Why Economists Model Race and Discrimination Incorrectly

William E. Spriggs
Department of Economics, Howard University
And
Chief Economist, AFL-CIO
Average hourly black-white wage gaps, by gender, 1979–2015 (adjusted and unadjusted)

Note: The adjusted wage gaps are for full-time workers and control for racial difference in education, potential experience, region of residence, and metro status.

Source: EPI analysis of Current Population Survey (CPS) Outgoing Rotation Group microdata

Economic Policy Institute
The frame of early economists on race: A Key source of our current problems

The economists who founded the American Economics Association in their own words
Edward Ross, Stanford University  founding member, American Economic Association and its Secretary in 1892

• (1901) The coiner of the phrase “race suicide”:
  • “The higher race quietly and unmurmurringly eliminates itself rather than endure individually the bitter competition it has failed to ward off by collective action.”

• (1907) “The theory that races are virtually equal in capacity leads to such monumental follies as lining the valleys of the South with the bones of half a million picked whites in order to improve conditions of four million unpicked blacks.”
Francis A. Walker, MIT, first president of the American Economic Association 1886-1892

• On “race suicide”

• 1896 “peasants..(from) southern Italy, Hungary, Austria, and Russia..(are) beaten men from beaten races; representing the worst failures in the struggle for existence. Centuries are against them, as centuries were on the side of those who formerly came to us.”

• 1899 “The native element failed to maintain its previous rate of increase, because the foreigners came in such swarms...The American shrank from the industrial competition thrust upon him...He was unwilling himself to engage with the lowest kind of day labor with these new elements of the population; he was even more unwilling to bring sons and daughters into the world to enter that competition.”
John R. Commons, Wisconsin

- 1907 “The competition has no respect for the superior races...the race with lowest necessities displaces others.”
- [African Americans] “[are]...indolent and fickle...The negro could not possibly have found a place in American industry had he come as a free man. [if] such races are to adopt that industrious life which is second nature to races of the temperate zones, it is only through some form of compulsion.”
1907 “If you simply want to have more people...depraved people quite as well as any other class (then) feeding school children [is] a good thing; but if you believe it is important...to have more of the right kind of people, then any measure of encouragement should be most carefully selective in character.”
Early principles texts

• Fisher, *Elementary Principles* (1907)
  “...if the vitality or vital capital is impaired by a breeding of the worst and a cessation of the breeding of the best, no greater calamity could be imagined.”

• Fetter, *Economic Principles* (1918)
  “Democracy and opportunity (are) increasing the mediocre and reducing the excellent strains of stock...Progress is threatened unless social institutions can be so adjusted as to reverse this process of multiplying the poorest, and of extinguishing the most capable families.”
Real outcomes of eugenics in the US

Homer Adolph Plessy
Plessy v. Ferguson 163 U.S. 537 (1896)

That petitioner was a citizen of the United States and a resident of the State of Louisiana, of mixed descent, in the proportion of seven eighths Caucasian and one eighth African blood; that the mixture of colored blood was not discernible in him, and that he was entitled to every recognition, right, privilege and immunity secured to the citizens of the United States of the white race by its Constitution and laws; that on June 7, 1892, he engaged and paid for a first class passage on the East Louisiana Railway from New Orleans to Covington, in the same State, and thereupon entered a passenger train, and took possession of a vacant seat in a coach where passengers of the white race were accommodated; that such railroad company was incorporated by the laws of Louisiana as a common carrier, and was not authorized to distinguish between citizens according to their race. But, notwithstanding this, petitioner was required by the conductor, under penalty of ejection from said train and imprisonment, to vacate said coach and occupy another seat in a coach assigned by said company for persons not of the white race, and for no other reason than that petitioner was of the colored race; that
“Jim Crow” and the Race Line

• Jim Crow laws required the definition of race:
  • "All marriages between a white person and a negro, or between a white person and a person of negro descent to the fourth generation inclusive, are hereby forever prohibited."—Florida, anti-miscegenation law.
  • “Marriages are void when one party is a white person and the other is possessed of one-eighth or more negro, Japanese, or Chinese blood.”—Nebraska, anti-miscegenation law.
  • “All marriages between a white person and a negro, or between a white person and a person of negro descent, to the third generation, inclusive, or between a white person and a member of the Malay race; or between the negro and a member of the Malay race; or between a person of Negro descent, to the third generation, inclusive, and a member of the Malay race are forever prohibited, and shall be void.”—Maryland, anti-miscegenation law.
“Jim Crow” and the Race Line

- Jim Crow laws had to punish opposition to the norm
  - “Any person...presenting for public acceptance or general information, arguments or suggestions in favor of social equality or of intermarriage between whites and negroes, shall be guilty of a misdemeanor and subject to a fine not exceeding five hundred dollars or imprisonment not exceeding six months or both fine and imprisonment in the discretion of the court.”
    —Mississippi, 1920
  - "That it shall be unlawful for any person, firm or corporation engaged in the business of cotton textile manufacturing in this State to allow or permit operatives, help and labor of different races to labor and work together within the same room, or to use the same doors of entrance and exit at the same time, or to use and occupy the same pay ticket windows or doors for paying off its operatives and laborers at the same time, or to use the same stairway and windows at the same time, or to use at any time the same lavatories, toilets, drinking water buckets, pails, cups, dippers or glasses."
    --South Carolina, 1922
  - “Any white woman who shall suffer or permit herself to be got with child by a negro or mulatto...shall be sentenced to the penitentiary for not less than eighteen months.”
    —Maryland, 1924
1955 Emmett Till
1957 Elizabeth Eckford, Little Rock Nine student
The stolen election of 1874 in Barbour County, Alabama through violence
Some of the newspaper accounts of the April 1902 Will Reynolds lynching in Tuscumbia
The Concentration of Black teachers in the South

In 1940

• 75.9% of Black teachers with a bachelor’s degree taught in the South
• 28.3% of all Blacks with a bachelor’s degree were teachers in the South
Some of the scholarship on the history of Race and Unions in American Railroads


Railroad earnings (highlighting firemen) by race for Men 18-60 in 1940

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<th>1 Locomotive firemen</th>
<th>ROW TOTAL</th>
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<td>1,039,121.0</td>
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</table>
Railroad workers as of 1940 Census

Educational Attainment All Railroad Workers 1940 (Men 18-66)

- 8th grade or less: 700,000
- 9th to 11th grade: 200,000
- High School: 100,000
- College or More: 10,000

White: Blue
Black: Red
Typical regression of log wage earnings on race, education and age for Men 18-60 in the Railroad Industry in the 1940 Census
Income of male railroad workers (18-60 years old), 1940 in states with segregated schools
“Mr. Scott says that this part of a plan to drive the negro from the railroads. The truth is our movement is only defensive...Mr. Scott’s action is forcing negro supremacy on the Georgia railroad...They already have in Augusta negroes who occupy the positions of yard foreman of engines...and the white engineer is subject to his orders and control.” — Eugene Ball, 2nd Vice-President, Brotherhood of Locomotive Firemen and Enginemen
Railroad Firemen 1940

Educational Attainment Railroad Firemen 1940 (Men, 18-66)

- 8th grade or less
- 9th to 11th Grade
- High School
- College or More

White
Black
Typical regression of log wage earnings on race, education and age for Men 18-60, Firemen in the Railroad Industry in the 1940 Census
Technology and Violence
RAINMEN SHOT FROM AMBUSH

Woman Beheaded by Street Car | Tulsa "Fire Zone" Held Illegal

CROWD SEES BODY DASH UNDER CAR

United from Memphis Under Wings of Horror; Street Car: Blessed Ball

Homicide in Mississippi; Fire on Railroad; Men from Beach Convicted; Government Asked to Check Terror

Debatable Issue Equality of Pies and Africans

Boston Mob Would Lynch R. L'Girdler

Cleveland's Mayor Orders Ku Klux Out

LONDONERS ARoused by MOB TALKS

Soldier Meets Legis. Law on Truck on House

FOREIGNERS Picked at Mean Kg. of Dommance on A Apples in America

Convention of Baptists Under Way
Railroad Firemen by Race and Age 1940

Ages of Railroad Firemen 1940 (Men, 18-66)

- White
- Black
148 F.2d 403 (1945)

TUNSTALL
v.
BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN et al.

No. 5125.

Circuit Court of Appeals, Fourth Circuit.

April 9, 1945.

Charles H. Houston, of Washington, D. C. (Joseph C. Waddy, of Washington, D. C., on the brief), for appellant.

William G. Maupin and James G. Martin, both of Norfolk, Va. (Harold C. Heiss and Russell B. Day, both of Cleveland, Ohio, on the brief), for appellees.

*404 Before PARKER, SOPER, and DOBIE, Circuit Judges.

PARKER, Circuit Judge.

This is a suit by a Negro fireman employed by the Norfolk Southern Railway Company, who brings the suit in behalf of himself and other Negro firemen employed by that company. The defendants are the railway company, the Brotherhood of Locomotive Firemen and Enginemen, certain subordinate lodges of that brotherhood and one of the officers of a local lodge. The gravamen of the complaint is that the brotherhood has been selected as bargaining agent of the firemen of the defendant railway company; that it excludes Negro firemen from membership; that it has negotiated a trade agreement with the company discriminating against Negro firemen; and that as a result of this agreement plaintiff has suffered discrimination with respect to seniority rights and has been damaged thereby. The relief asked is a declaratory judgment to the effect that the brotherhood as bargaining representative is bound to represent fairly and without discrimination all members of the craft, an injunction restraining the defendants from giving effect to the trade agreement in so far as it discriminates against Negro firemen and restraining the brotherhood from acting as bargaining representative of Negro firemen so long as it refuses to represent them fairly and impartially, an award against the brotherhood for damages sustained by plaintiff, and an order that plaintiff be restored to the position to which he would be entitled by seniority in absence of the contract.
Education and Race of Railroad Porters

![Bar chart showing educational attainment of Railroad Porters 1940 (Men 18-66) with categories: 8th grade or less, 9th to 11th Grade, High School, College or More. The chart compares White and Black individuals.]
Is technology a force to enhance meritocracy? Was it ever?: 325th Field Signal Battalion
325th Field Signal Battalion

- Organized at Camp Sherman, Chillicothe, Ohio
- June 10, 1918 embark for Europe from Hoboken, New Jersey
- 440 men
- Company A—radio company
- Company B—wire company
- Company C—outpost company
Company B 325th Field Signal Battalion
Dispatches were sent from Europe on the heroism of the Black troops.
William Gordon Herbert enlisted Jan. 19, 1918 in Washington, DC
William G Herbert
Howard University Yearbook 1917
Lt. William Gordon Herbert, New York State record of WWI military service
February 7, 2019 the 325\textsuperscript{th} leave on the USS ULUA for home
Herbert continued to serve in the National Guard into 1924 (with the 369th Infantry)

But note his schooling and occupation
Obituary for Dr. William G. Herbert 1956

Dr. William G. Herbert, 59, of 107-50 Merrick Boulevard, Jamaica, Queens, a dentist, died on Tuesday. He served as a captain in the Army Signal Corps during World War I, and at one time was personnel supervisor at the Brooklyn Navy Yard, where he also had taught classes in the science of electricity.

Dr. Herbert, a native of Trinidad, B.W.I., received his dental degree and also an LL.B. at Howard University. He is survived by two sons, William G. Jr., and Solomon J. Herbert; also a daughter, Margaret.
A novel based on his father, written by his son, William G. Herbert
Another dispatch of the heroism of the 325th under fire

In writing the “Fins” to this brief mention of this important army unit made up of young colored men it is fitting that I tell of the particular work done by the boys of the 1st. Platoon on the first day of the Battle. Shortly after the barrage was lifted, the big guns of the enemy began shelling Pointe-a-Poulpe. The first shell, as I vividly recall, hit on the edge of the city, and then gradually they began peppering the Signal Battalion’s station. Sergeant, Rufus L. Atwood, of the 1st. Platoon, was seated in the cellar near the switchboard; Private Negro White was operating the switchboard, and Private Clark the buzzerphone. Several officers and men were standing in the “ dugout” cellar. Suddenly a German shell struck the top, passed through the ceiling and wall, and exploded, making havoc of the cellar. Lieut. Walker, Colored, who arrived just at this time, displayed admirable courage. He took immediate charge, and directed things. Sergeant Atwood tried to cut the switchboard, and found all lines broken. He found, on trying it, the buzzerphone cut. Private White then received orders to stay on the switchboard, and Corporal Melvin Johnson on the buzzerphone. The 12 drop moccad board was milled up by fire, and then began the connecting up of the lines from the outside to the announc board. All this time the shelling, around this point, by the German was fierce and deadly—shells hitting all around the boys; struck a nearby ammunition dump causing the explosion of thousands of rounds of ammunition, which caused a terrific shock and all lights to be extinguished. But still these men worked on, and would not leave this dangerous post, a veritable target for the enemy’s big guns, until the Lieutenant of the Military Police arrived and ordered them out. That these boys of the 325th Signal Battalion have not learned respecting radio, telephonic and telegraphic work is of little advantage to any one, that they have learned about it will be of great advantage to them when they return in making a living. The 325th Field Signal Battalion, whose rank and file is made up of young colored men, has been a marvelous success.
Lt. Richard Walker’s draft card showing him as a student at Fisk University
Richard Walker’s father was a Railroad Postal Clerk, a high paying civil service position.
Retired Negro Mail Clerk Dies

Funeral services for Robert A. Walker, 81, retired Negro railway mail clerk, who died yesterday at Hubbard Hospital, will be held Friday afternoon at 2 o'clock at his residence, 2005 Jo Johnston Avenue. The Rev. Richard Ewing, of the Howard Congregational Church, will officiate, and burial will be in Mt. Ararat Cemetery.

A native of Nashville, he was one of four men who took the first federal civil service examination ever held in Nashville, and served with the Railway Mail Service for 43 years before his retirement. His run was between Nashville and Montgomery, Ala.

In addition to his widow, Mrs. Gertrude Dungey Walker, he is survived by the following children: Mrs. Louis L. Watson, Washington, D. C., Robert W. Walker, teacher, Cincinnati; Richard H. Walker, with the U. S. Department of Labor, John C. Walker, attorney, Louisville, Ky., William H. Walker, public accountant, Philadelphia, Joseph A. Walker, Detroit; Robert A. Walker, II, accountant and tax consultant, Nashville; and Mrs. Robert H. Montgomery, foreign language teacher, Detroit; a brother, Rufus A. Walker, Nashville; and six grandchildren.

He was a member of the First Baptist Church, a Mason, and a member of the Railway Mail Association.
Speech by Nelson Walker to citizens of Shelbyville, TN on September 25, 1865

He was pleased to speak before such a large crowd on the issue of whether or not the colored man was able to take care of himself. He felt assured that this a question easy to be decided, and needed but very little argument to establish this fact far beyond successful contradiction. He had educated his sons and sighters to better enable them to domineer. He was not willing altogether to forget the past, but was willing and ready to forgive the wrongs that had been inflicted upon us. He would not be contented until he and his race should gain two privileges, and they were the ballot and the jury box.
Richard Walker’s father-in-law, Dr. George W. Buckner, US Ambassador to Liberia, 1913-1915
November 1940 Walker named to U.S. Employment Service for Negro Placement Service
In 1945 Walker is listed as “Minority Placement Specialist” for Region I of the War Manpower Commission.
The obituary for Richard H. Walker does not mention his World War I record.
Bronze Star recipient Sgt. Rufus Ballard Atwood
Kentucky State University’s 6th President, (1929-1962) Rufus B. Atwood
Pvt. Adolphus Burrell Johnson, ended up as a presser in a tailor show in Washington, DC
Pvt. Edgar White, ended up a chauffer in Chicago, IL
Share of Black Telephone and Telegraph Linemen who Migrated to Region in 1920 Workforce
<table>
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<th>race</th>
<th>Less than 8th Grade</th>
<th>Some High School</th>
<th>High School</th>
<th>Some College</th>
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<td>753: Charwomen and cleaners</td>
<td>6.9</td>
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<td>754: Cooks, except private household</td>
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Is technology a force to enhance meritocracy? Was it ever? Two high school classmates, Des Moines East High School 1939
Is technology a force to enhance meritocracy? Was it ever?: Tuskegee 1945
Is technology a force to enhance meritocracy? Was it ever?: Kentucky 1945
1953 Perry Young signs as the first African American pilot for an American commercial flyer (only Tuskegee Airman hired as a pilot)
Technology and the meritocracy myth to explain the rising inequality

• What search engines cannot find
• Exploring the lack of Black IT workers in the leading Silicon Valley Firms
The GAO identifies these as the top 10 Tech Sector Employment Centers in the U.S.
Why does Silicon Valley have such a low Black share of computer workers?

![Bar chart showing the percentage of Black workers in different regions.](chart.png)
Black IT workers are a significant group in the Black middle class

HIDDEN FIGURES

Based on the untold true story.
In 1989 Five of the 20 largest Black owned businesses were computer or systems integrators.
Most importantly, Blacks are more likely to major in Computer Science than whites (2004-2014)