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# Freakonomics

## Chapter 2

### How Is the Ku Klux Klan Like a Group of Real-Estate Agents?



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## Today

- **Today:** Freakonomics Chapter 2
  - » Highlights
  - » Conclude With Discussion & Questions
  - » **Quiz** (warm-up for midterm)
- **Today:** Group Picture (20-25 minutes – remind me latest @ 9:30 AM so we can set up)
- **Monday:** Will continue with Benford's HW Tutorial (getting data from the Internet).
- **HW:** Summary Due next week on Chapter 3
  - » Hardcopy due: Friday before class
  - (softcopy midnight before class Friday).

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## Ku Klux Klan & Real-Estate Agents: What is the Theme?

- What is the general theme of the Chapter?

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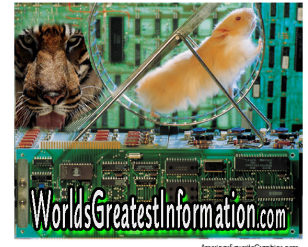
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## Power!



- What is the general theme of the Chapter?
- The Power of Information!



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## The Power of Information

- What is the general theme of the Chapter?
- Information
  - » The advantages of having information
  - » The disadvantages of not having information
  - » How information is **misused**, and
  - » How information is **abused**

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## Ku Klux Klan

- Secrets can be **POWER**.
- Keeping things Secret
  - » Organization Structure
  - » Ceremony: Greeting (in-group, specialness, gaming)
- Once the Secret was out:
  - » Power dismantled.
  - » People left: Fear of being exposed.



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## Real Estate Agents.

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- **Specialist/ Experts**
  - » In general they 'know' more than sellers and buyers.
- **Capitalizes on Fear**
  - » Buyer/Seller not finding a house/or a better deal.
- **Selling more quickly makes it easier for the agent to sell more homes, making more profit.**

## Real Estate Agents.

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- **How do you think the Internet Changed the Real Estate Market?**
  - » Or, Did it?

## Quiz (yes we will have lots of these)

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- **Hand out Quiz**