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NEWSLETTER

# Economics Still Has A Diversity Problem

January 7, 2020 · 9:30 AM ET

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Jessica McGowan/Getty Images

**Editor's note:** This is an excerpt of Planet Money's newsletter. You can sign up here.

It's early January again, which means thousands of the nation's economists invade a city for their annual meeting. This year's was in San Diego. Walking around the sprawling conference, you could see a sea of nerds and wonks all sporting red lanyards. Nobel Prize winners brushed shoulders with former chairs of the Federal Reserve in a sea of anxious grad students hoping to land jobs. *Planet Money* was there too.

The conference has become a ritual. Long lines for coffee. No WiFi. Econ jargon echoing through the halls. And, in recent years, a profession grappling with the fact that it's disproportionately white and male. Last year, the *Planet Money* newsletter covered a panel session called "How Can Economics Solve Its Gender Problem?" It featured an all-star cast of female economists who reckoned with a field they described as rife with sexism, misogyny, and bullying.

The awkward irony of that panel was its participants were virtually all white. That led to complaints on Twitter, which laid the groundwork for this year's follow-up panel: "How Can Economics Solve Its Race Problem?"

Janet Yellen, the former chairwoman of the Federal Reserve and the incoming president of the American Economic Association (AEA), kicked off the discussion by citing abysmal statistics on diversity in the field and declaring that the organization "places very high priority on finding ways to address the problem of minority underrepresentation."

Last year, the AEA conducted a climate survey of over 10,000 members, finding minority economists are deeply unhappy with the state of the profession. "Along all dimensions of discrimination examined in the survey, Asians, African Americans, and Latinx economists report having substantially worse experiences than their white counterparts," Yellen said. "Practices and patterns of behavior that are widespread in the profession are harming the progress of minorities."

The panelists, who were all minorities, shared stories of discrimination, harassment, and belittlement they have faced over their careers. Trevon Logan, a black economist at Ohio State University, shared a story about the first time he came to the annual

meeting. He was finishing grad school and was there to interview for faculty jobs. "And someone, who later became an editor of articles I published, called me 'boy.'" The crowd gasped. Cecilia Conrad, an executive at the MacArthur Foundation and a former professor and dean at Pomona College, recalled "my first year teaching, when three white male students complained about being taught by an 'obvious Affirmative Action hire.'" The panelists also shared stories of well-meaning colleagues and students who nonetheless exhibited unconscious biases that made their lives tougher.

Despite knowledge of minority underrepresentation in economics for many decades, the field has failed to see much improvement. For over fifty years, the AEA's Committee on the Status of Minority Groups in the Economics Profession (CSMGEP) has monitored racial progress in the field. CSMGEP co-chair Ebonya Washington, an economist at Yale University who moderated the panel, told us about their latest annual report.

"If you go back to the beginning of the millennium, there's been no progress since then," Washington said. "In fact, for blacks, they're now a smaller percentage of economics PhDs than there was in 2000."

## **Solving The Problem**

The panelists offered many culprits for the race problem in economics, including poor leadership, institutional dysfunctions, discouragement from specializing in the study of race, and a toxic professional culture.

A few weeks ago, we interviewed Esther Duflo, who just became the first female economist to win the Nobel Prize. She also blamed an "aggressive and macho" culture for the problem of underrepresentation. But she also pointed her finger to what she believes is a widespread misunderstanding on what economics actually is. People, she said, "have a misconception that economics only deals with interest rates and growth rates and finance and stuff like that."

We asked the panelists whether they believed that general misperceptions of economics discouraged minorities from studying it and whether reforming Econ 101 might be part of the solution. All agreed.

"People kinda equate economics with business, so they kinda think if you study economics you're trying to game the system or make it in the system," said Edward Miguel, an economist at UC Berkeley. "But I think we see economics as a tool to change the system." Miguel said he didn't believe that many Econ 101 courses, which are often taught by teachers with a "strong free-market ideology," give students this view of the discipline. That, he suggested, might disproportionately dissuade underrepresented groups from pursuing economics further. "So reforming Econ 101 could be a small, but important part of solving the pipeline problem."

Amanda Bayer, an economist at Swarthmore college, recently conducted a field experiment with 2,710 students across nine colleges to see what happens when economics is communicated differently. They randomly sent two different types of emails to incoming female and minority freshman. One email was just a standard welcome message. The other included information "showcasing the diversity of research and researchers within economics." They then tested the impact of these messages by comparing them to a statistically identical group that did not receive them.

Bayer and her colleagues found that female and minority students who received the email advertising economics' diversity saw a 20 percent increase in their course completion rate. It's a pretty big improvement from such a small intervention.

On the second day of the conference, Bayer, who is leading an AEA task force aimed at making economics more inclusive and diverse, chaired a panel that provided an overview of such research to improve the profession. The task force recently published a report that provides economic departments with a list of best practices.

Former Fed Chair Ben Bernanke, the outgoing president of the AEA, commissioned this task force and spoke on the panel about his efforts over the last year to implement reforms. In addition to protecting existing members, Bernanke stressed the need to attract talented young scholars from all backgrounds. "Having a broader, more diverse profession gives a better profession in terms of what we study, how we study, and how smart we are," Bernanke said.