

The Economics of Profiling

Editor's Pick. Written by Walter Williams.

Police Capt. Louis Renault, played by Claude Rains in the 1942 movie “Casablanca,” in the wake of the shooting of a Nazi officer, ordered his men to “round up the usual suspects.” Was Renault engaging in some sort of profiling? He may have been, but what is profiling? Let’s look at it.

We can think of profiling as a method to economize on information costs by using easily observed physical characteristics as a proxy or a guess for some other characteristic more difficult or costlier to observe. For example, say you seek to hire people to manually unload trucks containing heavy merchandise. I’m guessing that most would use sex as a proxy for strength and select men over the women. That can be called sex profiling. Of course, if you assumed that men and women have equal strength, you’d hire randomly.

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