



**NYU | STERN**

## **Economics of Sex, Drugs and Rock 'n' Roll**

Fall 2017  
Monday/Wednesday  
11:00 am - 12:15 pm  
Office Hours: Tues. 2 pm – 4 pm

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### **Introduction**

*Economics of Sex, Drugs and Rock 'n' Roll* aims to show students how economics can be used to help understand almost every aspect of human behavior, ranging from drug addiction and prostitution to religion and suicide. The conventional wisdom is that these behaviors should be studied only by sociologists and psychologists. With special attention to the evolution of economic ideas, as well as state-of-the-art economic theory and empirical analysis, the fallacy of this proposition will be demonstrated. Further, this course will provide you with sufficient knowledge to decipher between the economic facts and economic myths that pervade popular news media, particularly on topics such as the legalization of drugs and prostitution, and the pros and cons of capital punishment.

### **Required Readings**

The book that contains most of the required reading:

- Simon W. Bowmaker (ed.), *Economics Uncut: A Complete Guide to Life, Death and Misadventure*, Edward Elgar Publishing.

I strongly suggest that you read the assigned reading before the class discussion of the topic. In the class, I will usually cover the concepts and issues that are *most challenging, reinforcing* and *extending* what is in the required reading. I suggest that after each class you review the assigned reading to solidify your understanding.

### **Course Requirements and Assessment**

Midterm (Wednesday, October 25)	30%
Presentations (Mon, Dec 11, Tues, Dec 12, Wed, Dec 13)	15%
Final (Monday, December 18)	40%
Class participation	15%

## **Website**

I will maintain a website for the course using NYU classes. The website will include announcements and downloadable files with the class lectures.

## **Classroom norms**

Laptops, cell phones, and other electronic devices are a disturbance to both students and professors. All electronic devices must be turned off prior to the start of each class meeting.

## **Course Schedule and Readings**

\*Required reading

\*\*Recommended reading

### **Lecture 1: Wednesday, September 6 (Introduction)**

'Bend it like Becker', by Simon W. Bowmaker, in Simon W. Bowmaker (ed.), *Economics Uncut*, pp. xvii-xxxi and 'Introduction,' by David D. Friedman, in Simon W. Bowmaker (ed.), *Economics Uncut*, pp. 1-8.\*

### **Lecture 2: Monday, September 11 (Drug Addiction, Part I)**

Bowmaker, S.W. and F. Heiland (2005), 'Economics of Drug Addiction,' Chapter 1 in Simon W. Bowmaker (ed.), *Economics Uncut*, pp. 20-24.\*

Becker, G.S. and K.M. Murphy (1988), 'A Theory of Rational Addiction,' *Journal of Political Economy*, 96 (4), pp. 675-700.\*\*

### **Lecture 3: Wednesday, September 13 (Drug Addiction, Part II)**

Bowmaker, S.W. and F. Heiland (2005), 'Economics of Drug Addiction,' Chapter 1 in Simon W. Bowmaker (ed.), in *Economics Uncut*, pp. 25-38.\*

### **Lecture 4: Monday, September 18 (Prohibitions)**

Ricketts, M. and G.E. Wood (2008), 'Economics and Prohibitions: An Overview,' Chapter 2 in John Meadowcroft (ed.), *Prohibitions*, pp. 37-53.\*

Adams, S.J. and C. Cotti (2008), 'Drunk Driving After the Passage of Smoking Bans in Bars,' *Journal of Public Economics*, 92 (5-6), pp. 1288-1305.\*\*

**Lecture 5: Wednesday, September 20 (Class Debate: Drug Legalization)**

**Lecture 6: Monday, September 25 (Crime, Part I)**

Benson, B.L. and S.W. Bowmaker (2005), 'Economics of Crime,' Chapter 4 in Simon W. Bowmaker (ed.), *Economics Uncut*, pp. 101-116.\*

Becker, G.S. (1968), 'Crime and Punishment: An Economic Approach,' *Journal of Political Economy*, 76 (2), pp. 169-217.\*\*

**Lecture 7: Wednesday, September 27 (Class Debate: The Death Penalty)**

**Lecture 8: Monday, October 2 (Crime, Part II)**

Kahane, L. (2005), 'Economics of Abortion,' Chapter 11 in Simon W. Bowmaker (ed.), *Economics Uncut*, pp. 333-337.\*

Donohue, J.J. and S.D. Levitt (2001), 'The Impact of Legalized Abortion on Crime,' *Quarterly Journal of Economics*, 116 (2), pp. 379-420.\*\*

**Lecture 9: Wednesday, October 4 (Marriage and Divorce, Part I)**

Hitsch, G.J., A. Hortacsu, and D. Ariely (2010), 'Matching and Sorting in Online Dating,' *American Economic Review*, 100 (1), pp. 130-163.\*

**Monday, October 9: no class.**

**Lecture 10: Wednesday, October 11 (Marriage and Divorce, Part II)**

Friedberg, L. and S.N. Stern (2005), 'Economics of Marriage and Divorce,' Chapter 5 in *Economics Uncut*, pp. 144-150, 155-157.\*

Stevenson, B. and J. Wolfers (2007), 'Marriage and Divorce: Changes and their Driving Forces,' *Journal of Economic Perspectives*, 21 (2), pp. 27-52.

**Lecture 11: Monday, October 16 (Marriage and Divorce, Part III)**

Friedberg, L. and S.N. Stern (2005), 'Economics of Marriage and Divorce,' Chapter 5 in *Economics Uncut*, pp. 157-165.\*

**Lecture 12: Wednesday, October 18 (Peer Effects and Drinking)**

Kremer, M. and D. Levy (2008), 'Peer Effects and Alcohol Use among College Students,' *Journal of Economic Perspectives*, 22 (3), pp. 189-206.\*

**Lecture 13: Monday, October 23 (Midterm Review Session)**

**Wednesday, October 25 (Midterm Exam, same time in usual classroom)**

**Lecture 14: Monday, October 30 (Pornography)**

Cameron, S. (2005), 'Economics of Pornography,' Chapter 6 in Simon W. Bowmaker (ed.), *Economics Uncut*, pp. 171-192.\*

Wongsurawat, W. (2006), 'Pornography and Social Ills: Evidence from the Early 1990s,' *Journal of Applied Economics*, 11 (1), pp. 185-213.\*\*

**Lecture 15: Wednesday, November 1 (Prostitution, Part I)**

Moffatt, P.G. (2005), 'Economics of Prostitution,' Chapter 7 in Simon W. Bowmaker (ed.), *Economics Uncut*, pp. 193-209.\*

Edlund, L. and E. Korn (2002), 'A Theory of Prostitution,' *Journal of Political Economy*, 110 (1), pp. 181-214.\*\*

**Lecture 16: Monday, November 6 (Prostitution, Part II)**

Moffatt, P.G. (2005), 'Economics of Prostitution,' Chapter 7 in Simon W. Bowmaker (ed.), *Economics Uncut*, pp. 211-224.\*

Logan, T. (2010), 'Personal Characteristics, Sexual Behaviors, and Male Sex Work: A Quantitative Approach,' *American Sociological Review*, 75(5) 679-704.\*\*

Levitt, S.D. and S.A. Venkatesh (2007), 'An Empirical Analysis of Street-Level Prostitution,' working paper.\*\*

**Lecture 17: Wednesday, November 8 (Class Debate: Prostitution Legalization)**

**Lecture 18: Monday, November 13 (Adoption and Assisted Reproduction)**

Kossoudji, S. (2005), 'Economics of Assisted Reproduction, Chapter 10 in Simon W. Bowmaker (ed.), *Economics Uncut*, pp. 291-314\*

**Lecture 19: Wednesday, November 15 (Abortion)**

Kahane, L. (2005), 'Economics of Abortion,' Chapter 11 in Simon W. Bowmaker (ed.), *Economics Uncut*, pp. 315-333.\*

Klick, J. and T. Stratmann (2007), 'Abortion Access and Risky Sex Among Teens: Parental Involvement Laws and Sexually Transmitted Diseases,' *Journal of Law, Economics and Organization*, 24 (1), pp. 2-21\*\*

### **Lecture 20: Monday, November 20 (Happiness)**

Stevenson, B. and J. Wolfers (2009), 'The Paradox of Declining Female Happiness,' *American Economic Journal: Economic Policy*, 1 (2), pp. 190-255.\*

**Wednesday, November 22: no class.**

### **Lecture 21: Monday, November 27 (Suicide)**

Cameron, S. (2005), 'Economics of Suicide,' Chapter 8 in Simon W. Bowmaker (ed.), *Economics Uncut*, pp. 229-263.\*

### **Lecture 22: Wednesday, November 29 (Religion)**

Stonebraker, R.J. (2005), 'Economics of Religion,' Chapter 9 in Simon W. Bowmaker (ed.), *Economics Uncut*, pp. 264-288.\*

Gruber J. and D.M. Hungerman (2008), 'The Church versus the Mall: What Happens When Religion Faces Increased Secular Competition?' *Quarterly Journal of Economics*, 123 (2), pp. 831-862.\*\*

### **Lecture 23: Monday, December 4 (Beauty)**

Mobius, M.M. and T.S. Rosenblat (2006), 'Why Beauty Matters,' *American Economic Review*, 96(1), pp. 222-235.\*

### **Lecture 24: Wednesday, December 6 (Rock 'n' Roll)**

Bowmaker, S.W, R.J. Phillips, and R. Johnson (2005), 'Economics of Rock 'n' Roll,' Chapter 14 in *Economics Uncut*, pp. 389-421.\*

Krueger, A.B. (2005), 'The Economics of Real Superstars: The Market for Concerts in the Material World,' *Journal of Labor Economics*, 23 (1), pp. 1-30.\*\*

**Monday, December 11 (presentations)**

**Tuesday, December 12 (presentations)**

**Wednesday, December 13 (presentations)**

**Monday, December 18 (Final Exam, 10 am to 11.50 am in usual classroom)**