

AIRLEAP Sessions at the Southern Economic Association, Ft. Lauderdale, FL November 23-25, 2019

SESSION I: LAW AND ORDER, DISCRIMINATION, AND DISADVANTAGED POPULATIONS

Organizer: Steven Payson, AIRLEAP

Chair: Juan Manuel Jauregui, International Monetary Fund

What Happened to Burglary in the United States? The China Trade Shock

W. David Allen, University of Alabama-Huntsville; W. Charles Sawyer, Texas Christian University

Discussant: Ying Zhen, Wesleyan College, GA

The rate of burglary in the United States has declined markedly in recent years. In this paper, we consider economic explanations for this pattern, focusing especially on the influence of dramatically increased U.S. imports from China and their implicit effect on the incentive for offenders to commit this specific property crime. In principle, increased Chinese imports reduce the market value of theft-worthy goods, potentially reducing the incentive to commit the crime. Within the context of the classical economic model of crime, such a connection bears on the theoretical prediction whereby exogenously reduced gains to illicit activity would tend to discourage the offense, *ceteris paribus*. For empirical analysis, we make use of hand-collected panel data that track, over the ten-year period 2003-2012, state burglary rates, Chinese import prevalence, and other essential variables motivated by theory. GLS models do reveal evidence of significantly lower burglary rates in association with increased Chinese import prevalence, especially in the South region. Comparable follow-up models of other FBI-recognized property crimes—larceny and motor vehicle theft—show discernibly less evidence of a systematic connection to state import prevalence, lending further support to the notion that Chinese import prevalence influences burglary uniquely. Additional follow-ups reveal China, by comparison to other top U.S. trade partners, as the most influential import source nation in this regard. The results more broadly point to a hidden benefit of liberalized trade with China and in general.

From Slavery to the Prison Industrial Complex: A Historical and Empirical Analysis of the Incarceration of Black Women in America

Kristen Broady, Alabama A&M University

Discussant: Molly Jacobs, East Carolina University, NC

Black women in America are a diverse group who have faced and fought against various forms of oppression and subjugation since their forced arrival in America. Theoretical explanations of the higher criminality and justifications for the imprisonment of Black women after emancipation were used to rationalize their over-representation in jails and prisons on the grounds that due to their lascivious nature, inferior mentality, smaller brain size, and inherent criminality, they should be imprisoned. This rationale suggests that the criminalization of certain activities and corresponding prison admission rates may have been racially biased against Black women. This was especially relevant in the South, where racial discrimination and criminal codes were used to obtain free labor after the end of chattel slavery. While slavery, Jim Crow, Black Codes and other methods of racial subjugation previously prevalent in America have been outlawed, more than 60 percent of the people in prison today are people of color. This study utilizes the Blinder-Oaxaca Decomposition to explain regional differences in incarceration rates for Black and Caucasian women in the United States in order to determine if Black women are more likely to be incarcerated in southern states, particularly those located in the historical Dixie region.

Adolescent Health Behavior Typologies and the Influence

Molly Jacobs, East Carolina University, NC

Discussant: Kristen Broady, Alabama A&M University

Behavior is one of the most important components in health. While the impacts of adolescent risky activities have been studied extensively, less attention has been paid to health. This study examines the patterning of health behaviors among adolescents age 10 to 15. Latent class analysis identified homogeneous, mutually exclusive “classes” (patterns) of health behaviors—sleep, alcohol consumption, seatbelt use, helmet wearing, cigarette smoking, sexual activity, drug use, physical activity, general health assessment and having a permanent tattoo. Resulting classes include: (1) Healthy, (2) Moderately Healthy, and (3) Unhealthy. The characteristic behaviors and tendencies of each class differed by gender. Results show large difference by sex and race/ethnicity. Parental control, behavior, characteristic and socioeconomic class can explain much of the difference between behavioral classes. While adolescents do not typically prescribe to predictable behaviors and actions, the emphasis on healthy behaviors by some suggests an individual awareness of behavioral impacts and importance of healthy lifestyle choices.

The Well-being of Musicians in the U.S.

Ying Zhen, Wesleyan College, GA

Discussant: Juan Manuel Jauregui, International Monetary Fund

The average American musician earns income from 3.5 music-related activities per year. The most common income source is live performances, followed by music lessons and performing in a church choir or other religious service. Women make up about one third of musicians, and report experiencing high rates of discrimination and sexual harassment. Seventy-two percent of female musicians report that they have been discriminated against because of their sex, and 67 percent report that they have been the victim of sexual harassment; corresponding figures for U.S. women more generally are 28 percent and 42 percent, respectively. Sixty-three percent of Non-white musicians said they faced racial discrimination, as compared to 36 percent of Non-white self-employed workers nationwide. Many musicians struggle with mental health problems. Half of musicians reported feeling down, depressed or hopeless at least several days in the last two weeks, compared with less than a quarter of the adult population as a whole. The incidence of substance abuse is substantially higher among musicians than the general public. Compared to the general U.S. adult population, musicians are five times more likely to have used cocaine in the last month, 6.5 times more likely to have used ecstasy, 13.5 times more likely to have used LSD, 2.8 times more likely to have used heroin or opium, and 3.5 times more likely to have used meth. Musicians are about twice as likely to drink alcohol frequently (four or more times per week) than the population as a whole: 31 percent versus 16 percent.

SESSION II: CHALLENGING ISSUES IN ECONOMIC UNDERSTANDING AND DECISION-MAKING

Organizer: Steven Payson, AIRLEAP

Chair: Kristen Broady, Alabama A&M University

This session offers a diversity of papers discussing challenging issues in economic understanding and decision-making. These issues delve beyond the standard economic models and explore how economists need to develop unique approaches in order to adequately address unique problems. Integrity and responsible leadership in economics play important roles in these approaches.

Investment on Education in Pakistan: Does Financial Inclusion of Households Matter?

Maham Ashfaq, Information Technology University, Pakistan

Discussant: Enoch Okomfo Okonah, Global Media Foundation, Ghana

The issue of access to financial services has been a subject of increasing policy debate in several countries. This paper presents a theoretical and empirical analysis to examine the effect of financial inclusion of a household head on investment in education of its children in Pakistan. Our study builds up on a utility optimization model and extends its results into an empirical analysis using probit regressions. Findings show that financial inclusion in the formal sector significantly increases savings for education however, it does not increase borrowings. Whereas both savings and borrowings for education increase given a household head is informally included in the financial sector. Similarly, government transfers significantly impact investment on education while it has an insignificant impact on the financial inclusion. Our results are robust to various specifications and set of regressors and signify financial inclusion as a main determinant to increase investment on education.

A Current Profile of Rural Adolescents Health

Molly Jacobs, East Carolina University, NC

Discussant: Brian W Sloboda, University of Phoenix

This article profiles rural adolescent health in the United States. While much is known about rural adults and children, adolescents falling in the intermediate ages are less often studied and even less frequently target of funding programs.

Methods: Using data from the National Longitudinal Survey of Adolescent to Adult Health, this outline identifies the following: (1) geographic and ethnic distributions; (2) educational attainment; (3) wealth and poverty distribution; (4) health issues; (5) parental characteristics; and (7) barriers to health care.

Results: Although rural areas are believed to be low income, minority heavy, under-educated and health disadvantaged, few profiles have utilized recent data to identify those most dire health concerns along this segment of the population. Using statistical controls, multivariate analysis controlled for data clustering, survey design, sampling framework and possible reporting bias. Estimates examined both within and across region variation for all demographic and subpopulation groups.

Discussion and Conclusion: Data characterizes the rural areas demographically, differentiates this community from more populous areas and sheds light on the dire health needs facing these young, rural adults to bring awareness to these needs and those existing barriers to treatment. It contextualizes results with a comparison to urban residents of similar ages. The final section discusses the health needs of these individuals and outlines prospective mechanisms for more effective treatment.

After Taking the Con out of Econometrics, Supplementing or Replacing p Values for Better Econometrics

Brian W Sloboda, University of Phoenix

Discussant: Dek Terrell, Louisiana State University

In empirical economic research, economists use p-values to answer the question: How strongly does the evidence favor the alternative hypothesis relative to the null hypothesis? To answer this, economists would resort to the use of p-values. However, p values do not directly answer this question and are often misinterpreted in ways that lead to overstating the evidence against the null hypothesis. Despite the advocacy for not resorting to the p values to answer questions in economic research, it is quite possible that p-values will continue to be widely reported and used to assess the strength of evidence. The objective of this paper is to provide a brief background of the dependency on the use of p-values and to provide remedies beyond p-values that can be used in economic research to assess validity of the research.

Rethinking Copyright in Music Industry of China & the U.S.

Ying Zhen, Wesleyan College, GA

Discussant: Charles Sawyer, Texas Christian University

Starting from telling the true story of Jingqing Xu, composer of Journey to the West TV series, the study compares U.S. and China's music copyright laws and their enforcement. A major difference in the copyright laws of the U.S. and China is that China does not criminalize copyright infringement conducted without the intent of making profits; while in the U.S., judicial proceedings is the only solution to a copyright infringement. An analysis on the cultural, social and legal factors behind such differences is conducted. Economic principles that govern the music industry have been highlighted in the study, and music is considered as an economic good that is protected by copyright law. An economics approach is used to explore the two countries' common issue—monopoly in music industry. It shows that copyright would lead to both a welfare gain and loss; therefore, a balance is needed. The study also analyzes the copyright issues of music industry in the digital age, which reveals the importance of legal reform in music industry copyright in both countries.