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'Hate at First Sight': Evidence of Consumer Discrimination Against African-Americans in the US*

Morgane Laouénan[†]

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Abstract

The paper tests evidence of customer discrimination against African-Americans in the US using a two-sector matching model with racial sector-specific preferences or abilities, employer discrimination, and customer discrimination. The test strategy makes it possible to disentangle customer from pure employer discrimination. This paper proves the existence of discrimination against African-Americans at job entry from both employers and consumers in the US. It also reports that racial prejudice has a quantitative effect on the relative employment and contact probabilities of African-Americans. A decrease in the intensity of discrimination by one standard deviation would raise the raw employment rate of African-Americans by 10% and would increase the proportion of African-Americans in jobs in contact with customers by 25%.

JEL classification: J15, J61, R23

Keywords: Customer Discrimination, Racial Prejudice, Search Model

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