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The effect of the 1964 Civil Rights Act on black Americans

Quentin Jamil Moses

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THE EFFECT OF THE 1964 CIVIL RIGHTS ACT
ON BLACK AMERICANS

A Project
Presented to the
Faculty of
California State University,
San Bernardino

In Partial Fulfillment
of the Requirements for the Degree
Master of Public Administration

by
Quentin Jamil Moses
March 1991
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Abstract

The purpose of the study was to determine if affirmative action programs in the aftermath of the 1964 federal civil Rights Act have helped to improve the standard of living of the average black American. The variable used as the measure of the economic condition of black Americans was the ratio of the median black family income to that of whites as recorded in the U.S. Statistical Abstract. Three ten-year periods were analyzed: one immediately before 1964, when the Civil Rights Act was passed; the years 1969 through 1978, to consider short-term effects of the anti-discrimination laws and policies, starting five years after 1964 to allow for some impact to manifest itself; and the most recent ten years available--1979 through 1988--to consider long-term effects.

Analyses of variance revealed that there were significant differences between all three decades. Specifically, it was found that the income of black families relative to white families was significantly better after the passage of the Civil Rights Act than before. It was also found, however, that the economic condition of black Americans as shown by this ratio had deteriorated somewhat from the 1969-1978 to the 1979-1988 time periods.

Given that the median family income for blacks relative
since the 1960s it may be more than simply coincidence that federal anti-discrimination moves also flourished during this same time period. In addition, descriptive data has indicated that the general state of the aggregate U.S. economy is also a key to economic progress of black Americans and what is needed in the future is not further anti-discrimination laws but more efficient implementation. These issues should be analyzed in more depth in the future using more sophisticated methodological techniques.
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Chapter 1

INTRODUCTION

Statement of the Problem

The black population in the United States has made considerable economic progress in the last half century, during which the federal government, along with state and local governments, has implemented various anti-discrimination measures (Hill, 1981). The federal Civil Rights Act of 1964 in particular has outlawed discrimination on the basis of race in the labor marketplace. On the surface at least, this act has had a profound impact on improving the lot of blacks in the country as a whole. It has spurred numerous affirmative action programs, on the part of employers, which actively seek to redress past imbalances in the workplace by hiring more blacks to compensate. And simultaneously, the general standard of living of the black population has improved, as indicated by median family income.

The logical question one must ask, therefore, is whether affirmative action and similar programs have been instrumental in promoting economic advancement among blacks and, if so, whether government and/or the private sector should continue such measures. Thus, this study attempts to analyze the
degree of economic progress among the black population in the last few decades and ascertain the efficacy, or lack thereof, of anti-discrimination laws.

The question of economic progress within the black community in the United States is a complicated one (Wilson, 1987). The gap between the black "haves" and "have-nots" has widened since the 1980s, as it has among whites (Kasarda, 1985). And the family unit has continued to disintegrate among blacks even more rapidly than among whites, complicating the collection and application of data (Frazier, 1939; Moynihan, 1965; Wilson, 1987). In addition, the reliability of economic data on the black community is historically incomplete due to lower response rates, than the national average, to the decennial census. This leads to undercounting and data that must be extrapolated. Because of such problems, this study focuses on the growth in median family income for blacks during the past several decades, especially in comparison to whites. Such a statistic is reasonably reliable and simple to work with. As such, it provides an excellent way to analyze black economic progress both before and after the Civil Rights Act of 1964 and the subsequent spate of affirmative action programs.
Purpose of the Study

The specific aim of this study was to determine if affirmative action programs in the aftermath of the 1964 federal Civil Rights Act have helped to improve the standard of living of the average black American. Superficially, it would seem that, by hiring more blacks than otherwise would be the case, the lot of blacks in the workplace has improved. Leading the way has been the public sector itself, where, as found in a 1976 survey (Landry, 1987), one-half of all black males, compared to only about one-fourth of white, held government jobs. Overt attempts to raise such percentages to that of the population in general in the relevant jurisdiction, whether it be national, state, or local, have certainly enhanced the level of hiring in such areas as the military on the federal level and police and teaching on the local level (Taylor, 1986). Indeed, within the military, the percentage of blacks exceeds the national percentage considerably. As for universities and the non-profit sector, they too have instituted affirmative action programs on a large scale and increased their percentage of black employees in the process significantly in recent years.

The private sector has been slower than the public sector when it comes to employing blacks and embracing affirmative action. In general, larger firms have been much more diligent than smaller ones in hiring blacks and other minorities. The
former tend to be more civic-minded and can better afford the remedial training which often is required of recruits in affirmative action hiring programs. In contrast, small businesses usually have to be quite parsimonious and consequently tend to avoid hiring people who might need more training or are poorly educated. As a result, small businesses have obeyed the law as a rule but have not gone out of their collective way with programs like affirmative action to hire more blacks and other minorities. Thus, the hierarchical order with respect to non-discrimination in the workplace in the last two decades has been the government (all levels), large businesses, and small businesses.

Unions have also played an important role in the attempt to mitigate discrimination in the workplace. Through training and apprenticeship programs, many unions have sought out blacks to fill openings that in the past were determined solely by seniority. And in certain fields where unions have considerable say in the hiring process, such as in construction and the maritime trades, affirmative action has been the operative policy. But unions in general have become less influential in the U.S. economy as the proportion of organized workers in the overall economy has dropped to only one in six (Stanback & Noyelle, 1982). This has singularly impacted black workers negatively because they constitute a significant percentage of union membership and depend
relatively more on blue collar employment in basic industries like steel and autos. With such economic sectors ravaged by competition from abroad and consequently in decline, many black workers in manufacturing have lost their jobs and their primary avenue for economic advancement. In such a scenario, unions no longer have the clout to implement anti-discrimination measures as members struggle to keep their own jobs. Thus, in the last two decades, many labor unions have enacted affirmative action programs but, because of their waning influence, such remediation attempts have been on the decline.

Research Questions

The following questions will be addressed and responded to in this study:

1. Have the anti-discrimination laws and policies emanating from the Civil Rights Act of 1964 resulted in significant improvement in the general standard of living of black Americans?

2. If there has been an improvement in the general standard of living of black Americans, can it be attributed solely to public policy, or to an aggregate, secular rise in national prosperity in recent decades?

3. Regarding tradeoffs, what have been the deleterious effects, if any, of government actions to promote opportunity
and employment among the black community?

4. Do such tradeoffs warrant an end to public anti-discrimination laws and policies?

5. Has the black community progressed enough in the economic realm so that legislative and judicial supports can be mitigated or eliminated?

**Definition of Terms**

In order to enhance understanding of the study, the following terms are defined. These definitions apply singularly to this paper and may indeed by broader or narrower in their general usage.

**Blacks** are defined in the same manner as the federal government—those who are of black African ancestry, including those of mixed blood.

**Standard of living** is the level of economic well-being, and will be measured mainly by the median family income for the relevant group (for example, U.S. as a whole, whites, and blacks).

**Median** is a statistical measure of central tendency, or average. It represents the mid-point of a group with the same quantitative characteristics after they are placed in ascending or descending order.

**Quota**, as used in the study, implies a predetermined percentage or number of people of specified racial type to be
hired or trained in an employment situation.

Affirmative action encompasses a policy on the part of any employer, public or private, or union that actively (as opposed to passively) seeks to employ or train black persons.

The Civil Rights Act was passed by Congress in 1964. While it was multifaceted, the key provision with respect to this study is the section that outlaws discrimination in employment on the basis of race. Because this law was the watershed that led to subsequent court decisions that promulgated affirmative action and similar programs, that period of time has been used in this study as the demarcation point for statistical purposes (that is, "before" and "after" the law's passage). Such remedial programs on the part of employers as affirmative action were therefore largely a mechanism to implement the basic 1964 law, and not an integral part of it. So it must be pointed out that judicial interpretations have played a key role in the implementation of the 1964 Act, and this process took some time. Thus, in the statistical analysis, some years have been allotted for the law to show its effects.
Chapter 2

REVIEW OF LITERATURE

History of Governmental Anti-Discrimination Laws and Policies

To understand the present state of economic affairs of black Americans and its relationship to federal anti-discrimination laws and policies, one must go back in history to World War I. Those years, starting in 1914, signaled an end to the large-scale immigration of Europeans to these shores (Miller, 1974). The American frontier was no longer expanding westward, and Congress and U.S. industry felt that the domestic labor pool sufficed to fill the need for workers. In addition, leaving Europe during the war was extremely difficult, with the Atlantic patrolled by German U-boats. And even after the war, immigration was restricted to a considerable extent because of the "Red scare" emanating from fear that many newcomers from abroad harbored communist leanings. Thus, by 1920, the labor pool in the United States had stabilized in size as the flood of immigrants from Europe turned into a trickle.

Yet during World War I, American industry boomed as large numbers of men entered the military and orders for war
materiel escalated. In addition, the U.S. was the main supplier of assistance to Britain, France, and the Allies, further straining the economy to the limits in terms of available labor and goods. The net result was a vast influx of black tenant farmers from the South to the industrial Northeast and Midwest (Frazier, 1957). Cities like Detroit and Chicago bore the brunt of this migration as these mostly poor and uneducated people manned the assembly lines and factories of the industrial heartland. From steel to autos to textiles, large numbers of blacks worked in manufacturing for the first time in their lives. And this boom period lasted through the 1920s as the U.S. took center stage economically in the post-World War I era, and as the black population metamorphosed from being largely rural, tenant farmers to urban, blue collar proletariat.

But what of discrimination in this transition period? It certainly was as virulent as ever, as evidenced by the strength of the Ku Klux Klan at the time (Landry, 1987). Yet economic need triumphed over anti-black prejudice, just as it did with bias against the European immigrants. The fact is that, when American business interests conflicted with racial or ethnic intolerance, U.S. commerce won out. This was not because the owners and managers were any less prejudiced than the average American. It simply was that, being relatively wealthy, they did not have to concern themselves with living
near or among the new arrivals, whether they were Eastern or Southern European or black. Most likely, they lived in the best part of the city or in the suburbs, far removed from the urban ghettos which domiciled those who labored in their plants during the day. Through the 1920s, the black industrial work force grew rapidly and "prospered" in comparison to their previous meager standard of living in the rural South. But relative to their white, working class counterparts, blacks earned considerably less.

The reasons for the disparity in industrial wages in the 1920s were twofold—discrimination against blacks and the fact that they generally had less education and lower skills and seniority levels than their white cohorts on the factory floor (Fusfield, 1984). The relative weights accorded the two reasons are subject to great controversy, which continues to this day. Attempts to "prove" discrimination based solely on race must show not only that a black worker is paid less for the same job as a white counterpart, but also needed is a reapplication of professional qualifications, including years of experience, education, and the like. When these considerations are taken into account, the relative weight attributed to discrimination alone tends to decrease. That said, in the 1920s, discrimination certainly played a sizable role in blacks' wages being lower than whites' generally; today it is probably less, with more weight attributed to the
factor of professional qualifications. At any rate, any attempt to quantify exactly such factors has historically been fraught with difficulty. Suffice it to say, however, that blacks shared in the overall prosperity in the United States in the 1920s, with expanded numbers of jobs and larger incomes.

In the 1930s, the Great Depression decimated the working class, with unemployment hitting 25 percent in 1933 (Gordon, 1974). Setting a precedent for future recessions, this period of hard times impacted blacks particularly negatively. Auto, steel, textile, and other recent major employers of urban blacks laid off workers in vast numbers as the economic slide deepened. And immediate relief in the form of government-sponsored unemployment insurance, welfare, social security, and similar programs was not extant until after Franklin Roosevelt was elected and pushed through the New Deal. In addition, unions were not a significant factor in economic life until the Wagner Act was passed in 1935. So, for about half the decade, unemployed urban blacks, as well as their hard-hit brethren on tenant farms in the South, had to ride out the economic storm without the social safety net programs inaugurated in the New Deal. The impact of this was to radicalize many citizens, including blacks, as they embraced communism and the eradication of the free market system. Of course, eventually the success of Roosevelt's policies in
ameliorating, though not ending, the Depression coopted most of those who were radicalized by the extreme poverty of the 1930s. With the accession of unions and the safety net created by Roosevelt's administration, the black population survived the Depression intact and, in its wake, indeed began to see the federal government as a potential vehicle to improve their lot in particular.

The start of the 1940s ended the Great Depression in totality. With the United States as the "arsenal of democracy," the economy boomed as it supplied the military and civilian needs of this country as well as the Allies to a great extent (Miller, 1968). Like World War I two decades earlier, the industrial boom, and shortage of manpower due to large numbers in the armed forces, attracted many blacks away from the South and to the Northeast, Midwest, and West. In general, wages were relatively high in these industrial jobs, raising living standards in the process. Unions had taken hold by this time, with significant percentages of blacks in such major unions as the United Automobile Workers, United Steelworkers, and the International Ladies' Garment Workers Union. This further advanced wages for the many blacks in organized industries, as the unions fought for more money, fringe benefits, and better working conditions. Concomitantly, the large numbers of black men in the military during the war also helped to congeal an attitude that the
federal government should be the prime instrument to ameliorate racial discrimination and open up economic opportunity. Compared to most of the private sector, the military was relatively tolerant, though official desegregation was not to come until the end of the decade when President Harry Truman issued his famous executive order. Equally important, however, was the impact that fighting for this country had on the average black GI. He had risked his all for freedom overseas, and when he returned, he wanted an end to discrimination and a bigger piece of the economic pie for himself and his brothers and sisters. Such was the collective state of mind of black Americans in 1945, at war's end.

After the Second World War, the federal government gradually increased its role in the fight against racial discrimination as the civil rights movement began to take hold, initially in the South. As stated, President Truman issued an executive order integrating U.S. military forces. This had the residual economic benefit of inducing more blacks to pursue military careers. This was no trivial matter because, with the advent of the Cold War with the Soviet Union, the size of the American armed forces remained at high levels, though significantly smaller than during the war against Germany and Japan obviously. At about the same time, the Democratic Party began to focus on civil rights in their
own ranks, as it took a concerted stand against the well-entrenched Southern wing and its traditional support of Jim Crow laws (state and local laws that discriminated against blacks and upheld segregation). In 1948, at the presidential convention, the credentials of some "Dixiecrats" were questioned, resulting in their leaving and running their own electoral slate (Wilson, 1983). This symbolized the start of the Democratic Party embracing civil rights and including blacks as part of their coalition (along with labor, urban ethnics, and poor farmers). Ironically, the Republicans, the "party of Lincoln," have not enjoyed significant black support or actively promoted any black political agenda in this century. By 1948, black Americans could rely on at least one of the two major political parties to forward their interests to a growing extent. In return, of course, they became, and remain to this day, one of the most loyal and reliable constituencies of the Democratic Party.

The 1950s witnessed considerable economic progress for black Americans. Characterized by steady growth and low inflation, the United States economy spread it affluence to all segments of society (Alloway, 1966). Indeed, this has been the pattern in the twentieth century. When times are good, black prosperity rises disproportionally higher than white; whereas, in recessions, blacks are hit harder with respect to unemployment and loss of income (Morgan Guaranty
But politically, the major event of the decade was the desegregation decision in 1954 by the U.S. Supreme Court, in which it decided in favor of a black, fifth grade student, Linda Brown, trying to enter an all-white public school in Topeka, Kansas. Overturning the previous doctrine of "separate but equal" in the Plessy vs. Ferguson case of 1896, the court, headed by Chief Justice Earl Warren, ruled that all public schools in America must be integrated "with all deliberate speed" under the jurisdiction of local federal courts (Ashmore, 1982). Yet it was to be two decades before substantial progress was made. In the South, where segregation was established by law ("de jure"), passive resistance among whites and large-scale evasion via private schools delayed implementation through the 1960s, but such evasions ran their course by the end of the decade.

But it was in the North and West, where "de facto" segregation was set by neighborhood patterns, that the task of school integration was to prove more intractable. Busing between black and white neighborhood schools to create "racial balance" has been highly unpopular, as many whites showed themselves to be far more intolerant of segregation in the South than in their own backyards. Indeed, the battle continues in the courts to this day, with the Supreme Court under the Republican administrations in the 1980s moderating its pro-integration stance slightly as it places limits on
busing, which has become increasingly unpopular among white and black parents alike. So "reading the electoral returns," the federal judiciary has gone as far as it can politically in ending discrimination in the public schools. As for the effects, economic and otherwise, the results are not overly sanguine (Sowell, 1983).

The condition of the American public school system in general has declined markedly in the last two decades. Academic achievement as measured by scores on standardized tests are down, especially in comparison to other industrialized nations. The "bottom line," therefore, seems that most blacks have improved their access to public education in America, but at a time when support for the public school system in general is on the wane. That said, however, overall the enhanced academic access by blacks attained since Brown vs. Board of Education has constituted a major means for their economic advancement in recent decades. Indeed, education for blacks, like for the European immigrants a century ago, is the great "equalizer" in American society. And to the extent that blacks have taken advantage of it, they have improved their economic lot considerably, just like other minority groups in the past.

The next decade saw the passage in 1964 of the landmark Civil Rights Act, where Congress and the President continued the momentum engendered by the judiciary in that area.
Capitalizing on the state of public opinion in the wake of President John Kennedy's assassination in 1963, President Lyndon Johnson engineered a comprehensive law that banned racial discrimination in employment, public accommodations, and voting (Wilson, 1987).

A section of particular significance gave the federal government overt power to cut off federal funds for activities in which discrimination was found. This gave rise to a number of "equal opportunity/affirmative action" policies on the part of federal contractors, which account for a sizable share of the aggregate economy (Wilson, 1987). After all, the federal budget has accounted for 25 to 35 percent of the gross national product in the last 25 years, with the military establishment alone taking about 10 percent generally. So large firms like Lockheed, General Electric, IBM, and others embraced non-discriminatory policies to maintain their lucrative government contracts, if for other reasons as well, and had to back them up with documentation to the newly created Equal Employment Opportunity Commission (EEOC) and Office of Federal Contract Compliance (OFCC). Even non-defense-oriented firms were affected, because the federal government buys sizable quantities of everything from office supplies to uniforms (for example, for the armed forces). So the offshoot of the provision in the 1964 law that dealt specifically with federal contractors went far beyond the
actual percentage of business done with the government. After all, when IBM instituted its policy of non-discrimination in order to retain the 10-to-20 percent of its sales to the government, "affirmative action" extended throughout the entire company and consequently impacted its non-government operations as well. Another example is the textile industry in South Carolina, whose sales to the government were only 5 percent of the total in the mid-1960s, but which substantially increased black employment after 1964.

So the Civil Rights Act used the "carrot and stick" approach with regard to job discrimination. On the one hand, it used coercion on businesses, in the form of the law, not to discriminate, but also provided the incentive of (continued) government contracts if they complied with it. But, as with the issue of desegregation in public schools a decade earlier, it has remained for the courts to interpret and see the limits of the Act (Stroud, 1989). Cases dealing with it have involved such contentious issues as quotas and remedies concerning alleged past discriminatory practices. For instance, does an absence of blacks on, say, a college faculty indicate illegal racial discrimination, or might the reason be a lack of qualified blacks in that area? Does a previous policy of discrimination on the part of an employer justify remedial action that includes the preferential hiring of blacks over more qualified whites, or does that amount to
"reverse discrimination"? Indeed, should an employer be responsible at all for discrimination that allegedly took place a generation ago? And finally, should a local government be held responsible for discriminatory results that are caused by neighborhood patterns for segregated schools which it supposedly "tolerated"? Too complicated technically and too sensitive politically, such questions have been deferred to the courts by Congress.

The interpretations of the federal judiciary, and particularly the Supreme Court, have evolved along with the political mood of the country. Theoretically insulated from electoral politics, the courts react to public opinion generally after a time lag of a decade or two. In the case of the liberal Warren court, the decisions were too far ahead of the domestic political state of mind, ending in the inevitable reaction by Republican presidents like Nixon and Reagan of choosing more conservative judges (Stroud, 1989). Called "strict constructionists," such chief justices as Warren Burger and William Rehnquist and their colleagues on the Supreme Court have issued decisions that essentially review the body of anti-discrimination law in the country. Thus, the 1950s and 1960s were times of rapid movement forward on the anti-bias front on the part of federal legislation and judicial decisions, and the last two decades have been concerned primarily with their consolidation and review.
A number of landmark cases dealing with the Civil Rights Act of 1964 have come before the Supreme Court. One concerned Allan Bakke, a white applicant to medical school at the University of California at Davis who was allegedly denied admission because sixteen places for minority students were set aside as a matter of policy (Berry, 1982). In addition, Bakke charged that his qualifications surpassed some of the minorities selected, amounting to "reverse discrimination." The California Supreme Court agreed with him, and the university appealed to the U.S. Supreme Court. In a tight 5 to 4 decision, the justices ruled in favor of Bakke, outlawing explicit quotas but permitting affirmative action programs not involving them. Thus, one can see how lightly the court treaded on this legalistic minefield, citing the equal protection clause of the Fourteenth Amendment as their basis for excluding racial quotas.

Yet certain types of quotas have been approved by the Supreme Court (Wilson, 1983). In 1979, it ruled in favor of a joint Kaiser Aluminum Company and union apprenticeship plan that reserved half the slots for minorities. Brian Weber, a white applicant, sued when he was rejected in favor of a black with less seniority. In the decision, the justices ruled that the Fourteenth Amendment argument did not apply because it concerns governmental actions, and this case involved the private sector. So such a quota was held legal under the 1964
law, the major basis of contention. And the following year, in 1980, the Court allowed to stand the requirement that 10 percent of federal funds expended on local public works projects be spent on services from minority-owned businesses. Thus, again the Supreme Court has walked a very fine line indeed in passing on affirmative action programs and the issue of quotas.

The focus of this chapter regarding anti-discrimination laws and policies on the part of the federal government has been on employment and education because of their direct linkage to improving the status of black Americans. But, the role of voting rights must also be considered because the effect on black economic progress, though perhaps more subtle, has been profound (Levitan, 1975). From 1964 to 1970, a series of national laws were passed which banned the poll tax, literacy tests, and other tools employed in the South that deterred voting by blacks. As a consequence, the black electorate grew in size to the point where most political candidates had to court their vote. For example, by 1971 over 58 percent of blacks in the states of the old Confederacy were registered, compared to less than 30 percent a decade earlier. Another example is the fact that, in 1957, no Southern Democrat voted in favor of a relatively mild civil rights law; but in 1970, 34 (out of 84) "Dixiecrats" cast ayes for the Voting Rights Act of that year.
Yet another indicator is the following change in the number of blacks in political office during the decade of the 1970s: Congressional and state legislators, from 182 to 3,153; city and county offices, from 715 to 2,647; judges and sheriffs, from 213 to 486; boards of education, from 362 to 1,186; and totally, from 1,472 to 4,584 (Levitan, 1975). Indeed, in recent years, black politicians have ascended to become mayors of numerous major cities (for example, New York, Detroit, Chicago, and Atlanta), the governor of Virginia (Douglas Wilder), and the Speaker of the Assembly in California (Willie Brown). On the federal level, Thurgood Marshall has been a justice of the Supreme Court for some thirty years. And blacks such as Colin Powell and Louis Sullivan serve on the president's staff and in his cabinet. Thus, black representation in the American polity has grown enormously since the 1960s, making for more than mere surface changes in government policy.

The impact of such enhanced black influence on elections has been generally a more liberal agenda politically, particularly on the state and local levels in the South, where the changes have been greatest (Johnston, 1978). Employment and education laws and policies in that part of the country have been strengthened, as well as social safety net programs like unemployment insurance, welfare, Medicaid, and the like. Because such states and localities had been singularly
dominated by conservative, white politicians as a rule prior to 1960, these shifts in public anti-discrimination policy have particularly improved the lot of southern blacks in the economic realm. Whereas out-migration of blacks from the South had taken place on a large scale for decades, the trend is now a moderate net in-migration. Many blacks are returning home to retire, and others are staying because the South's economic growth generally has exceeded that of the rest of the country by considerable margins for many years now. So federal laws and policies that have eradicated the barriers to voting by blacks in the South have significantly bettered the standard of living of the average black in that part of the country by improving employment and educational opportunities and expanding state and local social programs.

The body of anti-discrimination laws and policies generally represented a reversal of the historical roles of the state and federal governments with respect to domestic programs. Usually, the states have experimented first with them and, if successful, the federal government would eventually adopt them, taking from the best state "laboratories." For example, New York State pioneered unemployment insurance in the early 1930s, and bank regulation was entirely a state function until the creation of the Federal Reserve System in 1913. Indeed, many of the New Deal programs of the 1930s, from the Wagner Act legalizing labor
unions to social security to agriculture, had their roots in various state schemes. But with civil rights, the impetus came largely from the central government. The reason lay in the fact that the "de jure" aspects of racial discrimination were concentrated in the Southern states, which could not be expected to remEDIATE them unless imposed from Washington (Fishel & Quarles, 1970). As for the rest of the country, anti-discrimination laws were on the books in a number of states prior to 1960, but the problem of racism was perceived as national in scope, calling for a federal response. Of course, many a Northern, Western, and Midwestern resident turned cautious when they realized that the civil rights laws of the 1960s applied to them as well as the South. Busing for school desegregation and the ban against discrimination in housing brought home to the non-southern U.S. the fact that the fight for equality was to occur from New York to California and in city, suburb, and exurb alike. It was unnerving to many white Americans at first, some of whom resisted busing and "fair housing" in particular, but in the end all of the country had to partake in the solution because they were all part of the problem.
Black Americans have made great economic strides since the 1960s, when the major civil rights laws were enacted by Congress. For example, according to a 1989 study by the National Research Council (Sanuelson, 1989), between 1960 and 1987, median family and individual income went from $3,230 to $18,098, and $2,052 to $7,499, respectively (in current dollars). The share of black families with incomes above $35,000 (adjusted for inflation) has gone from 13 percent in 1967 to 33 percent in 1987; and above $50,000, from 4 to 9 percent. In 1940, there were 300 black engineers in the country; in 1980, the total was 36,000. And the 1980s saw a 52 percent jump in the numbers of black managers, professionals, and government officials (Lacayo, 1989). So aggregate economic data point to an overall improvement in the lot of black Americans during the last four to five decades.

For working middle and upper class blacks, the changed employment situation is the major cause of their improved standard of living. (For the non-working poor, welfare, Medicaid, food stamps, and other social safety net programs are the key.) In the 1950s, educated blacks began their move into white collar occupations in sizable numbers for the first time (Pinckney, 1969). But blue collar manufacturing provided employment for the bulk of black male workers as migration from the South to northern and midwestern cities accelerated.
As for black females, they found work mainly in low-wage service and factory jobs. So blue collar employment in manufacturing that required low skill levels provided the main avenue for upward mobility in the 1950s. Unemployment was generally low throughout most of the decade for blacks, though it tended to be about twice that of whites. By the end of the period, increased opportunities in clerical occupations in banks, insurance companies, government, and corporate headquarters drew in large numbers of black females, boosting their income relative to white females significantly in the process.

On the down side, the 1950s set the pattern for today regarding the economic state of blacks. In the expansionary part of the decade that coincided with the Korean War (1950-1953), black workers prospered as they took advantage of the tight labor market. But the rest of the decade was characterized by moderate growth and two recessions, in which many low-skilled blacks, particularly the recent immigrants from the South, lost their blue collar jobs or were not hired at all. In addition, automation was taking hold in the auto, steel, electrical equipment, and other heavy industries that were major employers of blacks (Price, 1969). As a result, upgrading of job skill requirements increased the need for engineers and technicians but diminished it for unskilled labor. Migration of whites from rural farms to cities,
particularly in the Midwest, raised competition for blue collar jobs, and they tended to be hired over blacks because of higher education and skill levels. And finally, the 1950s witnessed the tremendous growth of suburbs in the United States, and as jobs moved out of the city, they became less accessible to blacks, who were concentrated in urban areas.

With the start of the 1960s, the U.S. economy reversed its sluggishness and a decade-long boom ensued. With a Democrat in the White House, John Kennedy, higher growth and lower unemployment became top priorities instead of controlling inflation and balancing the budget which were Eisenhower's main concerns in the 1950s. In addition, the war in Vietnam was widening, upping defense expenditures. As a result, in the first half of the decade, manufacturing employment soared and government hiring increased. The former sopped up many low-skilled black males, while the latter absorbed large numbers of black females into clerical and white collar employment (Fusfield, 1984). This pattern somewhat replicated the 1940s, when Franklin Roosevelt issued an executive order barring discrimination by defense contractors and the federal government hired many black females for work in its offices, all in the back-drop of an economic boom. At any rate, the resultant prosperity increased economic opportunities for blacks and raised their concern about barriers to advancement. It also aroused fears
on the part of numerous whites who now had black co-workers for the first time. In addition, by this period, unskilled jobs, which had traditionally been filled by blacks, became increasingly unpopular with them. So in the context of a booming economic and employment picture, the political movement for civil rights had taken hold, culminating in the passage in 1964 of the landmark Civil Rights Act.

Such was the state of affairs before the federal government embarked on its anti-discrimination laws and policies. Since then, black Americans in general have improved their lot, but the advance has been highly uneven, and in some areas stagnation or even decline has occurred (Samuelson, 1989). For those with skills and/or education, the employment scenario has much improved. The number of blacks in white collar and professional fields has skyrocketed since the mid-1960s, giving rise to a sizable black middle class. Opportunities for higher education have opened up as many universities throughout the country have embraced affirmative action-type programs to ensure an adequate percentage of black student admissions. Significantly, most large corporations have actively hired and promoted black employees because they are in the limelight and cannot afford adverse publicity. Of course, another reason is their desire to maintain government contracts. At any rate, because they are major employers of blacks, such remedial actions on the
part of corporate America have decidedly improved minority hiring and promotion in both blue and white collar occupations. Thus, a review of the past 25 years indicates that governmental anti-discrimination laws and policies have assisted sizable numbers of black Americans in attaining higher education levels and enhanced hiring and promotion in the sphere of employment, both of which are crucial in climbing the career and economic ladder.

The general state of the economy is also vital regarding the economic state of black America (Samuelson, 1989). The experience of the last half century shows that, in prosperous times, blacks make higher income and employment gains proportionally than whites. In recessions, the reverse is true, with blacks suffering job and income loss more relative to whites. This is not hard to understand. In expansions when jobs are plentiful, white employees do not care generally if more blacks are hired where they work, because the white labor pool tends to be fully employed at such a time, and they are satisfied economically. But in recessions, when competition for jobs becomes keener, white workers will sometimes resist the employment of blacks because they fear for their own job security; in layoffs, blacks tend to be the first to go often due to lower seniority, skill, and/or education levels. Therefore, one may infer that a healthy U.S. economy is a necessary adjunct to assisting the upgrading
of blacks in the labor market. Conversely, recession renders government anti-discrimination laws and programs much less effective.

In a recent study of the short-term impact on blacks in South Carolina of the 1964 Civil Rights Act, the authors found that black employment increased significantly in the textile industry, the state's largest employer (Heckman & Payner, 1989). The local economy was booming in the mid-1960s, like the rest of the country, and the state's labor market was tight. Consequently, textile company executives tended to be neutral or even supportive of the federal law because it would allow them to tap into South Carolina's sizable black labor pool in significant numbers. Concomitantly, real wage increases of white workers decreased as the labor shortage eased with the hiring of more black workers, which made for higher profits for the companies. In addition, because five percent of textile sales in the state were to the federal government (for example, the military), the industry was targeted by the Equal Employment Opportunity Commission to improve its performance in the hiring, training, and promotion of blacks. So the overall conclusion here was that the booming state economy made for a tight labor market, which provided the textile mills incentive to employ more blacks, produce more product, retard wage increases, and thereby make bigger profits. And the implication is that, in a recession,
such compliance with the new law would have been much more
difficult in a Deep South state like South Carolina.

Another section of the same study also is of interest
(Heckman & Payner, 1989). It found that racial discrimination
before 1964 was minimal in new industries and state and local
government—when skill and educational levels were taken into
account. This means that, where black employment in these
sectors was "underrepresented," the main cause was lack of
appropriate skills and/or education. This finding is all the
more interesting, given that South Carolina has historically
been one of the most conservative states of the Old South.

The economic progress helped along by the federal
government has predominantly benefited those who are working
and are middle class and above. The state of poor blacks,
most of whom are not in the labor force, has stayed the same
or declined, depending on the definitions and interpretations
connected with the data and statistics. For example, the
median family income of blacks as a percent of whites has gone
from 55 percent in 1960 to 62 percent in 1975 back to 57
1970 and 1983, the poverty rate among black Americans went
from 30 percent to 36 percent, which was the rate in the early
1960s (Woodson, 1987). The black unemployment rate was 13
percent in 1983, compared to 8 percent in 1970. The
employment rate of young, black males was 60 percent in 1962,
but only 44 percent in 1985 (Novak, 1990). And while the median family income of blacks is 57 percent that of whites, median wealth is only one-eleventh (Ellis, 1990). Thus, like American society in general, only more so, the black "haves" have steadily bettered themselves economically, but the "have-nots" have lost ground since the 1980s.

A major reason for the lower one-third of blacks failing to improve their lot lies in the alarming disintegration of the black family (Woodson, 1987). Half of all black children live in households headed by a female. Black teenaged girls are twice as likely to get pregnant as their white counterparts. Only 36 percent of black families have both parents living in home versus 55 percent twenty years ago; while 42 percent are headed by a woman, up from 28 percent in 1970. These statistics are enormously important, because an intact married family unit promotes employment and financial stability; statistically, it is two-thirds less likely to be in poverty than others. More ominous is the tendency for households with a single parent to "bequeath" its penury to this offspring. Such families often are dysfunctional and lack the wherewithal to provide the proper upbringing and discipline for children, particularly regarding education, which is the best avenue out of poverty. So it is this group of black Americans that federal anti-discrimination laws and policies have benefited the least, because so many of them are
not even in the work force (that is, on welfare or in the underground, drug economy).

For the lower third of black Americans who are poor, the social safety net programs have sustained them. Welfare, Medicaid, Social Security, and the like have kept them afloat, and that in itself is an accomplishment of sorts. But the only long-term solution to poverty is a secure job, which requires education and skills. So to the extent that welfare and its related programs have fostered succeeding generations of poverty, it has failed in the long run (Woodson, 1987). Of course, the governmental social safety net is not targeted specifically for blacks, but in this discussion dealing with black economic progress in recent decades, poverty and the welfare system are intrinsically pertinent.

**Summary**

Economic progress in black America has been considerable since the passage of the Civil Rights Act in 1964, which has spawned "affirmative action" and similar programs throughout the country. But these policies have benefited primarily those who already are in the labor market and who have some skill and/or education. For them, such policies have broken down barriers to hiring, training, and promotion in the job market as the federal government has used both the coercive power of the law on employers (and unions) as well as the
financial incentive of government contracts. Universities too have adopted anti-discrimination policies that have enabled more blacks to obtain college degrees. Indeed, education and skills are the keys to success in the workplace, and for blacks even more so, because it is the best way out of the ghetto.

For much of this century, black Americans migrated in vast numbers from the rural South to the urban North and West because many industrial jobs requiring low education and skill levels were available. But that has changed in the last two decades as such industries have shrunk in response to foreign competition. Historically a path to the black middle class, such high-paying factory jobs have been disappearing as the auto, steel, and other heavy industries have had to automate or close down. The result has been a general upgrading of skills required for jobs in such industries, which has diminished their employment of blacks considerably in recent years. Thus, the traditional "safety valve" for blacks in the labor market, the factory job, is giving way as the U.S. economy becomes more service-oriented.

The changes in the aggregate economy, as well as the disintegrating black family, have made for a bleak picture for the bottom third of blacks who are poor. The anti-discrimination laws of the 1960s have not singularly improved their lot, as many continue to be supported on welfare and
fail to find fruitful employment. The only solution for this part of the population lies in a revival of the black family, which government policy cannot materially affect.
Chapter 3

METHODOLOGY

Since the passage in 1964 of the Civil Rights Act, the federal government has generally tried to mitigate racial discrimination in employment, education, voting, housing, and other areas of American life. With the Supreme Court as arbiter of the limits of such laws and programs, "affirmative action" and "equal opportunity" have become bywords of numerous corporations, unions, universities, and other organizations throughout the land as they have sought to do their part in remediating the problem of racial injustice in the spheres of employment and education. Since the mid-1960s, when most such laws and programs were initiated, the economic condition of black Americans generally has improved. A sizable middle class has developed, and the number of black college graduates has increased markedly. On the other hand, the share of blacks who live in poverty has remained at about one-third for nearly three decades, and this situation has deteriorated since the 1980s. The logical question, therefore, is whether the government anti-discrimination measures emanating in the 1960s have worked. If so, can public policy now be relaxed to allow the free market and
other non-governmental institutions to supplant it? And if such remediation efforts have not been effective, should new ones be tried or old ones be broadened? To ascertain some insight into these and related questions, it is necessary first to uncover precisely the economic status of black America today in comparison to what it was before the mid-1960s.

**Hypothesis**

The hypothesis to be tested in this study is that black America is in decidedly better economic condition currently than before the Civil Rights Act of 1964, and that it is at least partially due to affirmative action, better access to schooling, an end to barriers to voting in the South, and the like. Specifically, it is postulated that diminished discrimination in the labor market has enabled a substantial improvement in the economic state of black America, peopled by skilled blue collar workers and numerous white collar and professional employees. The latter in particular are largely a product of better access to higher education, according to this hypothesis. Thus, first to be determined is whether black Americans have improved their economic lot significantly in the last 25 years, and then various possible causal factors related to the results are weighed.
Research Method

Data Collection Procedures

The variable that will be used as the measure of the economic condition of black Americans is the ratio of the median black family income to that of whites on a yearly basis. The source of the raw data is the U.S. Statistical Abstract, which is published annually. For each year, explicit figures are given for median black and white family income, and the ratio is expressed simply as a fraction with the former as the numerator and latter the denominator. As to using current versus constant dollars, it makes no difference because, as a ratio, the relevant index number factor for inflation would automatically cancel out. Therefore, current dollars were employed because of simplicity. The most current figures available were for 1988, found in the 1990 edition of the U.S. Statistical Abstract.

Data Analysis

The ratio of black to white median family income has been frequently used as a barometer of black economic well-being because it compares the standard of living of the former with that of the latter. As such, it reveals the extent of black economic progress over the last three-and-a-half decades not in isolation but in relation to the white majority. The advantage of such a ratio, therefore, is simplicity, and its
employment over many years by economists has proved its efficacy.

Regarding the analysis of data, three ten-year periods will be analyzed: one immediately before 1964, when the Civil Rights Act was passed; then, from 1969-78, inclusive, to consider the short-term effects of the anti-discrimination laws and policies, starting five years after 1964 to allow for some impact to manifest itself; and the most recent ten years available from the data source. As to why ten years are the relevant time period, the reasons are that ten is an easy number to work with, and a decade is a sufficient amount of time for economic results to show themselves.

Statistically, an analysis of variance, or F test, on the ratio discussed will be performed between the "before" and "after" decades. In other words, the F test will be done on the decades of 1954-63 and 1968-78, and then on 1954-63 and 1979-88. The aim is to determine if the ratios for the latter two decades are significantly higher than for the 1954-63 decade. And the first test will cover "short-term" effects, and the second test "long-term." Mathematically, this analysis will ascertain if the improvement in the computed ratio is "significant," or merely a random result.
Limitations

A number of limitations apply to the statistical aspect of this study. One is that, for the years before 1966, the U.S. Statistical Abstract combined blacks with other non-white racial groups with respect to the median family income figure. But since Hispanics, Asians, and other non-Caucasians were a much smaller percentage of the U.S. population at the time than now, it should not affect the results materially. Another limitation rests with the use of income as the yardstick by which to measure the economic condition of black Americans relative to white. Wealth is an alternative, but income is more commonly accepted as the key indicator of relative economic change over a period of years. As to the reliability of data about the black community in general, underreporting by the Census Bureau has been a recurring problem because their response rate to questionnaires and surveys is invariably considerably lower than the national average. That said, such underreporting should not materially undermine the utility of the median black family income figure because the government makes adjustments for it.

Finally, the major limitation of the study is that of causality. If the ratio of median black family income to white has exhibited statistically significant improvement since the 1960s, are federal anti-discrimination moves the reason—or is just coincidence? That can be further
investigated in a more sophisticated and comprehensive study than this. However, given the scope of this thesis, the analysis of variance methodology is certainly adequate.
Chapter 4

RESULTS

Median family income figures for black and white families were collected from the U.S. Statistical Abstract for the years 1954 through 1988. The ratio of median black family income to median white family income is presented in Table 1, on the following page. Mean ratios were calculated for each of the three ten-year periods being studied (1954-1963, 1969-1978, and 1979-1988).

As can be seen from an examination of Table 1, the average median black family income for the ten-year period from 1954 through 1963 was 53.8 percent that of the average median white family income. The average median black family income for the ten-year period from 1969 through 1978 was 59.5 percent that of the average median white family income. And, for the years between 1979 and 1988, the average median black family income was 56.6 percent that of the average median white family income.

The first analysis of variance was conducted to determine if the mean ratio--of median black family income to median white family income--for the 1954-1963 time period significantly differed from the mean ratio for the 1969-1978
Table 1

Ratio of Median Black Family Income to Median White Family Income

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<td>1987</td>
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<td>1988</td>
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Mean = .538 Mean = .595 Mean = .566
time period. This analysis was significant \((F=88.6; \ df=1,18; \ p<.01)\) indicating that the economic state of black America relative to white, as noted by the value of the mean ratios, was significantly better during the time period 1969-1978 than during the time period 1954-1963, before the advent of the federal anti-discrimination laws and programs of the 1960s.

The second analysis of variance was conducted to detect whether there was a significant difference between the mean ratio for the 1954-1963 time period and the mean ratio for the 1979-1988 time period. Although the mean ratio of black median family income to white median family income was not as great for the 1979-1988 time period as it was for the ten year period between 1969 and 1978, this analysis was also significant \((F=30.8, \ df=1,18, \ p<.01)\). In other words, the economic state of black America relative to white America was significantly better during the time period 1979-1988 than it was before the advent of the federal anti-discrimination laws and programs of the 1960s.

But, according to these data, such progress was greater in the "short term," that is, from 1969 to 1978. A third analysis of variance was therefore conducted to determine if there was a significant difference between the mean ratios of the time periods 1969-1978 and 1979-1988. This analysis was indeed significant \((F=8.28, \ df=1,18, \ p<.01)\) indicating that between the second and third decades in the study (1969-1978...
versus 1979-1988), the economic condition of black Americans as shown by the indicated ratio has deteriorated somewhat relative to whites. However, the most recent decade still reveals a markedly better standard of living than before the wholesale adoption of affirmative action and like-minded programs nationally.
Chapter 5

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Summary

The purpose of this study was to determine if affirmative action programs in the aftermath of the 1964 federal Civil rights Act helped to improve the standard of living of the average black American. The ratio of the median black family income to that of whites was used as the measure of the economic condition of black Americans. Data from a ten year period immediately before 1964, when the Civil Rights Act was passed (1954-1963), and from two periods after the Act was passed (1969-1978 and 1979-1988), were collected from the U.S. Statistical Abstracts.

The statistical analyses revealed that there were significant differences between all three periods. Specifically, it was found that the income of black families relative to white families was significantly better after the passage of the Civil Rights Act (1969-1978 and 1979-1988) than before (1954-1963). It was also found, however, that the economic condition of black Americans as shown by this ratio had deteriorated somewhat from the 1969-1978 to the 1979-1988 time periods.
Conclusions

Given that the median family income for blacks relative to whites decidedly improved after the Civil Rights Act of 1964, the question of attribution must be addressed. That the economic advance for black Americans occurred simultaneously with the large-scale implementation of anti-discrimination laws in the areas of employment, schooling, voting, and others is not coincidental.

Indeed, it is perfectly logical that five years after the landmark law, its effects should begin to be felt the most. As shown in the study of South Carolina previously cited, the large-scale hiring of blacks in the textile industry there were virtually immediate, exacerbated by the booming economy at the time. And in addition to employment, the impact of federal anti-discrimination activities on higher education began to take hold within the second decade analyzed (1969-1978), with the resultant higher incomes from better jobs manifesting themselves in the highest mean ratio of the three time periods studied. So it is understandable that the economic effect of markedly more black college graduates resulted in a higher black/white median family income ratio after considerably more time than in the area of "equal opportunity" employment, but the long-term impact of a university degree is much greater remuneration throughout one's lifetime.
As to the more subtle economic effects of more widespread voting by blacks in the South, the major impact was likely on the poorest one-third, many of whom rely on welfare, Medicaid, and other government subsidies. After the Voting Rights Act of 1965, the newly registered black electorate in the South voted in large numbers of black legislators, who tended to be liberal. As a consequence, many state legislatures became decidedly more favorably disposed toward social programs, increasing their size and scope in the process. And the bulk of such measures generally benefited poor blacks in the form of expanded welfare, Medicaid, and the like. Thus, in the short term (that is, the second decade in the analysis, 1969-1978), the new social actions that mitigated racial discrimination helped provide for a significantly improved economic state of affairs in black America.

By the third decade in the study (1979-1988), the economic condition of the average black person in the United States was still ascending, but at a much slower pace. This is akin to the "law of diminishing returns" in economics, where the initial new inputs result in the greatest rates of return; but with each successive input, the marginal rate of return diminishes. In a similar way, the anti-discrimination actions by the federal government had their biggest impact within ten to fifteen years of their enactment. After that, the "marginal returns" of that policy have lessened while
other deleterious factors have become more pronounced.

Generally, the main group of blacks to benefit from the government's anti-discrimination regime, those who were employed and those with reasonably adequate skill or education levels, had already taken advantage of them by the start of the 1980s. The poor, however, were left out, usually because they tended to be on welfare or lack sufficient skills or education for steady employment. In addition, the rise of the underground drug economy has lowered the employment participation rate alarmingly for young black males since the last decade. Thus, one can see why the incremental improvements in black economic life have leveled off in the 1980s, given the static population pool actively pursuing employment or higher education, and the rising numbers of black poor who are either on welfare or in the subterranean, drug economy.

The general state of the aggregate U.S. economy is also key to black economic progress. Clearly, blacks benefit and suffer more proportionally than whites, respectively, in periods of prosperity and recession. The boom of the 1960s and the recession of the early 1980s exemplify this phenomenon. But the long-term loss of manufacturing jobs in the industrial heartland has eradicated what continues to be the easiest and most remunerative entree into the labor force for blacks with marginal skills and/or education. As that
sector of the economy gives way to higher-skilled, white collar, service-oriented employment, public anti-discrimination laws and programs have less impact.

Conversely, the need for more and better education and job training grows. But the underground economy, where the drug trade can be lucrative indeed, and the welfare system, which often keeps families within it generation after generation, have tended to prevent many blacks from entering the labor force at all. And in the final analysis, an employable skill and adequate education, leading to a secure job and career, are the only reliable bulwarks against poverty.

So economic advancement for blacks cannot be attained absent an overall healthy economy. As noted a number of times in this study, recessions hit blacks harder proportionally than whites, and the United States appears to be entering one currently. But this downturn may turn out to be more severe than most because of the enormous budget and trade deficits. The former in particular might preclude the traditional "pump-priming" (deficit spending) as a means to reinvigorate an ailing economy. In addition, a war in the Middle East can create havoc with the economy if it is protracted. On the other hand, if "peace breaks out," lower military budgets might ameliorate the deficits and correct the imbalances in the economy.
Given the present deleterious state of the national economy and federal budget, new initiatives on the part of the government are not forthcoming, especially if they have even a modest price tag. The 1990 civil Rights Act was defeated and even the recent bill to establish a national child care system was voted down. This could have assisted poor, black, single mothers in particular in getting off welfare by enabling them to go to work. Thus, for the next decade or more, the long-term maladies of the American economy pose a singular threat to the continued advance of the black middle class and indeed to the social safety net of the black poor.

In conclusion, for the next five to ten years, race-specific policies on the part of the federal government are likely to continue at about the same level they have since the 1980s. Indeed, affirmative action and similar programs have gone as far as politically feasible, obviating any major new initiatives in that area. The Supreme Court will continue to set limits to anti-discrimination laws and policies, but the basic tenets of the civil rights legislation of the 1960s will no doubt remain intact. That said, if the imminent recession is as long and deep as many economists predict, numerous middle class blacks will slide backward economically, swelling the ranks of the black poor who have to depend on financially strapped governments (federal, state and local) for sustenance.
Recommendations

The future role of the federal government in the area of anti-discrimination is the implementation and refinement of existing laws and policies. While there is room for some improvement on the part of selected states and localities, in general legislation has gone as far as desirable. Stronger anti-discrimination statues would probably be struck down by the courts as punitive against non-blacks (reverse discrimination) anyway, so new race-specific policies are neither likely nor desirable for the foreseeable future.

There are programs that are non-racial in nature that should be adopted; but given the financial constraints of government at all levels, they cannot be expensive. The American taxpayer simply is feeling squeezed already, particularly the middle class, and is not inclined to support social programs such as entitlements that invariably grow exponentially beyond Congress' expectations or control.

As far as the black middle class is concerned, the best way to ensure its continued viability is to have a robust national economy. By reducing the federal deficit to manageable levels by both cutting spending, particularly military (after the Mideast crisis, that is) and raising taxes, interest rates would drop, borrowing from overseas lessen, and domestic saving rise. As to the modes of taxation, higher income tax rates for the upper brackets is
certainly warranted, as the tax cuts in the 1980s decreased progressivity far too much. In addition, a national sales tax would curb overconsumption, which saps the country of savings. So balancing the federal budget on a cyclical basis would stabilize the national economy, which in turn would make for a healthy employment situation for working and middle class black Americans.

The trade deficit should also be addressed more vigorously by the federal government. As pointed out, the auto, steel, textile, and other manufacturing industries have historically been the largest employers of black labor. And with their decline, that avenue to the economic mainstream in the U.S. has been significantly impeded. Therefore, by bargaining more rigorously with Japan and other "unfair" traders, the industrial heartland of this country might be preserved. In doing so, countless numbers of high-paying jobs, which have been the mainstay for a large percentage of the black middle class, might continue. Thus, though not race-specific, a government policy of paring the trade deficit would benefit the black industrial proletariat immeasurably.

A major challenge to public policy-makers in Washington is the growing black underclass. Anti-bias laws and programs barely touch this group of people because generally they are not in the labor force or candidates for higher education. The major factor here is the breakdown of the black family.
The spate of black teenaged girls having children virtually ensures poverty, a legacy to be passed on to their offspring as well. And unless that cycle is broken, no amount of affirmative action or related laws or programs will prevent the enlargement of this black underclass.

To help reinvigorate the black family as a viable unit, major emphasis should be placed on sex education in secondary (and intermediate) schools. School administrators should end their timidity about the subject and stop fearing that it promotes "promiscuity." In addition, free contraception and sexual counseling should be provided to poor students by clinics in or near the school. To reiterate, this applies to all students regardless of race; but the benefits would accrue inordinately to the black community because their birth rate for teenaged girls is about twice that of whites. Connected with this is abortion, which hopefully will remain legal and free to poor women on Medicaid. The social costs of unwanted and unplanned children are so staggering that even at 300 to 500 dollars, abortion is a bargain to the taxpayer. Thus, the epidemic of teenaged black girls having out-of-wedlock children, locking succeeding generations into poverty, can be at least partially stemmed by massive sex education and the free dispensing of contraceptives.

Another potential means to put a crimp in the burgeoning underclass, black and otherwise, is to reduce welfare payments.
per child incrementally. This might seem Draconian, but the average taxpayer is not morally obligated to subsidize the bearing of children by others, especially if they cannot afford to raise them properly. Thus, unless and until poor blacks stop having children they cannot support adequately, the black underclass will continue to grow in magnitude.

The 20 percentage point decline in the labor participation rate of young black males bodes ill for the future. Government-sponsored job training programs (for example, JTPA) have been around for many years, but even with their paying people while they train, it has not been overly successful. Lowering the minimum wage for teenaged workers has been proposed for years, but it is not likely to work any better than the government training scheme. Many young black males are lured by the promise of big money in the drug trade, thought it is elusive for the vast majority. In addition, too many in this group place their hopes unrealistically in finding careers in professional athletics or entertainment.

Of course, the odds are overwhelmingly against the average black youth, whose most realistic way out of the ghetto is education. Curiously, statisticians in the Department of Labor have admitted that they cannot account for at least 10 percent of young black males, leading to the assumption that they are in the nether world of street life, homelessness, and/or drugs. And of course, this is the other
half of the black family breakdown problem, with respect to the relative dearth of households led by both a male and female. Perhaps a partial solution is the decriminalization of marijuana and "soft" drugs, which would lower prices and profits, but a better answer probably lies in the realm of social psychology.

There are other ancillary, partial "solutions" to the persistent problem of the black underclass. Enterprise zones in depressed urban areas, in which tax incentives are used to lure businesses to set up shop and hire local minority residents, have met with modest success in recent years. Illegal immigration should be brought under control, because the rapidly growing, largely Hispanic underclass competes directly with blacks for jobs and limited government assistance in the form of social programs and the like.

But in the final analysis, education is the key to economic progress among blacks of any class. Just as millions of European immigrants climbed out of poverty a century ago, and newly arrived Asians are doing today, education has always been the great equalizer in American society. Starting in grade school, black parents must inculcate in their children the desire and necessity of learning. In addition, role models like Michael Jackson and Michael Jordan should be de-emphasized in our black community, because too often they mislead young people into believing they can sidestep arduous
study by becoming a star or professional athlete. Government programs and policies have gone as far as politically and financially feasible in opening doors to equal opportunity; and now it is for individual black Americans to take advantage of them.
References


