

# 3

## Racism and Discrimination



### NEWS UPDATE

- “These prosecutors are vicious, horrible people. They’re racists and they’re very sick.” This was Trump’s reference to Black prosecutors charging him with attempts to overthrow the 2020 election and engage in real estate fraud (February 2022).
- President Joe Biden announced his nomination of Ketanji Brown Jackson for Supreme Court Justice. She is the first Black woman nominated to the highest court in its 223 years of existence. As President Biden introduced Jackson at a White House event, he noted that “for too long, our government and our courts haven’t looked like America.” Previously, Jackson was serving on the influential U.S. Court of Appeals for the D.C. Circuit (John Wagner, et al., *Washington Post*, February 25, 2022).
- Hundreds of Native American tribes that have suffered disproportionately high addiction rates and death rates amid the opioid epidemic have reached a tentative settlement with Johnson & Johnson and the three largest drug distributors for \$665 million. Additional money has also been committed from Purdue Pharma. According to the top attorney for the tribes, “We are not solving the opioid crisis with this settlement, but we are getting critical resources to tribal communities to help address the crisis.” (Jan Hoffman, *The New York Times*, Feb. 2, 2022)

---

### PURPOSE

This is the second chapter to focus on the issue of inequity, and it presents the second pillar underlying our economy: racism. Students will learn about the diversity of our population and how this diversity is increasing over time. Racism is discussed, as is discrimination. While the focus of discrimination is the labor market, discrimination in education, residence, voting rights, and the criminal justice system are also discussed. Students should come to understand that racism and discrimination are not limited to overt acts and racist words, but also include policies and behaviors that protect white privilege in ways inimical to people of color.

---

### WHAT’S NEW?

1. Racism and discrimination have always been discussed in this textbook, just as they have always been present in our society. The difference is that now, for the first time in our students’ lives, we’ve had a president who was openly racist and a political party that continues to support him in cult-like fashion. (Perhaps that will change by the time you teach from this text.) Nevertheless, racism is far more openly expressed now than it ever has been in our students’ lifetimes.
2. This edition of the text was written amid the first year of the Biden administration and the second year of the coronavirus pandemic. It was written when “the big lie” was promulgated and the January 6, 2021, insurrection was investigated. *It feels like everything in this chapter is new!*
3. The coronavirus pandemic disproportionately harmed people of color due to their work in unsafe “essential” jobs and because of long-standing structural inequities.

4. While hate crimes are increasing, these crimes have especially increased against Chinese Americans (indeed, all Asian Americans) due to racism associated with the coronavirus pandemic. Hate crimes reveal a profound contempt harbored by those committing the crimes.
  5. New material addresses topics including U.S. government treatment of Puerto Rico, the first Native American woman appointed to a cabinet position, land rights and a history of forcing Native American children into dangerous boarding schools, voter suppression, and immigration from the Central American Northern Triangle area, Haiti, Cuba, and elsewhere.
  6. President Biden proposed three monumental bills (two were approved by Congress) and two voting rights bills (both unapproved by Congress). Nevertheless, these bills were unprecedented in addressing COVID-19, improving our safety net, and seeking greater equity for racial and ethnic minorities.
  7. Critical race theory has suddenly become an issue for people who do not understand what it means and do not realize it isn't being taught in K–12 public schools. Yet it is important that in this college class, students learn the ways in which our government perpetuates and reinforces racism by its policies and practices, ranging from voting rights to how we fund public education. Racism runs far deeper than confederate statues and the n-word. It is fundamental to our economy.
  8. Once again, the *Viewpoint* section is especially important, as it not only presents the views of those on the economic left and the economic right, but also the populist ideology, which is linked to white supremacy. You may want to discuss this with your students.
- 

## TEACHING SUGGESTIONS

### ► *Student Interest*

- 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 them to place their backpacks on a shelf before entering. (They never ask me to place my bag there.) Police officers in town 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 being fired. Others have experienced more clear-cut discrimination based on their race, ethnicity, gender, nationality, religion, or LGBTQ status.
- Students often come to my class under the assumption that labor market discrimination no longer exists. They are shocked to see the earnings differentials between men and women and between whites and minorities. Young women are especially alarmed to see that, upon graduation, they are likely to receive much lower earnings than young men with similar education. This presents a good opportunity to discuss the reasons for the earnings differentials.

### ► *Controversy*

- Just as students may believe that discrimination does not exist, they are often very wary of affirmative action, believing it amounts to reverse discrimination and rigid quotas. This presents a good opportunity to discuss the value of a diverse student body and faculty at institutions of higher learning. You can also discuss white privilege in higher education, which will be addressed more fully in Chapter 5.

- In this age of social 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. You will have to decide how to discuss Donald Trump and his racism, especially in the context of the January 6 insurrection. I would address it openly and honestly. The facts are what they are.
- You may have students who are overtly racist in your classroom, so you should think about how to handle it ahead of time. Also think about how to manage discussions about racial, ethnic, national, religious, and LGBTQ minorities without increasing the discomfort of these students in the classroom. Nor should we expect them to be especially knowledgeable or representative of their minority group.
- Ask students if they have seen racist graffiti, confederate flags, or other racist expressions on campus. Are there buildings named after racist leaders, or statues that commemorate them on your campus? If so, all these topics may create interesting discussions.

#### ➤ *Economic Theory and Models*

- Occupational crowding presents a very interesting and undoubtedly relevant explanation for some earnings differentials. Students have not yet considered models of demand and supply for labor, so you will want to carefully explain these graphs carefully before using them.
- Students will revisit the production possibilities curve to recognize that discrimination results in inefficient outcomes, shown as a point below the production possibilities curve.

#### ➤ *Data and Terminology*

- Once again, alert students to the importance of using precise terminology, such as earnings versus income and mean versus median. Similarly, explain why we look at the earnings of *full-time workers* (to remove the effects of part-time employment).
- Most people define *minority* based on numbers rather than power or privilege. Present the sociological definition of minority as a better way of defining the term.
- While this isn't the place for a lengthy discussion of the unemployment rate, it is nevertheless important that students understand that to be classified as unemployed, a person must be actively seeking employment. Otherwise, students will not understand that unemployment isn't due to laziness or a choice for full-time homemaking.
- You may need to reinforce the textbook discussion of terminology for racial and ethnic minorities, including non-Hispanic whites, African Americans, and Indigenous people. They will also want to know why terms are capitalized except for whites.
- Last but not at all least, we've noted that updated data reveals the diversity of our population is increasing. This certainly is one of the reasons that racism is on the rise.

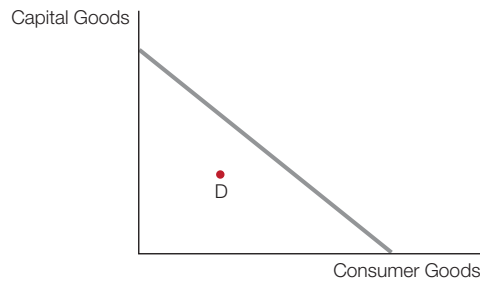
#### ➤ *Fundamentals*

- Explain to your students that anecdotes are not hard evidence and stereotypes often fail to hold up in the statistics. Explain that to hold on to stereotypes despite evidence to the contrary is the essence of racism.
- Widely disparate statistics, such as those for median earnings, are not solely due to discrimination. Discuss some of the other explanations. I emphasize the difficulty in measuring the extent of discrimination versus other factors when contrasting statistics for different groups of people.

- Systematic racism is evident in disparate statistics of well-being and in government policies and practices that protect white privilege at the expense of minorities. Examples include the race to reduce voting rights of minorities by Republican state legislators, disparate sentencing and arrests in our criminal justice system, property tax financing of public education, zoning restrictions and redlining, and many more.

### CLASSROOM EXERCISES

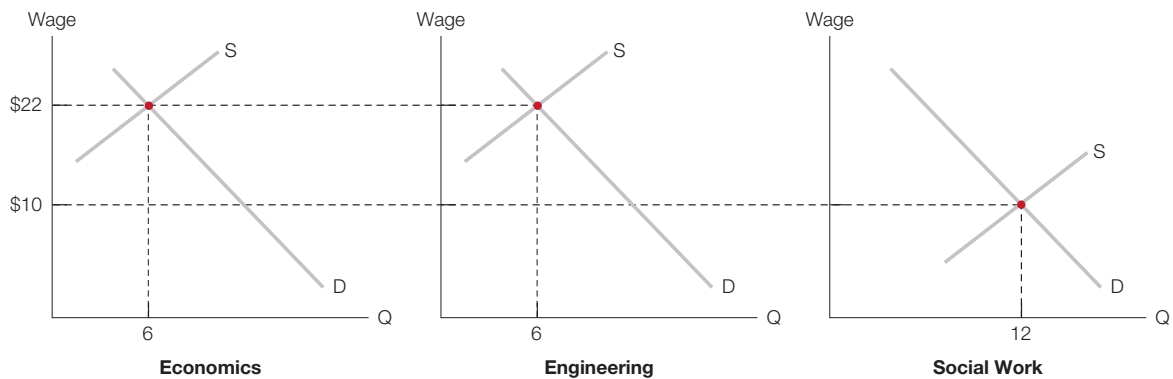
1. Indicate the effect of labor market discrimination on the production possibilities curve graph below. [Point D] What would happen if labor market discrimination were eliminated? [We would move from a point below the curve to a point on or closer to the curve.]



2. Assume there are 24 teachers applying for jobs at your educational institution. Half are men and half are women. Assume there are openings in only three areas: economics, engineering, and social work. Assume that the first two are “men’s” fields (only men apply) and the third is a “women’s” field (only women apply). The demand schedule for workers is the same in each area and is shown as follows:

<u>Wage Rate</u>	<u>Workers Demanded</u>
\$22	6
\$18	8
\$14	10
\$10	12
\$ 6	14
\$ 2	16

- a. Assuming half the men are qualified in economics and the other half are qualified in engineering, what will be the men’s wage? [\$22] Assuming all the women are qualified in social work, what will be the women’s wage? [\$10] Show graphically. (Q is the quantity of workers, D is the demand for workers, and S is the supply of workers.)



- b. In simple terms, what would be the way to ensure equal wages to men and women? [All men and women should apply in equal numbers to the three disciplines.]
- c. Is it really this simple? Of course not. Men and women are encouraged by society to prepare for certain fields and not for others. Employers might only hire people of the “appropriate gender” for certain jobs. It may take years for a person to switch fields and enter a profession that pays a higher wage.

---

## SAMPLE TEST QUESTIONS

### *Multiple Choice Questions*

1. Which group represents the smallest share of the U.S. population?
  - a. Hispanics
  - b. African Americans
  - c. Asian Americans
  - d. Native Americans**
2. Which group represents the largest share of the U.S. population?
  - a. Hispanics
  - b. African Americans
  - c. Whites**
  - d. Non-Hispanic whites
3. Blacks and Hispanics have had disproportionately high COVID-19 death rates because:
  - a. they have comorbidities.
  - b. they are more likely to be poor.
  - c. they face discrimination in healthcare.
  - d. all of the above**
4. Which of the following is true about Asian Americans?
  - a. They represent about 6% of the U.S. population.
  - b. Their largest single origin is China.
  - c. They include U.S. Puerto Ricans.
  - d. All of the above**
5. Which of the following is clearly an instance of discrimination?
  - a. A male orthopedic surgeon earns more than a female pediatrician.
  - b. The chancellor's secretary earns more than the Economics Department secretary, even though their work is quite similar.
  - c. A male factory worker earns more than a female worker doing the same job and with identical qualifications.**
  - d. A nurse practitioner earns less than the doctor who supervises her.

6. Statistical discrimination:
  - a. is clearly illegal and almost never practiced.
  - b. involves judging prospective employees based on their group rather than as individuals.**
  - c. clearly increases the immediate wage costs of the discriminator.
  - d. all of the above
  
7. Among the effects of discrimination are:
  - a. national output is less than it could be.**
  - b. ethnic minorities, but not women, have lower earnings.
  - c. men have lower earnings than women.
  - d. women have vastly higher unemployment rates than men.
  
8. 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 we have no information on earnings.
  - d. all of the above
  
9. Government data indicate that if we control for level of education:
  - a. men and women have roughly equal earnings.
  - b. men have much higher earnings than women.**
  - c. discrimination on the basis of gender no longer exists.
  - d. men's earnings increase with more education but not women's.
  
10. The government act that forbids racial, gender, color, religious, or national origin discrimination in the workplace is the:
  - a. Civil Rights Act of 1964.**
  - b. Equal Opportunity Act.
  - c. Equal Employment Opportunity Commission.
  - d. Equal Pay Act of 1963.
  
11. 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.
  
12. The Supreme Court ruled that affirmative action in college admissions:
  - a. is constitutional as long as it is one of several criteria in admissions decisions.**
  - b. is constitutional if it means quotas.
  - c. is constitutional if it means that anyone can be admitted, regardless of academic achievement.
  - d. all of the above
  
13. Discrimination that segregates qualified women into lower paying jobs is called:
  - a. occupational crowding.**
  - b. wage discrimination.
  - c. discrimination in human capital.
  - d. employment discrimination.

14. 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.
15. Conservatives often argue that current antidiscrimination policies, such as affirmative action:
- amount to reverse discrimination.
  - create tokenism.
  - are unnecessary because antidiscrimination laws have ended discrimination.
  - all of the above**
16. Full-time women earn about what share of the earnings of male full-time workers?
- 116%
  - 99%
  - 81%**
  - 52%
17. The African American unemployment rate is about how much more than that of whites?
- the same as
  - twice**
  - four times
  - six times
18. Women have unemployment rates that:
- are vastly higher than men.
  - are somewhat higher than men.**
  - are exactly the same as men.
  - are vastly lower than men.
19. Redlining:
- makes it difficult for racial minorities to obtain loans to buy homes.
  - prevents Blacks from building up wealth.
  - reduces the likelihood that African Americans can make it through tough times with home equity loans.
  - all of the above**
20. Most hate crimes are committed on the basis of:
- race, ethnicity, and ancestry.**
  - religion.
  - sexual orientation.
  - gender identity.

### ***True / False Questions***

1. The number of people checking the census category of “two or more races” has increased dramatically since 2010. (T)
2. Over half of Puerto Rico’s children are classified as poor. (T)
3. Most U.S. Hispanics are of Mexican background. (T)
4. African Americans are the largest minority *race* in the United States. (T)
5. The problems described by the Kerner Report have all been largely resolved. (F)
6. Our country’s “first people” have one of their own as Secretary of the Interior under President Biden. (T)
7. In sociology, a *minority* is considered a group that has less access to status, prestige, and positions of power when compared to other groups in that society. (T)
8. Labor market discrimination clearly has been eliminated in the United States. (F)
9. It is easy to separate out the effects of discrimination and the impact of personal choices and culture when looking at earnings statistics. (F)
10. Human capital discrimination occurs when some groups arbitrarily receive more or better education than others. (T)
11. Women have higher unemployment rates than men because they often prefer to be stay-at-home moms. (F)
12. Some people are classified as unemployed because they are too lazy to look for a job. (F)
13. You cannot be part of a minority unless you belong to a group whose numbers are smaller than the dominant group. (F)
14. Labor market discrimination means treating equally productive workers differently based on some arbitrary characteristic. (T)
15. 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. (T)
16. Hispanic people may be of any race. (T)
17. The U.S. population is becoming more diverse over time. (T)
18. Discrimination decreases the national output. (T)
19. A goal of affirmative action in employment is to have a firm’s workforce reflect the characteristics of the labor pool. (T)
20. Differences in education explain all the earnings differences between men and women. (F)
21. The term *mean* refers to “middle,” whereas the term *median* refers to “average.” (F)
22. Promoting a healthy economy with low unemployment is an antidiscrimination policy. (T)
23. A criticism of affirmative action is that it results in tokenism. (T)
24. Transportation can be a civil rights issue. (T)
25. The largest single share of U.S. Hispanics is of Mexican origin. (T)
26. The liberal viewpoint upholds that affirmative action policies are necessary and should be continued. (T)
27. Residential segregation and educational segregation no longer exist. (F)
28. Donald Trump believed that college admissions should be “race-neutral.” (T)
29. Joe Biden believes in affirmative action in education. (T)
30. The belief that affirmative action is no longer necessary is not supported by the data. (T)



### ***Critical Thinking Questions***

1. Explain the complex relationship between culture, individual choice, and discrimination. Can knowledge of the existence of discrimination influence the choices made by members of a minority group? If so, explain how.
2. Which factors besides discrimination influence women's wages? [Occupational choice, education, and experience.] What about racial and ethnic minorities? [Occupational choice, education, residence, transportation, and experience.] (Note: Even though disparities in earnings occur for men and women of the same educational level, and the same is true for minorities, educational preparation may be different depending on gender and race/ethnicity.)