

# Assessing Racial Determinants of Wellbeing

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This paper reveals numerous psychological mechanisms and correlations that are relevant in the sphere of race and wellbeing, and thus relevant to all people because of the inevitable effects that race has on one's life. I show that the valuation of race is asymmetric across racial groups and that this immediately has repercussions in the real world. I propose a theoretical market where race is an item of transaction, under which this asymmetry can be analyzed systematically. Within this framework, I rename this nuanced form of information asymmetry to be experiential asymmetry and discuss a new type of market failure, one where the cost to wellbeing is not immediately financial but psychological. Mathematically, I suggest two mechanisms that will reduce the asymmetry in this racial market and prevent market failure. This paper establishes empathy as a strong variable that could reduce asymmetry and then demonstrates the strong correlation between empathy and responses to key national events like the George Floyd protests of 2020 and the January 6th Capitol protest. Finally, I note inconsistencies in my dataset with the long-standing idea of loss aversion. I suggest that there exists something inherently unique to being a person of color that correlates strongly with valuing a gain more than an equivalent loss.