Sex, Drugs and Rock 'n' Roll:  
The Economics of Vice

Course Description:

Drawing mainly from recent books in the popular press written by economists and empirical studies in applied microeconomics, this course will expose students to issues, both economic and social, surrounding areas of perennial interest: crime, sex, drugs, music, and other unconventional, yet important, topics which have begun to catch the economist’s eye. In addition to gaining a deeper understanding of important policy-relevant questions, students will continue to learn to think like an economist, and to apply this way of thinking to issues that, on the surface, may appear to be "uneconomic” in nature.

While topics will often be introduced with a lecture, the course format will revolve primarily around discussion of readings. To help ensure active and constructive class discussion, students will typically be provided with a short list of questions on each reading, to be answered in writing prior to class. Occasional games/experiments will be carried out in class in order to illustrate course concepts.

Exams:

There will be two exams in the class: one midterm and a final. Each exam will test general understanding of class readings and discussions. The final exam will not be comprehensive, and will have the same weight as the midterm.

Paper/Presentation:

In small groups (2-3), students will carry out a research project involving the more careful analysis of a topic touched on in class or another topic broadly pertaining to the course material. Students are encouraged to carry out original research through the collection of data via observation, collection from a third party, or surveys. Groups will write a short paper based on their research, and also present their findings to the class in the form of a short powerpoint presentation at the end of the semester. More details pertaining to this project, including suggested topics, will be given early in the semester. Chosen topics must be approved by the instructor.

Course Readings:
Readings will be drawn both from selections from economics and related books in the popular press, as well as articles from the primary economics literature. To ensure active class discussions, in many cases you will be asked to respond to certain questions about the assigned reading before coming to class. These will generally be short and include either basic factual questions regarding the readings or questions requiring you to briefly expound on related ideas. Your written responses should be turned in electronically using the University’s E-Courseware system (https://elearn.memphis.edu) before the start of class. In allowing for sickness, job schedules, etc., any three of such assignments will be dropped and therefore not affect your grade.

Problem Sets:
Occasional short problem sets based on readings or course material will be assigned. One of these may involve some directed data analysis.

Attendance:
I will not make it a regular practice to take attendance. However, as much of the course will involve class discussion, you are expected to do the readings and attend class. To provide some additional motivation beyond the inherently interesting course material, I will occasionally take attendance on random days. Attending class on these days, as well as participating (and performing well) in occasional in-class activities/experiments, will enter into your overall grade.

Course Grading:
Grades will be assigned using the following weighting scheme:

Exam 1: 20%
Exam 2: 20%
Paper/presentation: 25%
Responses to readings & problems: 25%
Attendance/participation: 10%

Sources for Selected Readings:

Economic Gangsters, by Raymond Fisman and Edward Miguel (EG)
Freakonomics, by Steven Levitt and Stephen Dubner (FRK)
Super Freakonomics, by Steven Levitt and Stephen Dubner (SFRK)
More Sex is Safer Sex, by Steven Landsburg (MS)
The Big Questions: Tackling the Problems of Philosophy with Ideas from Mathematics, Economics, and Physics, by Steven Landsburg (BQ)

The Armchair Economist, by Steven Landsburg (AE)

Sex, Drugs and Economics, by Diane Coyle (SDE)

The Logic of Life: Rational Economics of an Irrational World, by Tim Harford (LL)

Law's Order: What Economics Has to Do with Law & Why It Matters, by David Friedman (LO)

Hidden Order: The Economics of Everyday Life, by David Friedman (HO)

Additionally, students will read articles in the primary economics literature.

Course Schedule (Tentative -- updates will be provided as needed):

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
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<tbody>
<tr>
<td>Aug. 30</td>
<td>Introduction, The economist's view of right and wrong</td>
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<tr>
<td>Sept. 1</td>
<td><strong>Efficiency, Cost-Benefit Analysis</strong></td>
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<tr>
<td></td>
<td>Readings:</td>
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<tr>
<td></td>
<td>- BQ, Ch. 17: The Economist's Golden Rule</td>
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<td>6</td>
<td>Labor Day (no class)</td>
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<tr>
<td>8</td>
<td><strong>No class</strong></td>
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<tr>
<td>13</td>
<td>Example of Cost-Benefit Analysis gone wrong:</td>
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<td></td>
<td>Reading:</td>
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<td><strong>Corruption</strong></td>
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<td>Reading:</td>
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<td>- EG, Ch. 2: Suharto, Inc.</td>
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<td>15</td>
<td>Readings:</td>
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<td>- EG, Ch. 4: Nature vs. Nurture? Understanding the Culture of Corruption.</td>
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<td>- FRK, Ch. 1: What do Schoolteachers and Sumo Wrestlers Have in Common?</td>
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<tr>
<td>20</td>
<td><strong>Economics of Crime</strong></td>
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<td></td>
<td>Reading:</td>
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<td>- HO, Ch. 20: Rational Criminals and Intentional Accidents: The Economics of Law and Lawbreaking</td>
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<td>22</td>
<td>Crime, cont.</td>
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<td>Reading:</td>
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<td>- FRK, Ch. 4: Where Have All the Criminals Gone?</td>
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<td>27</td>
<td>Reading:</td>
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<td>- MS, Ch. 8: How to Fight Crime</td>
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<td></td>
<td>- Introduction to regression analysis (OLS, IV)</td>
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<tr>
<td>29</td>
<td>Readings:</td>
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Oct. 4 Go over: *LL*, Ch. 5: In the Neighborhood
Class experiments
Reading:
- *SFRK*, Ch. 3: Unbelievable Stories About Apathy and Altruism

6 **Love, Sex, and Marriage**
Readings:
- *AE*, Ch. 17: Courtship and Collusion: The Mating Game
- *HO*, Ch. 21: The Economics of Love and Marriage

11 Readings:
- *LL*, Ch. 3: Is Divorce Underrated?

Oct. 13 Midterm Exam
18 Fall break (no class)
20 Readings:
- *MS*, Ch. 1: More Sex is Safer Sex
- *MS*, Ch. 10: Oh No! It’s a Girl!
- *SDE*, Ch. 1: Sex: Can You Have Too Much of a Good Thing?

25 Readings:

27 Prostitution and Compensating Differentials
Readings:
- *SFRK*, Ch. 1: How is a Street Prostitute Like a Department-Store Santa?

Nov. 1 In-class movie: "Freakonomics"
3 The Catholic priest abuse scandal, & introduction to the economics of religion
Basic game theory and applications
Readings:

8 **Discrimination**
Readings:
- *Blink*, Ch. 3: "The Warren Harding Error: Why We Fall For Tall, Dark, and Handsome Men."

Nov. 10 Empirical papers involving discrimination
Readings:

15 **Drugs & Addiction**
The rational addiction model & other models of addiction
Drugs, cigarettes, alcohol.
Readings: TBA

22 No class

24 **Rock 'n' Roll**
Reading:

29 Music, cont.
Readings: TBA

Dec. 1 Student Presentations
6 Student Presentations
8 Student Presentations
15 **Final Exam** (covering material since midterm), 5:30-7:30 p.m.