

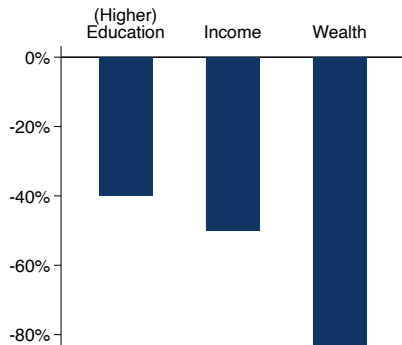
Jim Crow and Black Economic Progress After Slavery

Lukas Althoff (Stanford) Hugo Reichardt (LSE)

June 7, 2023

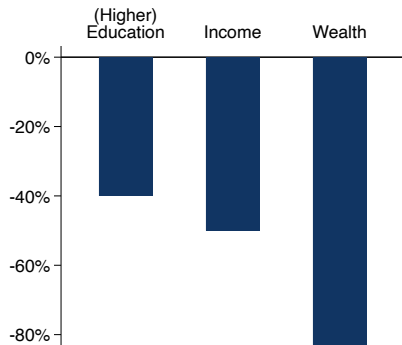
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- Large Black-white gaps today
- Slow narrowing over past 150 years
- Potential explanation: US's history of institutionalized racial oppression
 - Slavery (until 1865)
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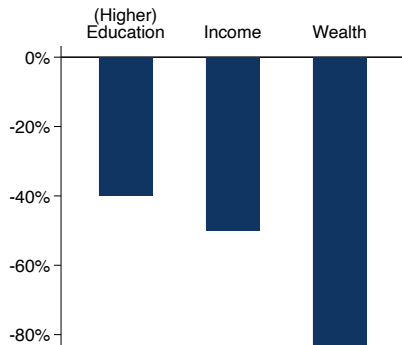
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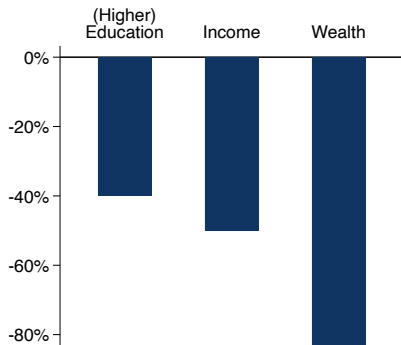
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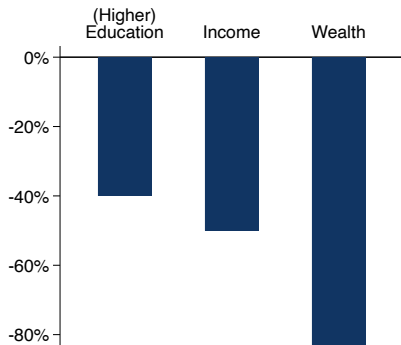
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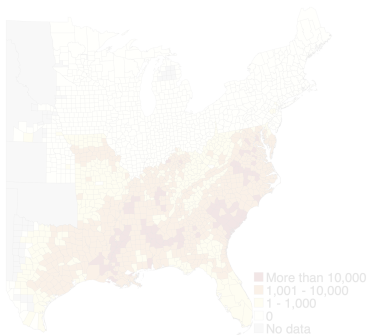
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Black families' differential exposure to institutionalized oppression

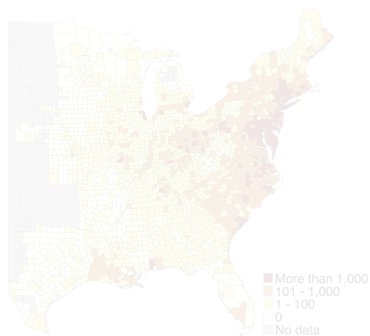
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- 1 Enslaved until 1865
- 2 Concentrated in Lower South



Less exposure: "Free"

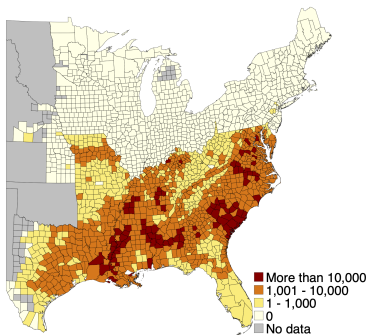
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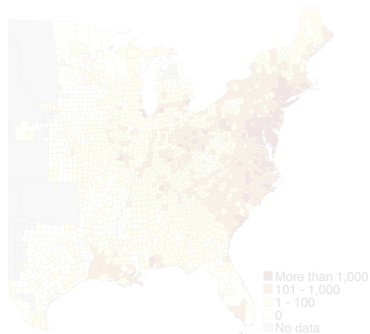
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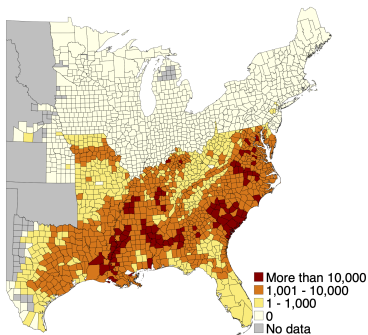
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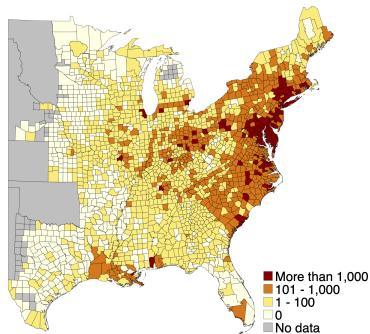
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- ② Document **Free-Enslaved gap** in education, income, wealth
- ③ Assess **Jim Crow's importance** in perpetuating Free-Enslaved gap
 - i) Identify long-run effect of being freed in a given state
 - ii) Isolate Jim Crow's role in shaping state effects in RDD
 - iii) Mechanism: Quasi-experimental variation in school access

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① Data

② Empirical analysis

Q1: Long-run effects of institutionalized oppression

Q2: Relative importance of slavery and Jim Crow

③ Mechanisms

④ Conclusion

New method to track family's exposure to slavery & Jim Crow

- Identify Black families freed before the Civil War (1861–1865)
 - Automated record linking for men (Abramitzky et al. 2019)
 - Census information on family relationships within household
 - Censuses of 1850 and 1860 only recorded free Black Americans

→ Variation in exposure to slavery
- Record linking also allows to observe where a family was freed

→ Variation in exposure to states' Jim Crow institutions

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Measures of states' Jim Crow intensity

① Number of Jim Crow laws (*de jure*)

- [New database](#) on 800 Jim Crow laws*

② Composite index for states' racial oppression (*de facto*)

- “Historical Racial Regime (HRR) score” (Baker 2022)
- Principal component of 4 proxies for institutionalized oppression (1860–1960)

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► Compare measures

*Sources: Murray 1951; Roback 1951 (employment); Walton, Puckett, Deskins 2012 (suffrage)

Outline

1 Data

2 Empirical analysis

Q1: Long-run effects of institutionalized oppression

Q2: Relative importance of slavery and Jim Crow

3 Mechanisms

4 Conclusion

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2 Empirical analysis

Q1: Long-run effects of institutionalized oppression

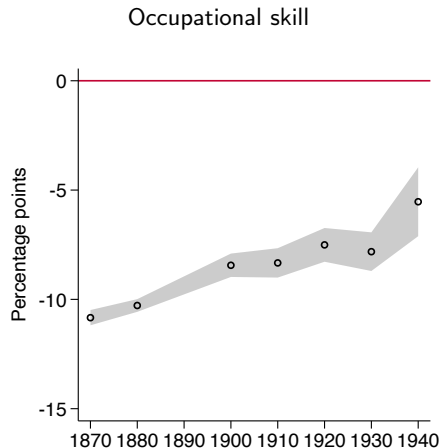
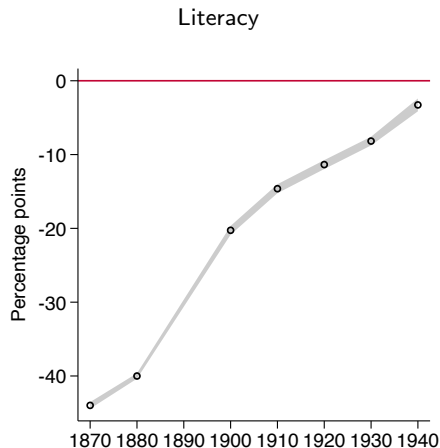
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Q: Is the socioeconomic status of Black families today associated with their historical exposure to institutionalized oppression?

Results: The Free-Enslaved gap (1870–1940)



► Additional outcomes

► Placebo for white Americans

Results: The Free-Enslaved gap in neighborhood outcomes (2000)

	HS Degree (%) Mean: 68.85	College Degree (%) Mean: 12.31	Income (\$) Mean: 29,875.58	House Value (\$) Mean: 87,921.78
Ancestor Enslaved	-3.54*** (0.38)	-2.43*** (0.32)	-4,917.67*** (437.35)	-15,865.97*** (1,822.52)
As % of B-W gap	25	20	57	67
Observations	26,765	26,765	26,803	25,787

Results: The Free-Enslaved gap based on surnames (2023)

	Total income (\$) Mean: 92,068.48	Disp. income (\$) Mean: 52,773.74	Credit Score (300-850) Mean: 630.41	Hourly Job Mean: 0.72
Ancestor Enslaved	-12,487.72*** (1,147.08)	-11,623.44*** (920.12)	-33.15*** (2.07)	0.05*** (0.01)
As % of B-W gap	23	26	40	69
Observations	547,189	547,189	547,189	459,889

Takeaway

Families who were more exposed to institutionalized oppression historically continue to have lower socioeconomic status today.

Free-Enslaved gap \approx 20-70% of Black-white gap

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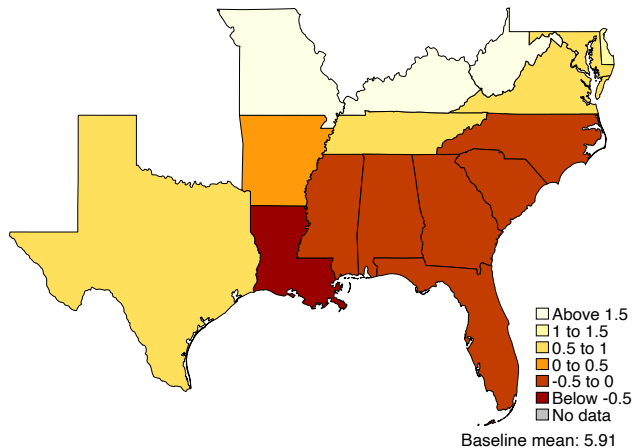
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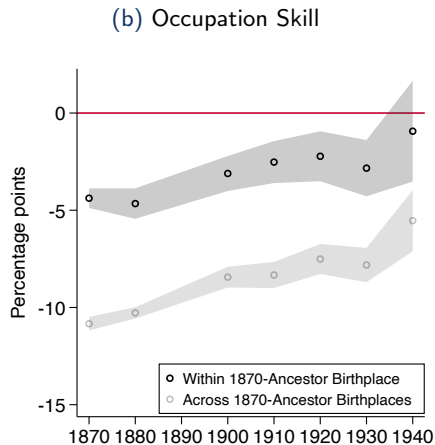
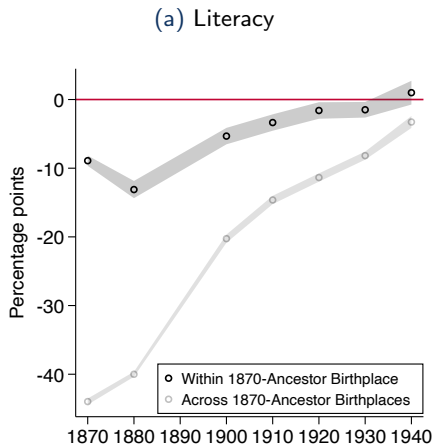
Q: What factors explain the large Free-Enslaved gap?

Result: Geography of Black economic progress

Causal pre-1865 state effect on years of education in 1940



Result: Free-Enslaved gap fully driven by Enslaved's geographic distribution

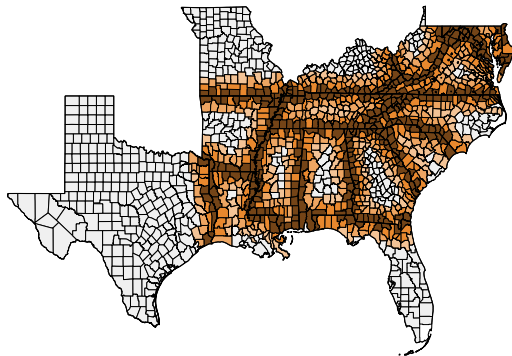


Takeaway

State-specific factors played a critical role in perpetuating the Free-Enslaved gap in the long run

Strategy: RDD to isolate role of state institutions

County's distance to the closest border

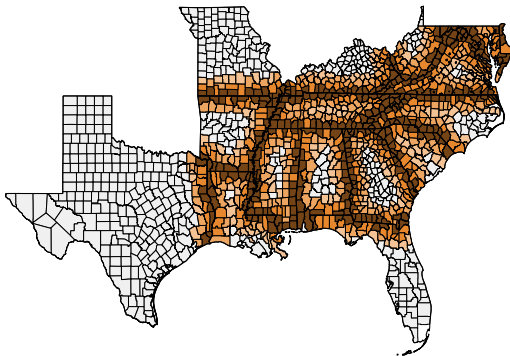


Measures of Jim Crow intensity

- ① Jim Crow laws
- ② HRR index

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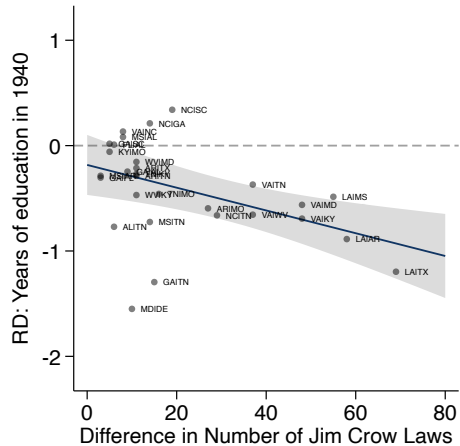
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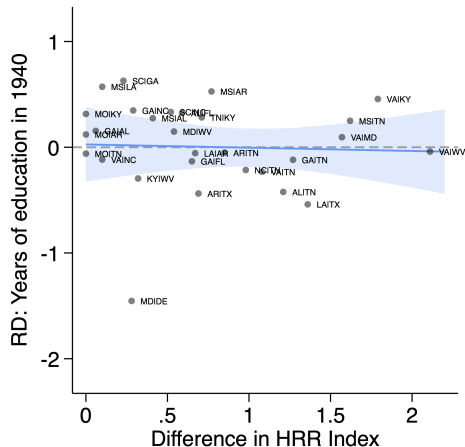
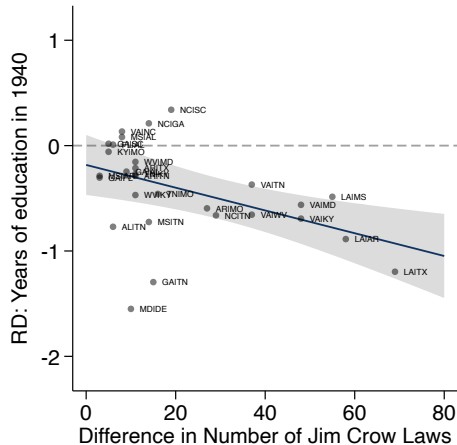
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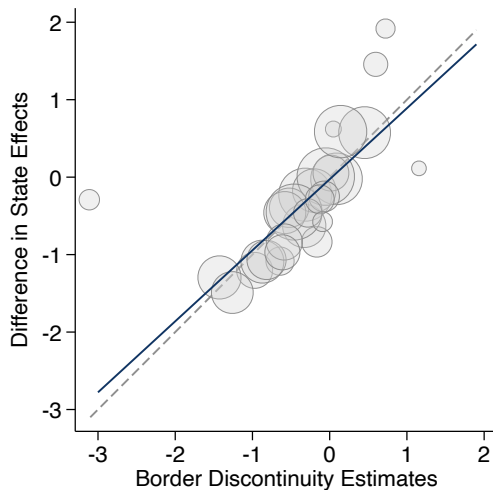
Result: RD estimates by border differences in Jim Crow intensity



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Result: Geography of Black economic progress = Geography of Jim Crow



Takeaway

Jim Crow single-handedly perpetuated Free-Enslaved gap

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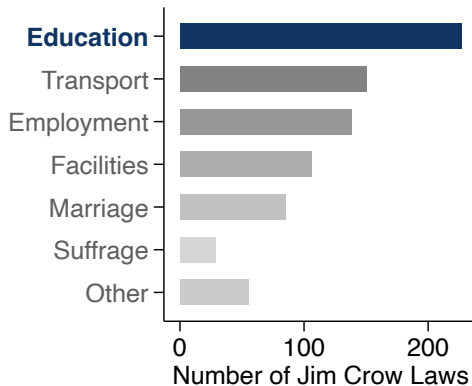
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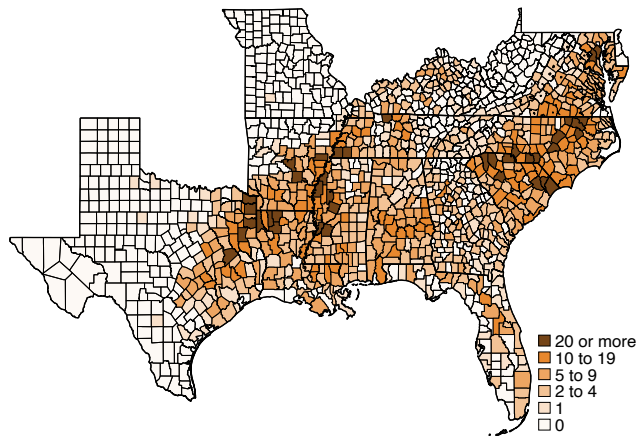
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Education was a key target of Jim Crow



Strategy: Quasi-experimental school access – Rosenwald program (1914–31)

Number of Rosenwald schools in 1931 (Aaronson & Mazumder 2011)



Result: School access mediated gap in education caused by Jim Crow

Effects of the Rosenwald schools

	Years of Education in 1940 Sample mean: 5.26						
	Baseline	Placebo		Heterogeneity			
		Movers	Stayers	Few Laws	Many Laws	Low HRR	High HRR
Rosenwald exposure	0.30*** (0.11)	0.16 (0.13)	0.61*** (0.19)	0.24 (0.27)	0.53*** (0.20)	0.20 (0.15)	0.85*** (0.23)
Observations	107,141	74,287	32,799	43,061	32,639	37,516	34,475

→ Rosenwald program closed 80% of gap caused by high Jim Crow exposure*

* Difference in years of education in High/Low HRR states is 0.80. Difference in Rosenwald effect is 0.65.

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Result: School access had large intergenerational effects

Intergenerational effects of the Rosenwald schools

	Children's Neighborhood Level Outcomes in 2000			
	HS Degree (%)	College Degree (%)	Income (USD)	House Value (USD)
	Mean: 69.33	Mean: 12.15	Mean: 28,831.25	Mean: 95,986.10
Father's Rosenwald exposure	2.78 (3.06)	4.95** (2.10)	2,277.22** (1,120.35)	35,471.16** (16,917.63)
Observations	6,420	6,420	6,434	6,434

Takeaway

Limiting access to education was a key mechanism through which Jim Crow harmed Black economic progress.

Rosenwald schools

- ↓ 80% of education gap caused by Jim Crow in 1940
- ↑ 40% in 2nd generation's college completion in 2000

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- ① Today, descendants of Enslaved have vastly lower socioeconomic outcomes
→ Racial-disparities have deep roots to historical institutions of oppression
- ② Jim Crow single-handedly perpetuated the Free-Enslaved gap
→ Institutions evolved to perpetuate group differences created 150 years ago
- ③ School provision increased human capital and mediated Jim Crow's long-run effects
→ Targeted efforts can be effective in mediating harm of oppressive institutions

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