

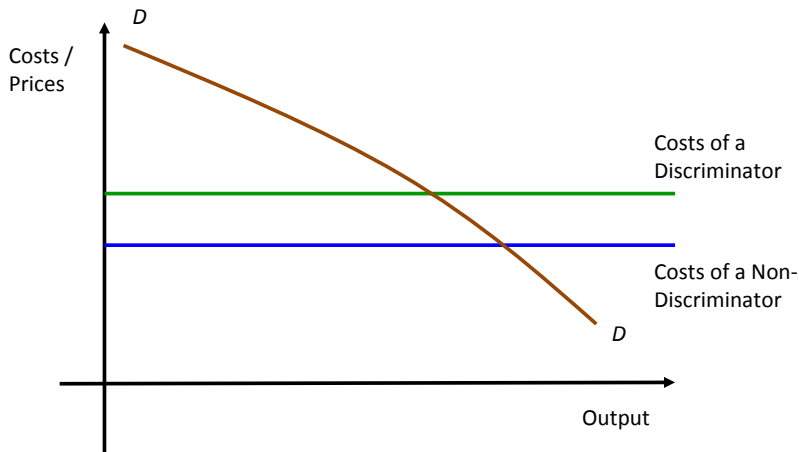
Social Interactions and Markets

Gary S. Becker

University of Chicago

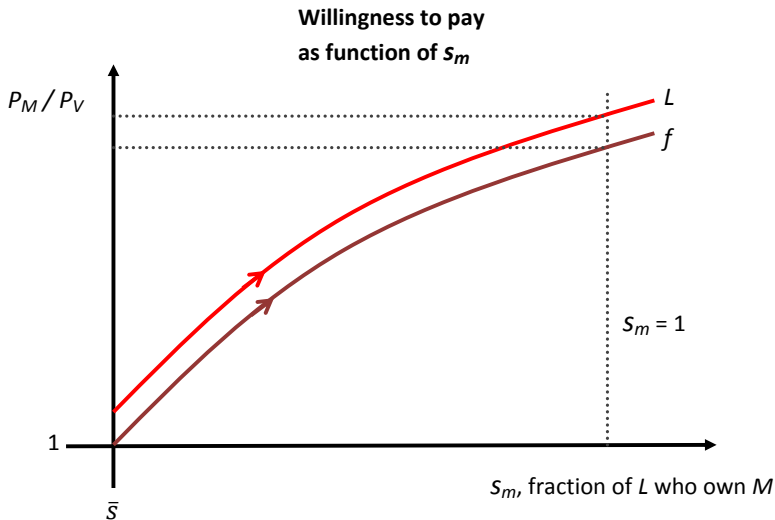
Building Bridges between
Economics and Personality Psychology
May 9, 2009

Employer Discrimination and Heterogeneity in Tastes



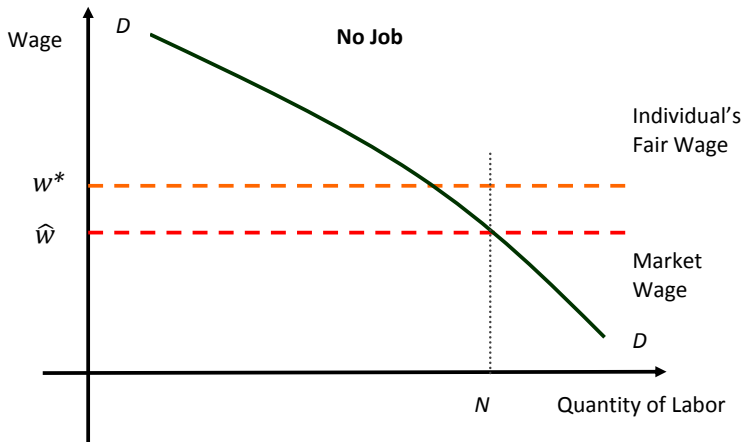
- Discriminators have to pay to discriminate.
Cost too great in this case.

Escalating Cost of Social Preferences



Fair Wage and Market Wage

First Scenario



Fair Wage and Market Wage

Second Scenario

