyond the classroom community or accepting compensation for taking and distributing classroom notes undermines instructor interests in their intellectual work product while not substantially furthering instructor and student interests in effective learning. Such actions violate shared norms and standards of the academic community. For additional information, please see: <http://policy.umn.edu/Policies/Education/Education/STUDENTRESP.html>.

Academic Freedom and Responsibility:

Academic freedom is a cornerstone of the University. Within the scope and content of the course as defined by the instructor, it includes the freedom to discuss relevant matters in the classroom and conduct relevant research. Along with this freedom comes responsibility. Students are encouraged to develop the capacity for critical judgment and to engage in a sustained and independent search for truth. Students are free to take reasoned exception to the views offered in any course of study and to reserve judgment about matters of opinion, but they are responsible for learning the content of any course of study for which they are enrolled.* When conducting research, pertinent institutional approvals must be obtained and the research must be consistent with University policies.

Reports of concerns about academic freedom are taken seriously, and there are individuals and offices available for help. Contact the instructor, the Department Chair, your adviser, the associate dean of the college, or the Vice Provost for Faculty and Academic Affairs in the Office of the Provost.