

# **NEW TOPICS IN SOCIOLOGY: HOUSING MARKETS, FINANCIAL CRISIS, & INEQUALITY**

SOC497H1 – Winter 2025

Seminar: Wednesdays, 9:10 – 11:00

Location: See ACORN

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Office hours: by appointment

## **Course Description**

While most of us know that financial systems are important, that is often all that many people know about them. How are financial systems connected to the “real” economy and “regular” people? One important connection is through housing markets. In this course, we will consider how houses and the people who live in them used to be connected to financial systems, how they are connected today, and how those connections led to the Global Financial Crisis of 2008. More broadly, we will explore sociological perspectives on financial systems in order to better understand their promise of economic advancement as well as the potential for exploitation and inequality.

## **Prerequisites**

The prerequisite to take this course is 1.0 SOC FCE at the 300+ level. Students without the prerequisite can be removed at any time discovered, and without notice.

## **Learning Objectives**

1. Build a nuanced understanding of what housing and financial markets are and what is sociological about them.
2. Develop knowledge regarding the different components of complex housing systems, including housing finance.
3. Critically consider the broader issues in which housing and financial markets are implicated, especially inequality.
4. Improve communication skills through in-class discussions.
5. Improve critical thinking, reading, and writing skills through reading responses, short-essay tests, and a research paper.

## **Grading**

Your overall course grade is meant to assess your academic performance in this course. This grade does not measure your overall potential as a person nor do they assess your overall intelligence or

worth. A variety of assessment tools, assignments, and exams were designed to assess your knowledge, skills, and achievement of the course objectives.

Component	Weight	Due Date
<b>Participation</b>	<b>21%</b>	
Personal profile	1%	Jan. 15
Reading responses	10%	each week
In-class activities and discussions	10%	each class
<b>Research paper</b>	<b>39%</b>	
Outline	9%	Feb. 5
Draft	15%	Mar. 12
Peer review	5%	Mar. 19
Final version	10%	Mar. 26
<b>Midterm</b>	<b>20%</b>	Feb. 12
<b>Final exam</b>	<b>20%</b>	Apr. 2

**Participation.** Learning only happens when you practice using the material we cover. To give you an opportunity to engage with the material, each class will consist of a discussion as well as some form of interactive exercise, activity, or small group discussion. In order to participate, you have to be in class. I will take attendance to encourage you to be there. Do your best to make thoughtful and informed contributions to the activity or discussion each class.

**Personal profile.** Submit via Quercus a profile of yourself. Include: 1) a recent photo, 2) your major(s)/minor(s), 3) one thing you expect to get from this class, 4) what you hope to do after college, 5) one non-academic activity you enjoy, 6) anything else you wish to include about yourself. These will be graded; I am looking for an honest and thoughtful response to question 3 in particular.

**Reading responses.** For each week with assigned readings, you will be asked to write weekly responses to the assigned course material. These should be **500 words max**. This is a hard max, I will not read any words past 500. Accordingly, include a word count with your submission. Writing and thinking is improved by an effort at being concise. When writing your responses, consider but do not be constrained by the following:

- Did the reading inspire any original thoughts or insightful questions?
- What did you see as the most important insights or ideas from the assigned readings?
- What are your critical reactions to the readings (strengths and weaknesses)?

Since this is a 400-level course, I do not provide guidelines for the structure or content of the reading response – feel free to organize your response in any way that makes sense to you. However, each reading response *must go beyond a summary* and include some critical analysis of the readings or theorize some ideas of your own that were inspired by the reading. I will evaluate responses based on: (1) how well they demonstrate comprehension of the reading's main points and (2) the quality of the analysis. Presentation and clarity of writing will also be considered.

These responses must be submitted to the course website no later than noon on Tuesday (the day before class). Since the point is to prepare you for a good in-class discussion, late assignments will not be accepted. However, to allow for some flexibility, each student is allowed one opportunity to submit their reading response up to one week (7 days) late for full credit.

**Research paper.** This research paper is another opportunity for you to practice using the material we cover. In a research paper, you will pose a research question related to our class and conduct research to answer it. You will be expected to draw on appropriate course material to inform your paper. You will develop the paper in stages.

*Prospectus/outline.* Submit via Quercus a detailed outline. In the outline, your research question should be clearly stated. The outline should also include several topic sentences for the body of your paper, along with detailed notes on supporting documentation for the topic sentences. See a bare-bones example for the outline under the assignments tab on Quercus. Your outline should be more filled out than the example.

*Draft.* Submit via Quercus a complete rough draft of your research paper. You will be sharing a copy of your draft with another student for peer review. Since we'll be doing peer review, and these will be graded, it's important to get your draft done on time so that you can participate in the peer review. See the instructions and grading rubric for the draft on Quercus.

*Peer review.* Submit via Quercus your peer review of your partner's paper. Get the instructions and the set of questions to answer for the peer review from the assignments tab on Quercus.

*Final version.* Submit via Quercus the final draft of your research paper.

You should submit your written responses via Quercus before class start time (9:09 AM) on the day that they are due. Your assignments will automatically be submitted to the University's plagiarism detection tool, unless you inform me in advance that you do not wish to have your assignments submitted to the University's plagiarism detection tool. Assignments not submitted through the University's plagiarism detection tool will receive a grade of zero (0 %) unless a student instead provides, along with their position paper, sufficient secondary material (e.g., reading notes, outlines of the paper, rough drafts of the final draft, etc.) to establish that the paper they submit is truly their own. This alternative is in place because using the University's plagiarism detection tool is voluntary for students at the University of Toronto.

Normally, students will be required to submit their course essays to the University's plagiarism detection tool for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the tool's reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University's use of this tool are described on the Centre for Teaching Support & Innovation web site (<https://uoft.me/pdt-faq>).

**Tests.** The midterm and final will consist of one long essay question, though you will have two questions to choose from. You should only answer one. The questions could cover any material from readings, classes, and in-class activities.

**Midterm.** The midterm will cover material through February 6th. The midterm will be given in class on February 13<sup>th</sup>.

**Final.** The final will cover material from after reading week through the end of the course. The final will in class on April 2<sup>nd</sup>.

## Course Policies

**Assistance and accessibility.** Please let me know of any difficulties that you may be experiencing as soon as possible so that I can provide appropriate assistance and/or direct you to someone who can. If you require accommodations for a disability, or have any accessibility concerns about the course, the classroom, or course materials, please contact Accessibility Services as soon as possible: [www.accessibility.utoronto.ca](http://www.accessibility.utoronto.ca).

**Missed deadlines and tests.** Students who miss a paper deadline or a test will receive a mark of zero for that paper or test unless the reason is a circumstance beyond their control. **Within three days** of missing a paper deadline or test, students must send the instructor a request for consideration. Students must document their request with **one of the following**:

- Absence declaration via ACORN (**can only be used once during the semester**)
- U of T Verification of Illness or Injury Form
- College Registrar's letter (e.g., in case of personal/family crisis or emergency)
- Letter of Academic Accommodation from Accessibility Services

If you are going to be late with an assignment for an unapproved reason, I do not want to be informed about your reason. Instead, take responsibility for yourself by gracefully accepting the late penalty. However, do inform me once the assignment is submitted so that I know it's there to be graded. 5% of the grade will be deducted for each 24-hour period that the assignment is late. If the assignment is submitted 1 week (7 days, including weekends) late, the grade will be reduced by 35%. Assignments submitted more than 1 week (7 days, including weekends) late will not be graded and given a 0.

**Remarking.** Submit a detailed memo in writing, which should specify the questions or portions of the assignment or test that you believe were marked incorrectly, and why you think the marking was incorrect. I will not remark any work based on a student's verbal request. The deadline for requesting a remarking is no sooner than 24 hours after receiving your grade and no later than 2 weeks after the graded work was made available for students to pick up. Late requests will not be accepted.

To request a re-grade, you must submit your written request explaining precisely why you believe your assignment should receive a different grade. You should highlight the specific

portion of the assessment you felt was marked incorrectly and provide a rationale outlining why. **During the re-grading process, grades can increase, decrease, or remain the same.** The grade after the re-grade will be the grade recorded for your assignment.

**Academic integrity.** The University of Toronto treats cases of academic misconduct seriously as do I. Academic integrity is a fundamental value of learning and scholarship. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that your U of T degree is valued and respected as a true signifier of your individual academic achievement.

The University of Toronto's Code of Behaviour on Academic Matters outlines the behaviours that constitute academic misconduct, the processes for addressing academic offences, and the penalties that may be imposed. You are expected to be familiar with the contents of this document. Please be advised that instructors are required to report any instance of suspected academic dishonesty. Offences include, but are not limited to:

In papers and assignments:

- Using someone else's ideas or words without acknowledgement.
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts.
- Obtaining or providing unauthorized assistance on any assignment. This includes working in groups on assignments that are supposed to be individual work.

On tests and exams:

- Using or possessing any unauthorized aid, including a cell phone.
- Working with someone else when the test is supposed to be individual work.
- Misrepresenting your identity.
- Submitting an altered test for re-grading.

Misrepresentation:

- Falsifying or altering any documentation required by the University, including (but not limited to) doctor's notes.
- Falsifying institutional documents or grades.

**Copyright.** Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. It is absolutely forbidden for a student to publish lectures and course material to a website or sell them in any form without written permission.

**Generative AI.** Large Language Models (LLM), Generative Artificial Intelligence (AI), and related machine learning systems have been proliferating. Some of these systems automatically generate essays, computer code, or images using minimal human prompting. This includes various versions of ChatGPT as well as many other writing and research assistants. Students are ultimately accountable for the work they submit.

In this class, students *may* use AI tools for conducting background research, asking questions about course themes, assimilating information for general understanding, refining language or grammar (i.e., ESL purposes), or identifying secondary literature.

In this class, students *may not* use artificial intelligence tools to automatically generate any part of the research paper assignment or the reading responses. The line between appropriate and inappropriate use can get fuzzy if you use an AI tool to generate an early draft and then re-work it into your own language. In general, I do not think this is a very effective way to develop your writing and thinking skills. If you use any sentences or passages generated by an AI, the following conditions must be met:

1. Students must submit, as an appendix with their assignments, any content produced by an AI tool, and the prompts used to generate the content. This documentation should include what tool(s) were used, how they were used, and how the results from the AI were incorporated into the submitted work.
2. Any content produced by an AI tool must be cited appropriately. Many organizations that publish standard citation formats are now providing information on citing generative AI (e.g., MLA: <https://style.mla.org/citing-generative-ai/>).

## **CLASS, READINGS, AND ASSIGNMENTS SCHEDULE**

### **MODULE I: Introduction to Financial and Housing Markets**

#### ***1 -Wednesday, January 8*** – Welcome and Introduction to Financial Markets

Reading:

- 1) Knorr Cetina, Karin, and Alex Preda. 2006. *The Sociology of Financial Markets*. Oxford University Press. Just the Introduction.
- 2) Knorr Cetina, Karin, and Alex Preda. 2012. *The Oxford Handbook of the Sociology of Finance*. Oxford University Press. Just the Introduction.

#### ***2 -Wednesday, January 15*** – Asset Bubbles

Reading:

- 1) Abolafia, Mitchell. 2010. The Institutional Embeddedness of Market Failure: Why Speculative Bubbles Still Occur. In Lounsbury M., Hirsch P. (eds) *Markets on Trial*, Bingley, Emerald Press. ONLY pages 177-184. (Available in electronic form through U of T libraries.)

Assignment:

- 1) Personal profile due prior to class (9:09AM). Submit via Quercus.

Optional readings:

- 1) Reed, Christopher. 1999. "The Damn'd South Sea," *Harvard Magazine*, May-June: 36-41.
- 2) Galbraith, John K. 1993. *A Short History of Financial Euphoria*. Penguin Books.

### **3 - Wednesday, January 22** – Introduction to Housing and Property Rights

Reading:

- 1) Carruthers, Bruce, and Laura Ariovich. 2004. "The Sociology of Property Rights." *Annual Review of Sociology*: 23-46.
- 2) Pattillo, Mary. 2013. "Housing: Commodity Versus Right." *Annual Review of Sociology*, 39, 509-531.

## **Module II: Introduction to the U.S. Crisis and Credit Markets**

### **4 - Wednesday, January 29** – Mortgages

Reading:

- 1) Lea, Michael. J. 1996. Innovation and the Cost of Mortgage Credit: A Historical Perspective. *Housing Policy Debate*, 7(1), 147-174.

### **5 - Wednesday, February 5** – The Crisis

Podcast:

- 1) "The Giant Pool of Money" *This American Life*: <https://www.thisamericanlife.org/355/the-giant-pool-of-money>

Assignment:

- 1) Outline for research paper due prior to class time (by 9:09AM). See bare-bones examples for the outline under the assignments tab on Quercus. Submit your outline via Quercus.

Optional readings:

- 1) Blinder, Alan S. 2013. *After the Music Stopped: The Financial Crisis, the Response, and the Work Ahead*. New York, New York: Penguin.

- 2) McLean, Bethany, and Joe Nocera. 2011. *All The Devils Are Here: The Hidden History of the Financial Crisis*. Penguin.

**6 - Wednesday, February 12 – MIDTERM**

**Wednesday, February 19 – NO CLASS, READING WEEK**

**MODULE III: Sociology of Markets and the U.S. Crisis**

**7 - Wednesday, February 26 – Credit Relationship**

Reading:

- 1) Krippner, Greta. 2017. Democracy of Credit: Ownership and the Politics of Credit Access in Late Twentieth-Century America. *American Journal of Sociology*, 123(1), 1-47.

**8 - Wednesday, March 5 – The State and Markets**

Reading:

- 1) Block Fred, and Peter Evans. 2005. The State and the Economy. In *The Handbook of Economic Sociology* (Eds.) Smelser & Swedberg. ONLY pp. 505-507.
- 2) Fligstein, Neil, and Goldstein, Adam. 2010. The Anatomy of the Mortgage Securitization Crisis. In Lounsbury M., Hirsch P. (eds) *Markets on Trial*, Bingley, Emerald Press. ONLY the section called “The History of the Mortgage Securitization Market” pp. 33-40. (Available in electronic form through U of T libraries.)

**9 - Wednesday, March 12 – The Problem of Competition**

Reading:

- 1) Fligstein, Neil, and Alexander F. Roehrkasse. 2016. The Causes of Fraud in The Financial Crisis of 2007 to 2009: Evidence from the Mortgage-Backed Securities Industry. *American Sociological Review*, 81 (4), 617-643.
- 2) Notes on Schumpeter’s Chapter VII and VIII

Assignment:



- 1) Draft of research paper due prior to class time (by 9:09AM). See instructions and grading rubric on Quercus. Submit via Quercus.
- 2) Start peer review in class.

**10 - Wednesday, March 19** – The Problem of Exchange

Reading:

- 1) Carruthers, Bruce. 2010. Knowledge and Liquidity: Institutional and Cognitive Foundations of the Subprime Crisis. In Lounsbury M., Hirsch P. (eds) *Markets on Trial*, Bingley, Emerald Press. (Available in electronic form through U of T libraries.)

Assignment:

- 1) Peer review of partner's paper due prior to class time (by 9:09AM). Submit via Quercus.

**11 - Wednesday, March 26** – Inequality

Reading:

- 1) Carruthers, Bruce G., and Jeong-Chul Kim. 2011. The Sociology of Finance. *Annual Review of Sociology* (37). ONLY the section called "Consequences of Marco Finance" pp. 246-247.
- 2) Wolff, Edward. N. 2016. Household Wealth Trends in the United States, 1962 to 2013: What Happened over the Great Recession?. *RSF: The Russell Sage Foundation Journal of the Social Sciences*, 2(6), 24-43.
- 3) Rugh, Jacob S., and Douglas S. Massey. 2010. Racial Segregation and the American Foreclosure Crisis. *American Sociological Review* 75 (5): 629-651.

Assignment:

- 1) Research paper due prior to class time (by 9:09AM). Submit via Quercus.

**12 - Wednesday, April 2** – FINAL EXAM