

Testimony prepared for the State of California's Task Force to Study and Develop Reparations Proposals for African-Americans

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Thank you for this opportunity to speak to you and contribute to the important work you are tasked with. I would like to begin with brief summary of my background to provide context for my testimony. My training, research and teaching are squarely within the realm of economics, having received my Ph.D. in economics from Northwestern University in 2008, teaching in the economics department at the University of California – Davis from 2008 to 2011, and then taking a tenure-track position in economics at William & Mary in 2011. I am now an associate professor there teaching in both the economics department and the public policy program. My research focuses largely on the relationships between education, health and race in the early-20th century.

I say all of this to emphasize that my comments will focus squarely on the scholarship of economists regarding the Great Migration. The details I offer are an incomplete story without the contributions of sociologists, historians, political scientists and the lived experiences of the individuals actually taking part in the Great Migration. The work I will highlight sheds light on very specific pieces of the African American experience, but the way those pieces fit into a whole is a complex story beyond the scope of this testimony.

The economics literature on the Great Migration has been steadily expanding, particularly in the past decade (Collins, 2021). This growth is due in part to newly available datasets but also a gradual although certainly incomplete shift in the profession toward studying a more diverse set of experiences in economic history. In the following remarks, I will outline the attempts of economists to understand the economic forces driving the decisions of African Americans to migrate, the outcomes of migrants in their new towns and cities, and the ways that those cities evolved as a consequence of the inflows of migrants.

While much of the decision to migrate out of the South was certainly related to the pervasive and institutionalized discrimination of the Jim Crow South, economic opportunity played a clear role in the timing and geography of the Great Migration. The early waves of migrants were attracted North in part by the increased demand for workers to meet the industrial production needs of World War I. Increasing employment opportunities in sectors such as manufacturing would continue to draw workers out of the South through the middle of the twentieth century.

The geographic distribution of these economic opportunities in conjunction with the layout of the existing transportation networks strongly influenced patterns of out migration. This is clearly seen in the case of California, where migrants were drawn heavily from the states along the Southern Pacific's "Sunset Route". In 1950, over 40 percent of California's African American population was born in Texas or Louisiana.¹ While transportation networks heavily influenced the initial connections between sending and receiving states, these connections were then reinforced by the social networks that provided information to family back home in the South and assistance navigating local labor and housing markets for subsequent waves of migrants (Boustan, 2016).

Ebbs and flows in the rate of migration through these networks was driven in part by fluctuations in economic conditions throughout the South. Downturns in the agricultural sector, most famously the devastation of the boll weevil, were particularly predictive of increased out migration (Boustan, 2010; Derenoncourt, 2019). In the middle of the Great Migration, over one third of African American males in the South was a farmer or farm laborer. Contrast this with the occupational distribution for African Americans in California at the same time, in which only five percent remained in farming with far more individuals working in skilled trades and the service sector.²

¹ Author's calculations based on the Integrated Public Use Microdata Series (IPUMS) 1% sample of the 1950 Federal Population Census (Ruggles et al., 2021).

² Author's calculations based on the IPUMS 1% sample of the 1950 Federal Population Census.

It was not simply job opportunities that led to brighter prospects outside of the South, educational opportunities were significantly better as well (Margo, 2007). Spending on public schools was higher outside of the South; in 1960 California's school expenditures per pupil were 27 percent higher than those in Texas, 14 percent higher than those in Louisiana and almost 90 percent higher than those in Arkansas.³ These are the three most common birth states for California's African American population at that time. The impact of these differences in overall spending were compounded by underinvestment in black schools in the segregated public school systems of the South (Baker, 2019; Margo, 2007). Clearly the Great Migration led to a substantial increase in educational opportunities, something visible in far higher high school graduation rates for African Americans in the receiving states relative to the South. Returning to the earlier comparison, 85 percent of African American males born in California in the 1940s graduated high school. That figure is 76 percent for Texas, 68 percent for Louisiana and only 67 percent for Arkansas.⁴

The move from the labor markets and schools of the South to those of the North and West did indeed improve economic outcomes. Average incomes for employed black males in California were nearly double those in the South in 1950 and would still be 55 percent higher by 1970.⁵ Despite these large gains from migration, the earnings gap between African American and white individuals remained large by the end of the Great Migration. There are a variety of reasons that this was the case. First, the same economic opportunity that drew African Americans the cities of the Northeast, Midwest and West drew white Southerners as well. These white migrants similarly saw their educational and economic outcomes improve (Collins and Wanamaker, 2014 and 2015). Second, upon migration, African Americans still faced substantial discrimination in labor markets. Early waves of migrants often found that high-paying jobs were unavailable to them and faced low-paying unskilled work and unemployment. As the decades progressed discrimination would

³ Author's calculations based on Table 186, "Current expenditures per pupil in average daily attendance in public elementary and secondary schools, by state." National Center for Education Statistics Digest of Education Statistics, 2009.

⁴ Author's calculations based on the IPUMS 5% sample of the 1980 Federal Population Census.

⁵ Author's calculations based on the IPUMS 1% sample of the 1950 Federal Population Census and the 1970 Metro Sample of the 1970 Federal Population Census.

continue to depress the wages of African Americans relative to whites. Recent research estimates that additional arrivals of African American workers in Northern cities had minimal impact on white wages but significant negative impacts on black wages (Boustan, 2009) . Finally, the responses of local residents and governments also served to constrain black economic opportunity.

With the arrival of African Americans, white residents responded by moving to the suburbs and, later, the exurbs of cities. Estimates suggest that in Northern cities, each black arrival led to 2.7 white departures from the city (Boustan, 2010). Through the 40s, 50s and 60s, cities became increasingly segregated with black populations concentrated in city centers surrounded by largely white suburbs (Cutler, Glaeser and Vigdor, 1999).⁶ By 1970, despite an overall population share of 11 percent for the African American population of Los Angeles, the typical black individual lived in a census tract that was 72 percent African American.⁷

This choice to move to the suburbs was not one equally available to black residents. Racially restrictive housing covenants, discriminatory zoning ordinances, lending policies including those of the Federal Housing Administration, and more informal forms of discrimination kept black families out of these neighborhoods and the amenities they provided, particularly well-funded schools (Fishback et al., 2021; Shertzer, Twinam and Walsh, 2021). As responses to the Great Migration led to segregation, black households were faced with declining house values, *de facto* segregated schools, and decreased access to jobs and public goods (Akbar, Shertzer and Walsh, 2019; Tabellini, 2020). These factors have all contributed to lower rates of upward economic mobility in recent decades for those cities with the largest inflows of black residents during the Great Migration (Derenoncourt, 2019).

⁶ While much of the literature focuses on this period of increasing segregation, recent work suggests that segregation was rising in the earlier decades of the Great Migration as well (Logan and Parman, 2017).

⁷ Author's calculations based on 1970 Federal Population Census figures as reported by Cutler, Glaeser and Vigdor (1999).

These long run economic consequences of the Great Migration bring me to where I see its relevance to discussions of reparations. The economic history of the Great Migration is one of an African American population going to great lengths to further their economic and social positions. It is an example of precisely the types of individual initiative, industriousness and perseverance that underpin notions of the American dream. However, it also reveals the formal and informal constraints that limited the economic opportunity available to African Americans despite that drive. In that respect, the Great Migration provides a cautionary note that regardless of a desire of the recipients to use reparations to make lasting improvements to their lives of those of future generations, any success in doing so will be constrained by the persistence of discrimination in schooling, housing markets, labor markets and beyond. The case of the Great Migration highlights that reparations should be considered in conjunction with a continued effort to eliminate discrimination in all of the various arenas that govern economic outcomes. Without doing this, they will likely disappoint their proponents and provide a strawman for their critics. Reparations cannot correct for centuries of economic disadvantage if the structures that perpetuated that disadvantage well after emancipation continue to exist.

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