

Throughout most of the 20th century, successive generations of black Americans came closer and closer to educational and economic parity with their white peers. However, for almost two decades there has been little evidence that black adults are gaining ground in the labor market or that black youth are gaining ground in the classroom. Further, with respect to some measures of socioeconomic success, black youth and young adults appear to be falling farther behind whites, and to date, scholars have not been able to determine exactly why the secular trend of black relative progress has stopped.

These developments raise important questions for economists and other social scientists, and in 2006, the Searle Freedom Trust provided support for The Chicago Workshop on Black-White Inequality to conduct a multi-year investigation of the causes and consequences of the halting of black relative progress in the United States. The Workshop meets on a semi-annual basis and involves presentations from leading scholars from around the country. It is built around a core working group of six scholars, four of whom are affiliated with the University of Chicago: James Heckman, Steven Levitt, and Derek Neal from the Department of Economics as well as Kerwin Charles from the Harris School of Public Policy. The group also includes Greg Duncan of the School of Education and Social Policy at Northwestern University and Roland Fryer of the Department of Economics at Harvard University.

Each workshop meeting includes four or five research presentations. The format includes not only presentations by authors but significant time for comments by assigned discussants as well as general question and answer periods that are refereed by session chairs. The presentations are not restricted to research on black-white inequality per se. Some presentations explore determinants of poverty and inequality more generally. Our assumption is that we will not understand black-white inequality without a more complete understanding of how families, schools, and other institutions influence the creation of human capital and how labor markets reward individuals in modern economies.

Each of our first two workshops involved more than 60 participants. If you are a researcher working in this area, and you would like to attend future meetings, please contact Stephanie Maras at smaras@uchicago.edu. Also, we encourage you to make us aware of graduate students who may be interested in attending.

Sincerely,



Derek Neal
Director

The Chicago Workshop on Black-White Inequality

Program: April 2006

The New Promised Land: Black-White Convergence in the American South, 1940-2000

Jacob Vigdor, Duke University
Discussant: Petra Todd, University of Pennsylvania

Measuring the Impact of Crack Cocaine

Steve Levitt, University of Chicago
Roland Fryer, Harvard University
Paul Heaton, University of Chicago
Kevin Murphy, University of Chicago
Discussant: Michael Greenstone, MIT

The Economic Aftermath of the 1960s Riots: Evidence from Property Values

Robert Margo, Boston University
William Collins, Vanderbilt University
Discussant: Steve Levitt, University of Chicago

The Effects of Cognitive and Noncognitive Abilities on Labor Market Outcomes and Social Behavior

James J. Heckman, University of Chicago
Jora Stixrud, University of Chicago
Sergio Urzua, University of Chicago
Discussant: Chris Taber, Northwestern University

The Impact of Family Income on Child Achievement

Gordon Dahl, University of Rochester
Lance Lochner, University of Western Ontario
Discussant: Jonah Gelbach, University of Maryland

We held the first two meetings of the Workshop in April and December of 2006. The following summary gives a brief description of lessons learned during the first two workshops.

The Role of Schools – The December meeting involved presentations from two groups of scholars working with administrative data from different states. Eric Hanushek and Steven Rivikin used administrative data to show that, in Texas Public schools, the standardized achievement gap between black and white students grows substantially during elementary school. In contrast, Charles Clotfelter presented results from North Carolina that suggested the achievement gap between black and white children is large but constant between 3rd and 8th grade. Our discussion of these papers did not generate an immediate reconciliation of the findings. However, in his prepared remarks, Sean Reardon demonstrated that conclusions concerning whether or not black children are falling farther behind white children as they progress through school can be greatly affected by the scale used to measure test scores, and this is true even when scores from each particular scale are transformed into standardized units such that the mean score is zero and the overall standard deviation is one in each year. These results highlight the need for better ways to describe the relative progress of black children. A necessary step in assessing the role of schools as contributors to the black-white skill gap is the task of determining whether or not black children fall farther behind white children as they progress through school or whether the skill gap is roughly constant after a certain age. Although the existing literature on this question is substantial, more work and possibly better methods are needed.

The Role of Income and Work – Two of our papers used quite different approaches and different data sets to reach a similar conclusion. Both the EITC and certain welfare to work programs offer single mothers the opportunity to increase their family incomes if they work more. Gordon Dahl and Lance Lochner found that increases in EITC generosity appear to generate more work, higher family incomes, and higher achievement among children. Greg Duncan presented work with several co-authors that found similar patterns in welfare to work experiments. At this point, it is not clear whether income per se, changes in family attitudes and aspirations associated with maternal work, or changes in child care arrangements associated with maternal work are responsible for the significant increases in academic achievement observed among the children of families affected by these programs, but the results suggest that when disadvantaged parents face stronger incentives to earn income their children often benefit. A paper presented by Heckman, Stixrud, and Urzua further highlighted the importance of skill formation during childhood by showing that both cognitive and non-cognitive skills developed during childhood are crucial for understanding adult outcomes. The results suggest that non-cognitive or socio-emotional skills affect labor market outcomes primarily through their influences on education and training decisions but affect other social outcomes more directly.

The Role of Education Policy – Test-based accountability systems and public school choice are the cornerstones of the No Child Left Behind Act (NCLB). Two workshop papers may offer some evidence concerning whether or not these policies are likely to be helpful for black students in disadvantaged communities. Justine Hastings, Thomas Kane, and Douglas Staiger used data from a public school choice experiment in North Carolina to examine the determinants of school choice decisions. They find that public school choice programs are often most valuable for families that are white and economically advantaged because the best public schools tend to be predominately white and geographically distant from disadvantaged neighborhoods. In addition, Derek Neal and Diane Whitmore Schanzenbach described some preliminary results concerning achievement gains associated with high stakes testing in Chicago. Earlier work has established that Chicago elementary schools did make real improvements during the 1990s in response to a high stakes testing program. However, among these schools, their relative performance on the tests used to generate accountability measures greatly overstates the future relative performance of their students in high school. Further, Neal and Schanzenbach report evidence that these testing systems cause schools to divert attention away from the most disadvantaged students. If some students have little chance of reaching proficiency standards before they matriculate past the last grade with high stakes testing, schools are likely to shift resources away from these students toward students that are more advantaged. Test score changes observed in Chicago after the introduction of NCLB are consistent with this hypothesis.

The Role of Location – Jacob Vigdor presented a striking paper that demonstrated how the South is the only region that has seen important economic progress for blacks relative to whites in recent decades. Southern blacks now appear to be better off than northern blacks both in absolute terms and relative to their white neighbors. This is a striking reversal of regional differences that persisted throughout most the 20th century, and it deserves more study. However, South versus North is not the only geographic dimension that appears to matter for Black outcomes. The Workshop is motivated in part by work in which Derek Neal shows that Black youth in cities, especially northern cities, have fared quite poorly in recent decades. Roland Fryer, Steven Levitt, and their co-authors presented evidence in our Workshop that inter-city variation in the intensity of the crack epidemic of the late 1980s explained much of the spatial differences in youth homicides among blacks, but crack and related gang activities do not appear to be nearly as important for understanding current social outcomes. Finally, Robert Margo and William Collins presented compelling yet surprising evidence that many black, urban neighborhoods are still suffering from the disruption and displacement caused by riots during the 1960s.

Program: December 2006

The Academic Achievement Gap in Grades 3 to 8
Charles Clotfelter, Duke University
Helen Ladd, Duke University
Jacob Vigdor, Duke University

School Quality and the Black-White Achievement Gap
Eric Hanushek, Stanford University
Steven Rivkin, Amherst College
Discussants: Roland Fryer, Harvard University
Jonathan Guryan, University of Chicago
Sean Reardon, Stanford University

Effects in a Public School Choice Lottery
Justine Hastings, Yale University
Thomas Kane, Harvard University
Douglas Staiger, Dartmouth College

Discussant: Patrick Bayer, Duke University

Variation in the Short and Long Term Impacts of High Stakes Testing
Derek Neal, University of Chicago
Diane Whitmore Schanzenbach, University of Chicago
Discussant: Brian Jacob, Harvard University

Does Money Really Matter? Estimating Impacts of Family Income on Young Children's Achievement with Data from Random-Assignment Experiments
Pamela Morris, MDRC
Greg Duncan, Northwestern University
Christopher Rodrigues, MDRC
Discussant: Lisa Barrow, Chicago Federal Reserve Bank

Workshop on Black-White Inequality

at the Institute for Research on Poverty Summer Workshop

June 21, 2007
University of Wisconsin, Madison

We are pleased to announce that the third meeting of the Chicago Workshop on Black-White Inequality will take place on June 21st in Madison, Wisconsin. We thank the Institute for Research on Poverty at the University of Madison-Wisconsin for allowing us to incorporate our workshop as part of their Summer Research Workshop.

We look forward to presentations by David Autor of the Massachusetts Institute of Technology, Doug Almond of Columbia University, and other ongoing participants in the Workshop on Black-White Inequality.

Further information will be available at:

http://economics.uchicago.edu/Inequality_Workshop



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