

## **The Erosion of Affirmative Action and its Consequences for the Black-White Educational Attainment Gap**

*Ronald Caldwell Jr.\**

### I. INTRODUCTION

The disparity in economic outcomes between whites and blacks in the United States has long been an important social and political issue. While there are many factors contributing to this economic gulf, a crucial element is undoubtedly the large and pervasive gap that exists in the level of educational attainment between whites and blacks. It is well-known that higher levels of educational attainment are correlated with greater earnings, lower unemployment, and greater levels of labor force attachment. Therefore, addressing the issue of inequality in educational attainment, particularly that of higher education, may provide substantial long-term benefits toward ultimately creating economic and social equality.

Over the past several decades many colleges and universities have employed affirmative action in their admissions programs in order to foster more campus diversity and to provide greater educational opportunities for underrepresented minorities. The mid-1990s, however, saw the beginnings of a significant affirmative action backlash that has culminated in the removal of affirmative action in several states. The use of affirmative action in university admissions has now endured more than a decade of legal, political, and social challenges and will likely remain a topic of significant debate in the near future. The outcome of this debate will likely have important implications for the future educational opportunities of underrepresented minorities, and may ultimately play a significant long-term role in the possible bridging of the black-white gap in economic outcomes.

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\* Assistant Professor, Department of Economics, University of Kansas; Ph.D., Economics, University of Washington.

## II. RACIAL DISPARITIES IN EDUCATIONAL ATTAINMENT

Figure 1 provides an illustration of the educational attainment gap for the 2005 U.S. population age twenty-five and older. The Figure shows the percentage of each of four racial/ethnic groups (non-Hispanic whites, non-Hispanic blacks, Asians, and Hispanics) that have achieved various levels of educational attainment ranging from less than a high school education to successful completion of a doctoral degree or advanced professional degree. Several things are apparent based on this data. First, the percentage of Hispanic adults who have less than a high school education is greater than forty percent. Much of this may be due to recent waves of immigration from countries where completion of twelve years of education is not the norm. Also, children of recent immigrants born in the United States are still progressing through school and may significantly transform these numbers over time as they age.

Second, the overall educational level of adult Asian-Americans within the population is extraordinarily high. Approximately fifty percent of the Asian population in the United States has a bachelor's degree or higher, and Asians in the United States have higher rates of bachelor's completion, master's completion, doctoral completion, and completion of advanced professional degrees than do any other racial or ethnic group.

Finally, and most relevant to the current discussion, is that the educational attainment of blacks lags significantly behind that of white or Asian America—the impact of which may serve to exacerbate a cycle of lower lifetime earnings and in turn fewer educational opportunities for future generations.

A more dynamic illustration of the black-white educational attainment gap is shown in Figure 2, which plots the percentage of twenty-five to twenty-nine-year-olds that had completed at least four years of college for both blacks and whites since 1964. There is a readily apparent upward trend over time in the percentage of blacks who had completed four years of college by the age of twenty-nine. Whites, however, also show substantial increases in the proportion earning a four-year degree over the past forty years, suggesting that black increases may be part of an overall trend.

Figure 3 shows the black-white gap in percent completion of four years of college by age twenty-nine over time. While the number of blacks earning four-year degrees has increased in absolute terms over the past forty years, there apparently have been little real gains in bridging the educational attainment gap despite the presence of affirmative action.

### III. THE IMPACT OF EDUCATIONAL ATTAINMENT ON EARNINGS, UNEMPLOYMENT, AND LABOR FORCE PARTICIPATION FOR BLACKS

It is very difficult to determine the causal relationship between years of schooling and its impact on earnings, labor force participation, and unemployment. Quantitative analysis in this area is plagued by unobservable characteristics, incomplete environmental context, and selection bias. Certain aspects can be controlled for by using sophisticated statistical techniques, but this really serves more to limit the plausible alternative explanations than it does to elicit definitive causal relationships. This being said, however, there does exist a very strong correlation between years of schooling and higher earnings, higher labor force participation, and lower levels of unemployment. Given the large gap that exists in educational attainment for blacks relative to whites, there are undoubtedly substantial gains that can be had by encouraging greater minority involvement in higher education.

In 2005 the median level of earnings for black workers age twenty-five and above was \$27,101 while the median level of earnings for white workers was \$33,029, approximately 21.9% higher than for blacks. These values, however, do not control for differences in the level of educational attainment between these two groups.<sup>1</sup> Median earnings for black and white workers age twenty-five and above per level of educational attainment for the year 2005 are shown in Figure 4. In all cases, median white earnings are significantly greater than for blacks.<sup>2</sup> However, the within-educational-group differences are more modest, with the exception of professional and doctoral degree earners, than found when comparing black and white earnings pooled across all education levels. When comparing workers with a bachelor's degree, for instance, the median earnings were \$41,571 for blacks in 2005 and were \$43,833 for whites, a difference of approximately 5.4%. Additionally, despite the lower levels of median compensation at all education levels relative to whites, blacks do receive a more substantial increase in earnings for higher levels of educational attainment. For instance, the median level of earnings for blacks with only a high school education in 2005 was approximately \$22,379, resulting in an increase of more than \$19,000 per year for having a bachelor's degree. For whites, the

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1. Mean earnings show a greater level of disparity with mean earnings for blacks in 2005 at \$33,338 and \$44,604 for whites, a difference of approximately 34.8%. Source: U.S. Census Bureau.

2. A portion of the differences in median earnings may be due to labor market discrimination, however, occupational selection, regional differences in wages and employment levels, quality of schooling, and skill levels are also relevant factors.

economic benefit of having a bachelor's degree relative to having a high school degree only was approximately \$16,500 per year. While it would be a fallacy to assume that increasing education levels for all blacks would result in such substantial increases in earnings, it is certainly plausible that encouraging greater enrollment among minorities in colleges and universities may bridge much of the current black-white earnings gap.

A similar story could be told for unemployment rates. Figure 5 shows the annual unemployment rate for blacks and whites age twenty-five and older for the past seventeen years. While unemployment rates do tend to be greater for blacks than for whites, it should be remembered that blacks are disproportionately more likely to have only a high school education or less, and this has a significant impact on unemployment, as Figure 6 illustrates. Figure 7 shows a 2007 static view of the unemployment rates by race and educational attainment. Unemployment among blacks is significantly higher than for other groups at lower levels of educational attainment, but drops substantially with more years of schooling, and reaches parity with Asian-Americans for those with a bachelor's degree or higher.

Trends over the past several years suggest an even more optimistic upside to the potential impact of increasing educational attainment among blacks with regard to labor-force participation rates. Figure 8 shows the annual labor-force participation rates over the past seventeen years broken down by education level. Labor-force participation rates within education groups are fairly stable over time, but there are substantial differences between groups. Individuals with at least a bachelor's degree have labor force participation rates of approximately eighty percent, while those with only a high school degree have labor force participation rates of approximately sixty-five percent, and those with less than a high school degree have rates of less than fifty percent.<sup>3</sup> In aggregate, blacks tend to have lower levels of labor-force attachment than do whites, but this does not control for the disproportionately lower levels of educational attainment among blacks. Figure 9 shows the average annual labor force participation rate for the past seventeen years for both blacks and whites broken down by education level. Among those with higher levels of education, blacks tend to have, on average, greater levels of labor-force participation than do whites.

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3. There are many reasons why individuals may leave the labor force, however much of the low labor force participation among lower-educated individuals can be attributed to an inability to find work which leads to discouraged candidates dropping out of the labor force.

These data suggest that greater levels of educational attainment can have a major economic impact regardless of race/ethnicity. Blacks, however, appear to be the group that receives the greatest additional benefit from more years of education. Annual earnings for highly educated blacks remain lower than for whites of similar educational background, but the increase in earnings from having a bachelor's degree relative to a high school degree are greater for blacks than for whites. Additionally, the apparent beneficial impact of higher education on unemployment rates and labor force participation rates seems to disproportionately favor blacks relative to other races. Policies, therefore, that either promote or hinder the representation of blacks in institutions of higher education should be carefully analyzed given the apparent overall economic importance of this issue.

#### IV. THE EROSION OF AFFIRMATIVE ACTION IN UNIVERSITY ADMISSIONS

The legal basis for the use of race-based admissions criteria by colleges and universities prior to 1996 was derived, in part, from the 1978 U.S. Supreme Court decision *Regents of the University of California v. Bakke*.<sup>4</sup> The decision established the constitutionality of using race as a factor in college admissions, stating that colleges and universities may use admissions programs that take into account race in order to help foster diversity, provided that quotas were not explicitly used. This ruling set the stage for the inclusion of race in the decision-making process for many academic admissions programs for the following twenty years.

The 1990s, however, saw the beginnings of significant erosion in the ability of universities to use race explicitly in their admissions decisions. This erosion, primarily beginning with California's Proposition 209<sup>5</sup> and the *Hopwood v. Texas*<sup>6</sup> decision in 1996, has continued to the present day and opposition to the use of affirmative action remains strong in many areas of the country. Claims of unfair advantage, preferential treatment, and reverse discrimination have become mainstays in the ongoing debate and illustrate just how divided the country remains over the issue of educational inequality.

On March 18, 1996, the U.S. Court of Appeals for the Fifth Circuit, covering Louisiana, Mississippi, and Texas, ruled on a challenge to the

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4. 438 U.S. 265 (1978).

5. CAL. CONST. art. I, § 31.

6. 78 F.3d 932 (5th Cir. 1996), *abrogated by* Grutter v. Bollinger, 539 U.S. 306 (2003), *as recognized in* Bourdais v. New Orleans, 485 F.3d 294, 300 n.7 (5th Cir. 2007).

University of Texas School of Law's admissions policies that included targeted percentages of Hispanic and black students.<sup>7</sup> The court held that the affirmative action programs used at the University of Texas were unconstitutional and that educational diversity should not be recognized as a compelling state interest.<sup>8</sup> The U.S. Supreme Court refused to hear the case on appeal,<sup>9</sup> effectively overturning the *Bakke* precedent within the Fifth Circuit, apparently making the use of race in admissions policies illegal in Texas, Louisiana, and Mississippi. In 1997, the Texas Attorney General announced that all universities in Texas should adopt race-neutral admissions criteria, which was followed by a state law setting uniform admissions policies for all universities within Texas. This law—which took effect in 1998—forbade the explicit use of race in admissions policies, but did include automatic admission into Texas public universities for all high school seniors graduating in the top ten percent of their class.

In November of 1996, voters in California passed Proposition 209, which banned all California affirmative action programs in public college admissions, government hiring, and government contracting, with 54% of the overall vote. According to exit polling data, voting for Proposition 209 largely followed racial lines. Approximately 59.3% of white voters, 37.4% of Hispanic voters, and 18.2% of black voters voted in support of the ban.<sup>10</sup> The proposition took effect on November 3, 1997, after being delayed in the courts for almost a year.<sup>11</sup>

There have been other state-level prohibitions or challenges on the use of affirmative action policies for university admissions over the past decade. Washington state passed Initiative 200, which eliminated affirmative action, in November of 1998.<sup>12</sup> Florida passed laws that banned race and gender preferences in admissions to certain schools in 2001.<sup>13</sup> The state of Michigan has had a pair of cases, *Gratz v. Bollinger*<sup>14</sup> and *Grutter v. Bollinger*,<sup>15</sup> brought before the U.S. Supreme Court regarding the use of race in admissions policies. In the latter case,

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7. *Id.* at 934.

8. *Id.* at 934–35.

9. *Texas v. Hopwood*, 518 U.S. 1033 (1996) (mem.).

10. R. Michael Alvarez & Lisa García Bedolla, *The Revolution Against Affirmative Action in California: Racism, Economics, and Proposition 209*, 4 ST. POL. & POL'Y Q 1, 14 (data taken from Voter News Service exit polling data).

11. CAL. CONST. art. I, § 31.

12. *See* WASH. REV. CODE ANN. § 49.60.400(1) (West 2008).

13. *See* FLA. STAT. ANN. §§ 1004.39 and 1004.40 (West 2008).

14. 539 U.S. 244 (2003).

15. 539 U.S. 306 (2003).

the Court upheld the University of Michigan Law School's admissions policy and effectively overturned the *Hopwood v. Texas* decision.<sup>16</sup>

#### V. THE IMPACT OF PROPOSITION 209 AND HOPWOOD ON APPLICATION AND ADMISSION RATES FOR BLACKS

Application and admissions data for the University of California system of schools suggests that the UC system as a whole was greatly affected by the passage of Proposition 209, with the greatest impact occurring at the flagship schools: UC Berkeley and UCLA. The flagship Texas university, the University of Texas at Austin, showed a less substantial impact by *Hopwood*, mitigated perhaps by the inclusion of the top-ten-percent plan that closely followed the decision.

The University of California system is comprised of nine campuses located in Berkeley, Davis, Irvine, Los Angeles, Merced, Riverside, San Diego, Santa Barbara, and Santa Cruz. In the fall of 2007, the University-wide number of first-time applications received from California residents totaled 83,969, with 69,611 of the applicants being admitted, for an admit rate of 82.9%. The most selective campuses in the system are Berkeley and UCLA, both with 2007 admit rates of 23.9%. Among the 83,969 total applicants in 2007, nearly 60% were minorities (American Indian, black, Hispanic, or Asian), so the system does provide an interesting test case for the impact of removing affirmative action. Descriptive statistics for application, admittance, and enrollment numbers by race/ethnicity and year for the UC system can be found in Tables A1 to A6 in the appendix, and statistics for UC Berkeley, UCLA, and UT Austin are shown in Tables A7 to A13.

Figure 10 illustrates the trends in admissions rates for the UC system by race/ethnicity for the years leading up to the end of affirmative action and the years immediately following. Proposition 209 became law in November of 1997, so the first affected entering class was the fall 1998 cohort. In the fall of 1997, the admit rate for California resident blacks was 72.7%. In 1998 the admit rate for blacks in California fell to 63.6%. Hispanics also experienced a decline in admission rates, although not quite as pronounced as for blacks, as the number of Hispanics admitted fell from 82.8% in 1997 to 75.5% in 1998. During that same period, the admission rates for whites and Asians both increased slightly from 81.8% and 84.2% respectively in 1997 to 83.8% and 85% in the fall of 1998.

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16. *See id.* at 328–29.

Figure 11 shows the black-white admissions rate gap for the UC system for the years 1994 to 2004. The gap in admissions rates was approximately 5 to 10% in the years leading up to the end of affirmative action. The year affirmative action ended, however, the gap more than doubled and has since remained around 15 to 20%. The percentage of total admits who were black also fell dramatically around the time of the end of affirmative action and has continued to remain low, as Figure 12 illustrates.

While year to year aggregate admissions, applications, and admit rates provide some information, they do not control for changing demographics within the population that might provide an alternative explanation for the significant declines experienced by blacks around the time of the policy change. A more informative approach would be the percentage of the total freshman-age population within the state who were applying and being admitting each year into the UC system of universities. In an attempt to capture this, I use census data on the size of the population in California by race/ethnicity who were age eighteen as of July 1 of the year of prospective enrollment. Figures 13 and 14 show application and admit rates for blacks as a percentage of the total eighteen-year-old black population for years 1994 to 1999.

The proportion of the eighteen-year-old black population applying to the UC system began showing a decline as early as 1997, a year before Proposition 209 became binding. This is not surprising since the measure passed in November of 1996 and had been under debate and litigation during the year of 1997. This suggests that blacks may have been responding to the anticipated end of affirmative action by altering their application patterns in advance of actual implementation. The admissions rate per population also fell slightly in 1997, presumably as a result of the drop in application rates, and fell more in 1998 once the amendment took effect. This pattern suggests that not only were universities admitting fewer blacks after the policy change, but that the prospective students were also altering their behavior in response to the ending of affirmative action by applying at a lower rate than in the years prior to the policy change.

The more selective University of California campuses showed even sharper declines for blacks following the implementation of Proposition 209. Figures 15–17 show the admissions rates by race/ethnicity for first-time California resident admissions to UC Berkeley and UCLA for the years 1994 to 2004. In the year that Proposition 209 took effect, the admissions rate for blacks at UC Berkeley dropped from 49.6% in 1997 to 20.3% in 1998, while over the same period the total number of applications by blacks to Berkeley actually increased from 1099 to 1164.



At UCLA, the admissions rate for blacks dropped from 38.4% in 1997 to 23.6% in 1998 while the total number of applications by black prospective students remained nearly flat at 1272 in 1997 and 1247 in 1998.

Figure 18 shows the black-white admissions rate gap for Berkeley and UCLA from 1994 to 2004. Prior to the implementation of Proposition 209, blacks were admitted at a higher rate than were whites; however, in 1998, the situation reversed itself dramatically and black admissions rates have remained behind those of whites ever since.

The percentage of total California resident admits who were black also dropped sharply in the fall of 1998 (Figure 19). In the years from 1994 to 1997, blacks comprised greater than seven percent of the total incoming freshman class at UC Berkeley, while in 1998, this fell to nearly three percent.

The proportion of the eighteen-year-old black population in California who applied and were admitted into Berkeley and UCLA for the years 1995 to 1999 are shown in Figures 20 and 21. There does appear to be a slight drop in 1997 application rates following the passage of Proposition 209 in 1996, although this appears to be small. The admissions rate per population, however, fell sharply in 1998, the first year in which the new law was binding for the entering fall cohort.

The impact at the University of Texas at Austin appears to be slightly different from that of the selective California schools. Figures 22 and 23 show the admissions rates by race/ethnicity and the black-white admissions gap for the years 1995 to 2004 at UT Austin. The admissions rates for blacks did decline towards the end of the twentieth century, but admissions rates for whites appear to have fallen slightly as well. The percentage black-white gap in admissions did jump in 1997, but this may be attributed to a drop in the total number of applications sent by blacks which fell from 809 in 1996 to 620 in 1997 and 596 in 1998 before starting to rise again to 957 in 1999.

The number of applications and admits as a proportion of the total eighteen-year-old black population in Texas for the years 1995 to 1999 are shown in Figures 24 and 25. Both the proportion of applications and admits for blacks dropped during the initial years following the policy change, but rebounded in 1999, particularly the application rate which rose above pre-*Hopwood* numbers by 1999. This is different than what was experienced in California during the same time period and is presumably due to the addition of the top-ten-percent plan implemented in Texas.

## VI. EMPIRICAL LITERATURE ON THE IMPACT OF ENDING AFFIRMATIVE ACTION

While the descriptive picture discussed in the previous section paints a rather vivid portrait of the effects of ending affirmative action on application rates and admissions, particularly in California, it is important to note that these are merely descriptive statistics and do not control for a variety of factors that may also be contributing to the observed changes. Prior to 1996, it had been difficult for researchers in economics and other social sciences to assess the impact of affirmative action in university admissions because it was very difficult to isolate affirmative action from other societal factors that were occurring during the same time period. The gradual state-by-state erosion of affirmative action since 1996, however, has provided researchers with a plausible set of control groups—non-affected states—with which to analyze the end of affirmative action as a natural experiment. The last several years have seen a growing amount of literature within economics assessing the impact of the end of affirmative action in California, Texas, and Washington on the behavior of minorities within those states relative to minorities elsewhere over the same time period.

Mark Long examined the gap in SAT score reports sent by minority and non-minority students to in-state public colleges in California and Texas before and after the end of affirmative action. Using a ten percent random sample of SAT takers for the years 1996 to 2000 acquired from the College Board, Long used difference-in-difference-in-difference techniques to estimate if there was a significant change in minority SAT report behavior. Essentially, this technique compares a treatment group—in this case California and Texas minorities—to a set of control groups—minorities in other states and whites in California and Texas—to test if the treatment group significantly altered their behavior as a result of the policy changes.

Controlling for gender, parental education, income, GPA, and SAT scores, Long finds that blacks and Hispanics in California significantly reduced the number of SAT score reports sent to in-state public colleges at all levels of college quality by about ten to fifteen percent. Texas showed negative but less significant results among blacks and Hispanics.

Brown and Hirschman used the passage of Initiative 200 in Washington State as a natural experiment to examine the effect on the transition from high school to college for minority students in Washington. They find that the proportion of minority high school students making the transition to college declined temporarily following the end of affirmative action. They examine the number of applications

for minority students and conclude that the observed declines were more the result of drops in application rates rather than admissions rates. They also find that nearly all of the declines occurred at the University of Washington, which is the most selective of the six four-year public universities and colleges in the state of Washington.

Dickson examined the impact of the *Hopwood* decision on the percent of minority students applying to college from Texas. Using data from the Texas Education Agency, Dickson estimated the impact of the ending of affirmative action and subsequent adoption of the ten-percent plan on the decision of minority students to take college admissions tests. Using weighted fixed effects estimation and controlling for a variety of factors, the author finds that the ending of affirmative action caused a significant decline in the number of Hispanic students applying to college by 1.6% and a significant drop in the number of black students applying to college by 2.1%. These initial declines, however, were mitigated somewhat by the implementation of the ten-percent plan and accompanying changes in financial aid.

Card and Krueger found slightly different results regarding minority application patterns when focusing on highly qualified minority students. Highly qualified students are defined as minority students who meet entrance requirements regardless of affirmative action policies and therefore should not be directly affected by the policy changes. Using data derived from the College Board's Test Takers Data Base, and controlling for race/ethnicity, year, SAT scores, and GPA, they find no significant changes in SAT sending behavior among highly qualified blacks or Hispanics in either California or Texas following the end of affirmative action.

#### VII. THE IMPACT OF ENDING AFFIRMATIVE ACTION ON THE HUMAN CAPITAL DEVELOPMENT OF YOUNGER CHILDREN

Caldwell hypothesizes that the ending of affirmative action in university admissions may impact the human capital investment decisions of younger minority children by reducing the perceived opportunities to attend college and therefore reducing the expected net rate of return to human capital investment. To test the hypothesis, the author examines the effect of the policy changes in California and Texas on cognitive test scores for children in those states following the end of affirmative action.

The empirical analysis was done using data from the National Longitudinal Survey of Youth 1979 cohort (NLSY79) and the children of the NLSY79 survey (CNLSY79). The NLSY79 is a nationally-

representative sample of 12,686 men and women who were between the ages of fourteen and twenty-one as of January 1, 1979. Interviews for the NLSY79 have been conducted annually from 1979 to 1994 and biannually since 1994. The CNLSY79, initiated in 1986, consists of all children born to NLSY79 mothers. As of 2002, the sample has included 10,466 children between the ages of one and fourteen born to 4523 mothers. The benefits of these data are that they provide a rich set of background variables for both the mothers and children, and the same individuals are continuously surveyed throughout the entire period of interest.

The cognitive assessment measure used in the analysis is the Peabody Individual Achievement Test (PIAT) for Mathematics. This assessment test was repeatedly administered to all children in the sample between the ages of five and fourteen during each wave of the survey. The PIAT math test consists of eighty-four multiple-choice questions of increasing difficulty, beginning with elementary arithmetic and progressing to advanced concepts in geometry and trigonometry.

Estimation was done using two methods. First, the data were organized into independent cross-sections broken down by age group. These data were then analyzed using both difference-in-difference and difference-in-difference-in-difference methodologies. The purpose of using this methodology is to control for unobservable characteristics or events that may be affecting both groups over time that would otherwise lead to biased results. The cross-sectional analysis compared test scores for groups of children of similar ages before and after the policy changes. Second, the data were arranged as a panel and the same individuals were analyzed over time using an individual fixed-effects model to determine if there was a resulting change in the rate of growth in test scores as children aged.

A highly significant, negative impact was found for black children in the affected states (California and Texas) relative to whites in those states and children of all races and ethnicities in unaffected states. The results were very robust for all model specifications, and included controls for gender, grade, age, mother's education, birth order, and whether the child lived in an urban area.

Figures 26–29 show the estimated distribution of test scores for various groups. Figure 26 compares the distribution of test scores for thirteen- and fourteen-year-old blacks in California and Texas both before and after the policy changes occurred. There is an apparent shift to the left for nearly the entire distribution, showing that test scores within the data dropped significantly after the policy changes occurred in California and Texas. As a means of comparison, Figure 27 shows the

distribution of test scores for thirteen- and fourteen-year-old blacks living in states other than California and Texas before and after 1997. This was the control group, and showed virtually no change in the distribution of test scores over time. This suggests that the large drop that was observed in Figure 26 was not part of a national shift but was isolated to California and Texas, providing evidence that the affirmative action policy changes may have played a role.

Figures 28 and 29 compare thirteen- and fourteen-year-old blacks and whites in California and Texas before the policy changes and after. The gap that is evident in Figure 28 is the well-known test-score gap that exists between blacks and whites. Figure 29 shows this gap to grow much larger after the policy changes.

Figures 30 and 31 show the distribution of growth in test scores as children age from a period prior to the policy changes to a period after the policy changes. Again, we observe a significantly slower rate of growth among black children relative to whites in California and Texas (Figure 30), and between blacks in California and Texas and blacks elsewhere (Figure 31).

#### VIII. DISCUSSION

It is well-established that blacks receive substantially lower median earnings, have higher rates of unemployment, and have lower levels of labor force attachment than do whites. Much of this can likely be attributed to lower levels of educational attainment. Recent data on educational attainment and median annual earnings, unemployment rates, and labor force participation rates suggests that blacks disproportionately benefit from greater levels of educational attainment relative to other races. Policies, therefore, that promote greater involvement among blacks in institutions of higher education may prove very beneficial in bridging portions of the current black white earnings gap.

Over the past forty years there have been substantial gains in the proportion of blacks receiving four-year degrees. In relative terms, however, the black-white education gap remains as wide now as it was in 1974, suggesting that the use of affirmative action may not have had the impact that many had hoped it would when it was implemented. The removal of affirmative action, however, appears to have been very harmful for minorities, particularly in California, where the largest drop in application and admissions rates occurred. Perhaps most disturbing is the apparent effect that it has had on younger children, resulting in lower test scores and lower levels of overall human capital investment.

Although the use of affirmative action in university admissions may not have had the full intended impact of bridging the educational attainment gap and helping to bring us closer to economic equality, its removal appears to be heading us back in the other direction. The short-term efficiency gains that can be had by removing affirmative action and admitting the most highly-qualified applicants regardless of race should be carefully weighed against the long-term benefits of continuing on with the program.

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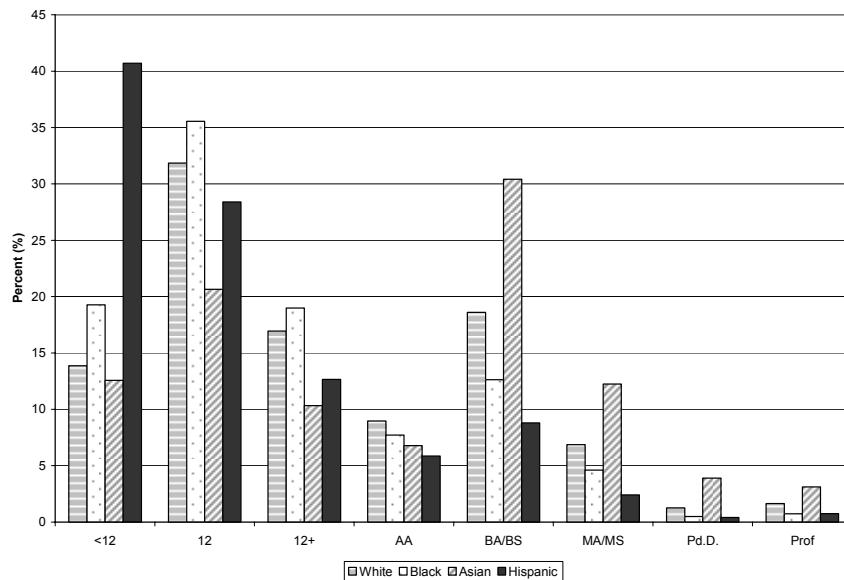
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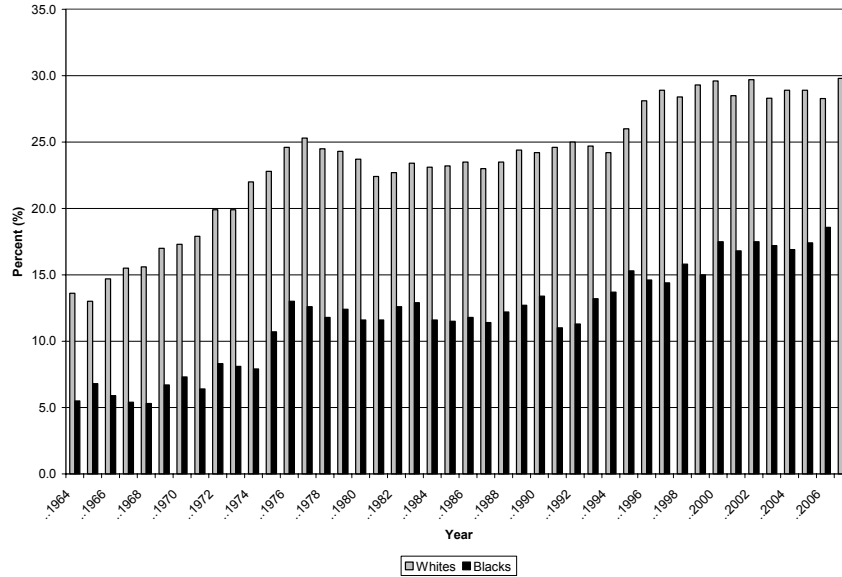
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Figure 1: 2005 Educational Attainment by Race/Ethnicity—  
US Population Age 25+



Source: U.S. Census Bureau

Figure 2: Percent of Population Completing Four Years of College or More—Ages 25 to 29



Source: U.S. Census Bureau

Figure 3: Black-White Gap in Percent of Population with Four Years of College or More—Ages 25 to 29

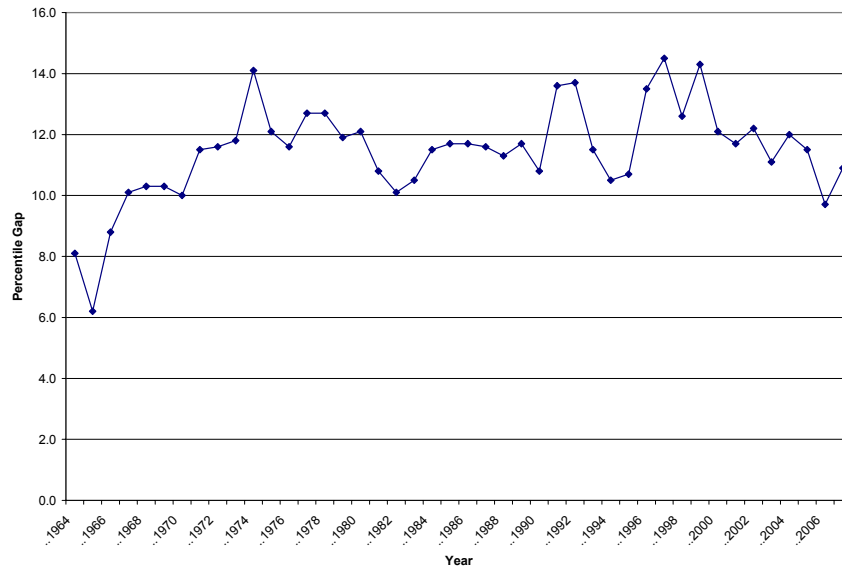
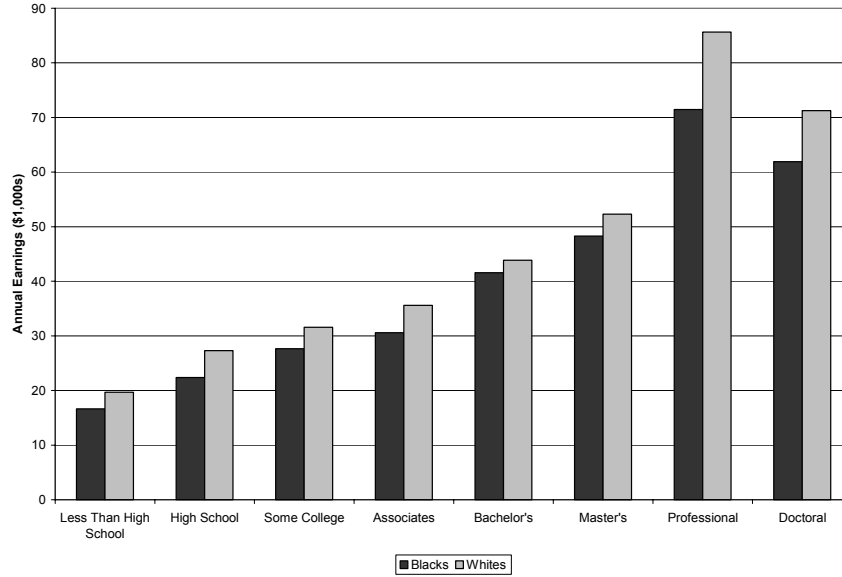


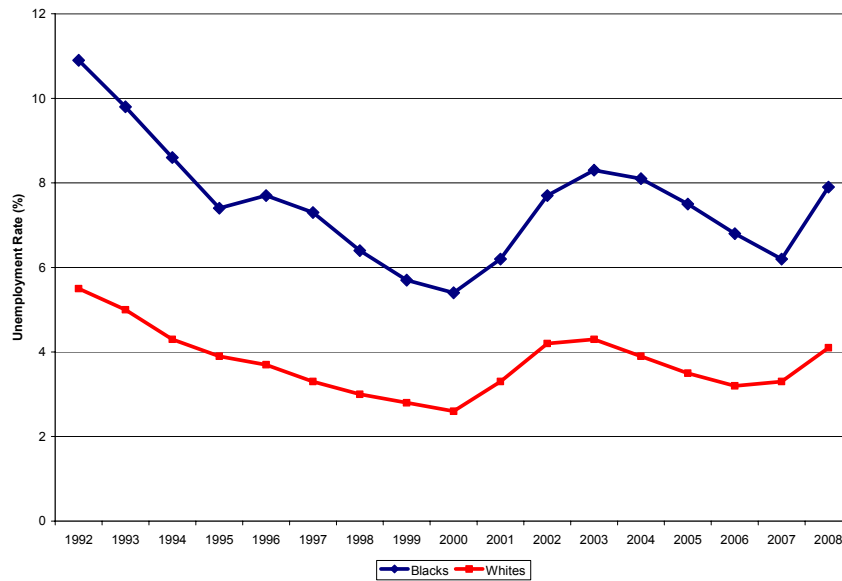


Figure 4: 2005 Median Earnings All Workers Age 25+



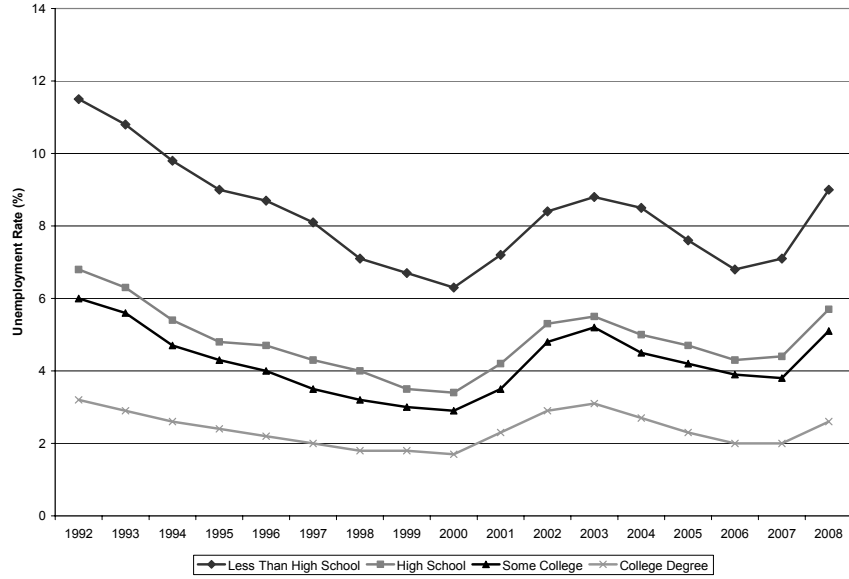
Source: U.S. Census Bureau

Figure 5: Annual Unemployment Rate—Ages 25+



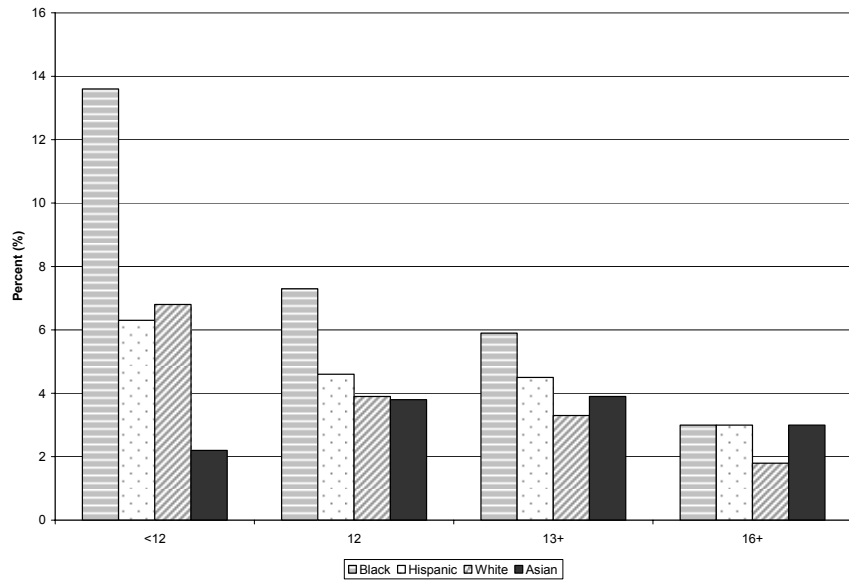
Source: Bureau of Labor Statistics

Figure 6: Annual Unemployment Rates by Education Level—Ages 25+



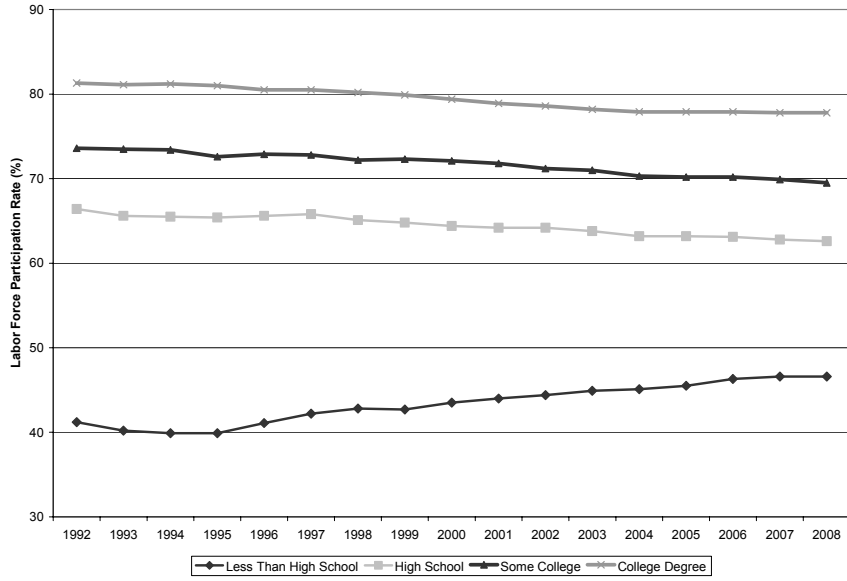
Source: Bureau of Labor Statistics

Figure 7: Unemployment Rate by Education Level and Race/Ethnicity—Ages 25+



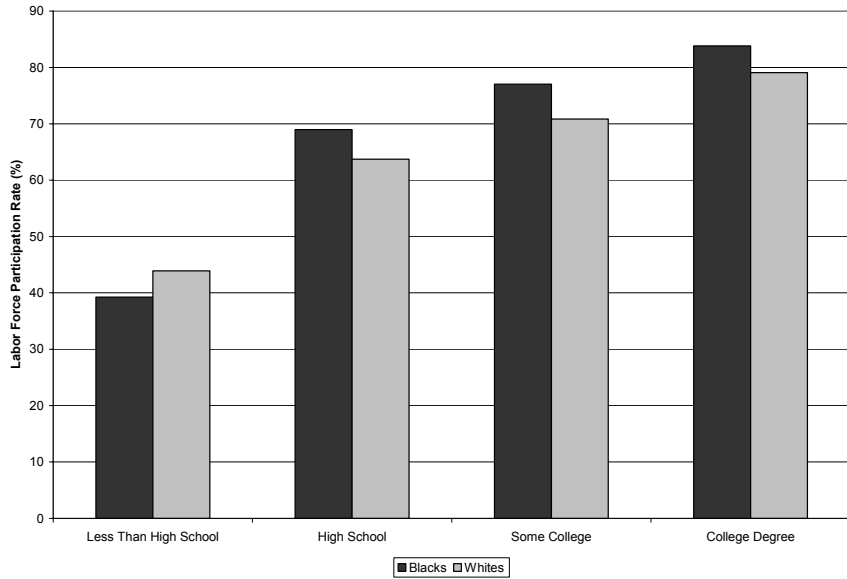
Source: Bureau of Labor Statistics

Figure 8: Annual Labor Force Participation Rates by Education Level—Ages 25+



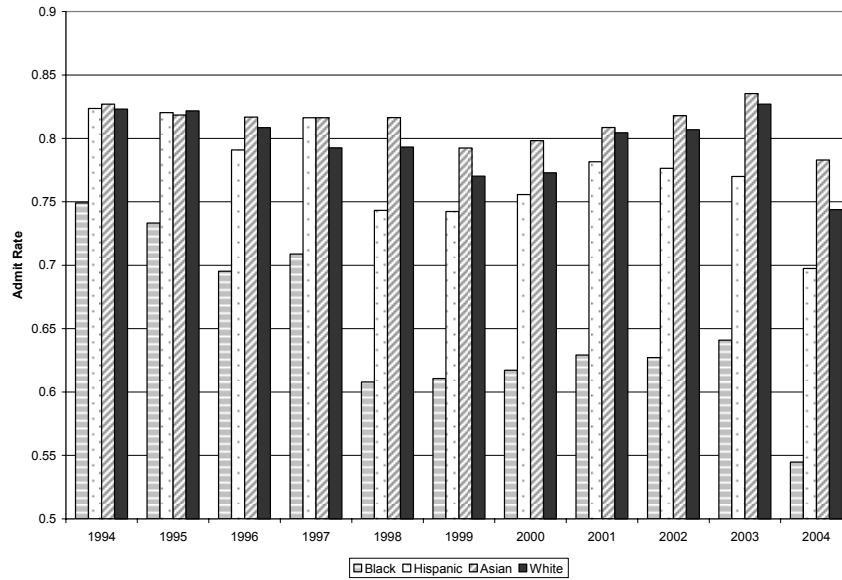
Source: Bureau of Labor Statistics

Figure 9: Labor Force Participation Rate—Seventeen Year Average (1992–2008)—Ages 25+



Source: Bureau of Labor Statistics

Figure 10: Admit Rates—University of California System



Source: University of California StatFinder

Figure 11: University of California System Black-White Admissions Gap

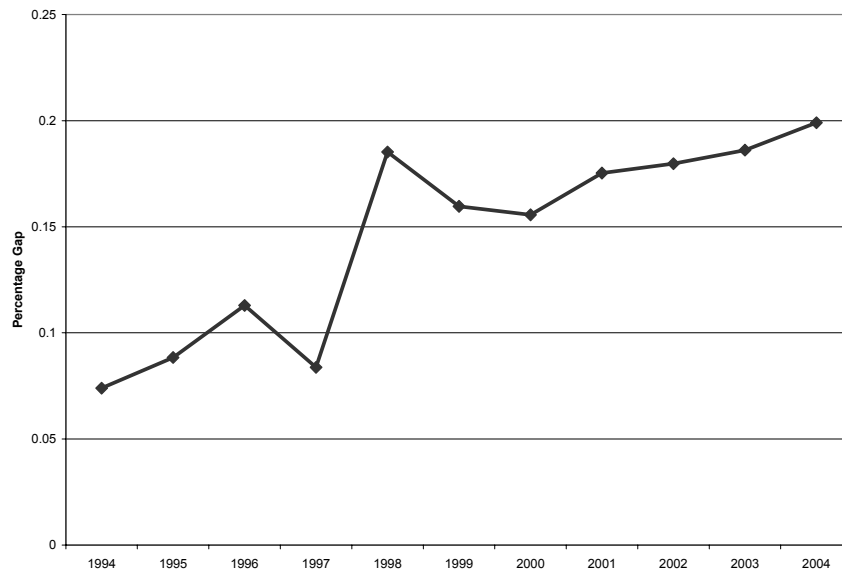


Figure 12: University of California System Black Admits as Percent of Total Admits

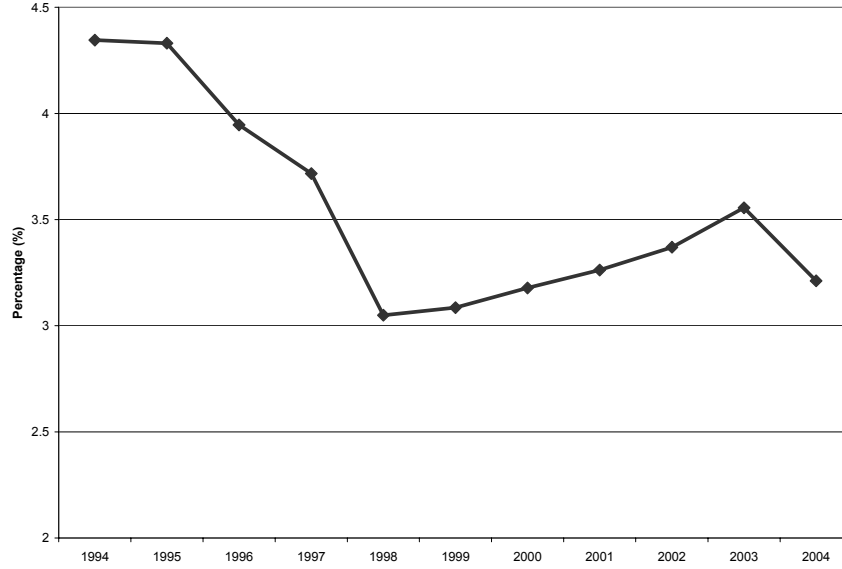


Figure 13: UC System Black Application Rates as a Percent of Total 18-Year-Old Black Population in California

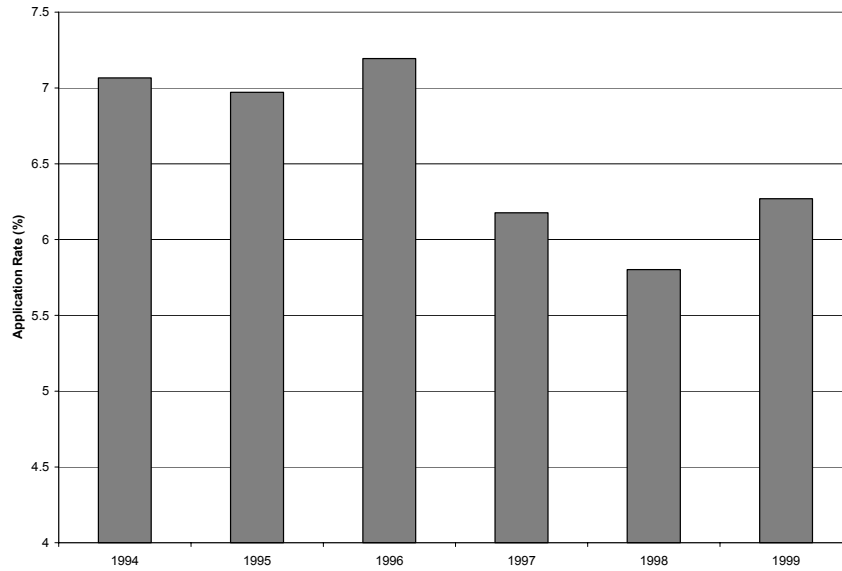


Figure 14: UC System Black Admit Rates as a Percent of Total 18-Year-Old Black Population in California

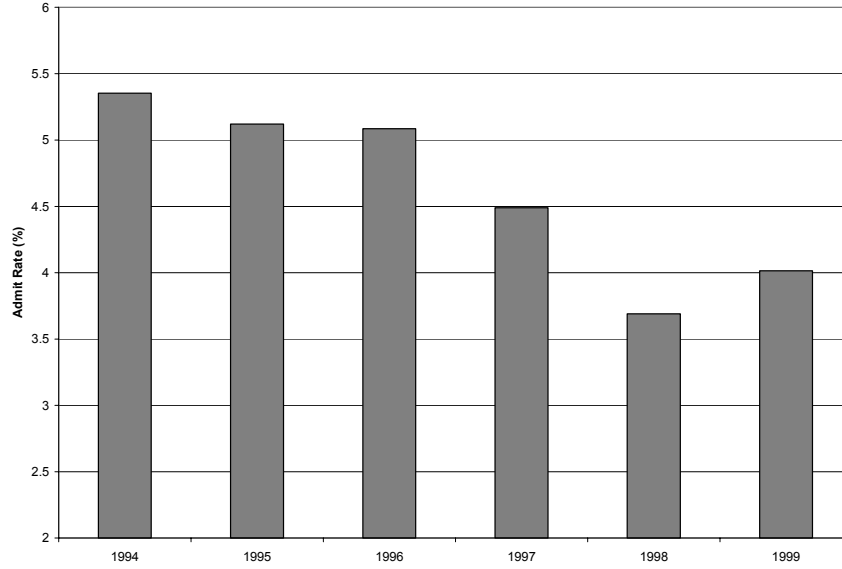


Figure 15: Admissions Rate—UC Berkeley

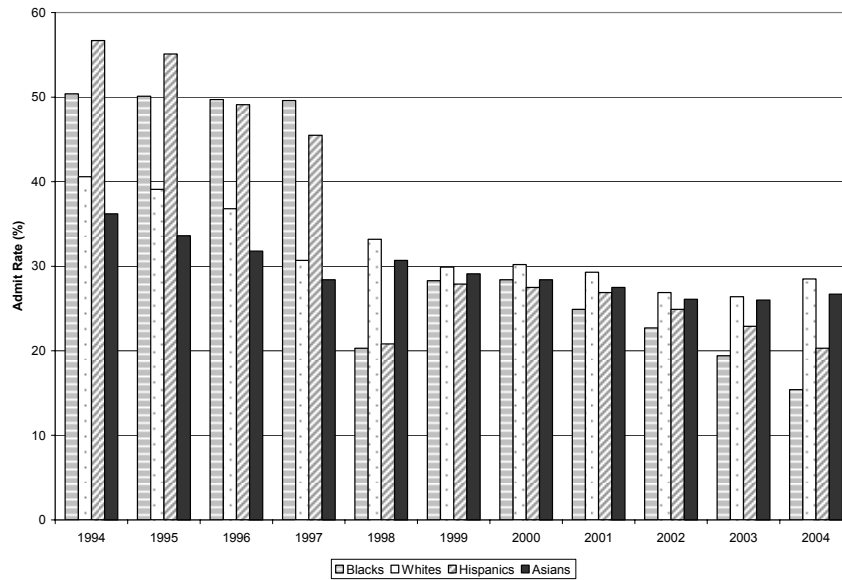


Figure 16: Admissions Rate—UCLA

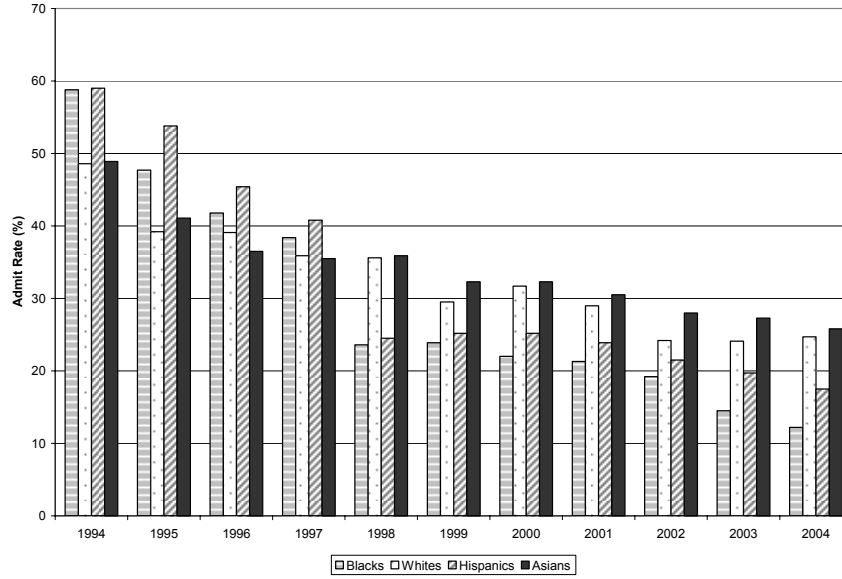


Figure 17: Admissions Rate—Blacks

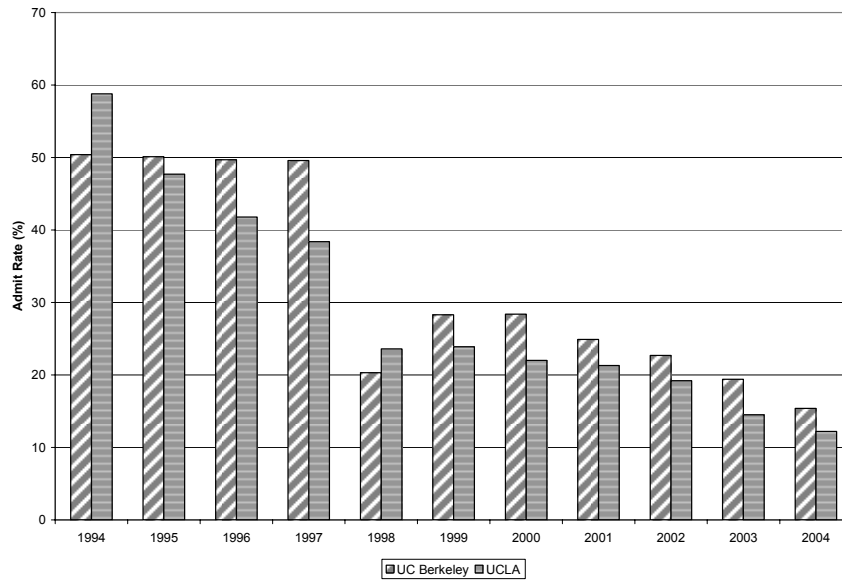


Figure 18: Black-White Admissions Gap



Figure 19: Black Admits as Percent of Total Admits

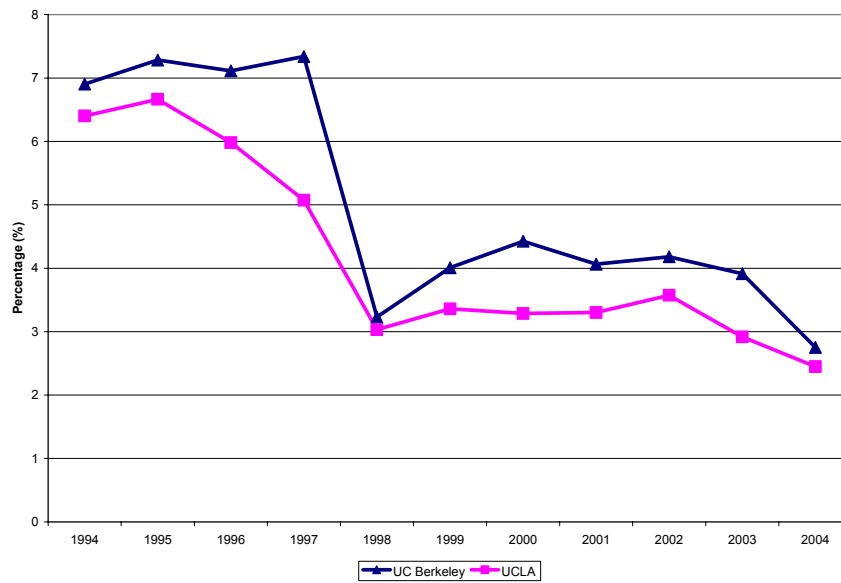




Figure 20: Black Application Rates as a Percent of Total 18-Year-Old Black Population in California

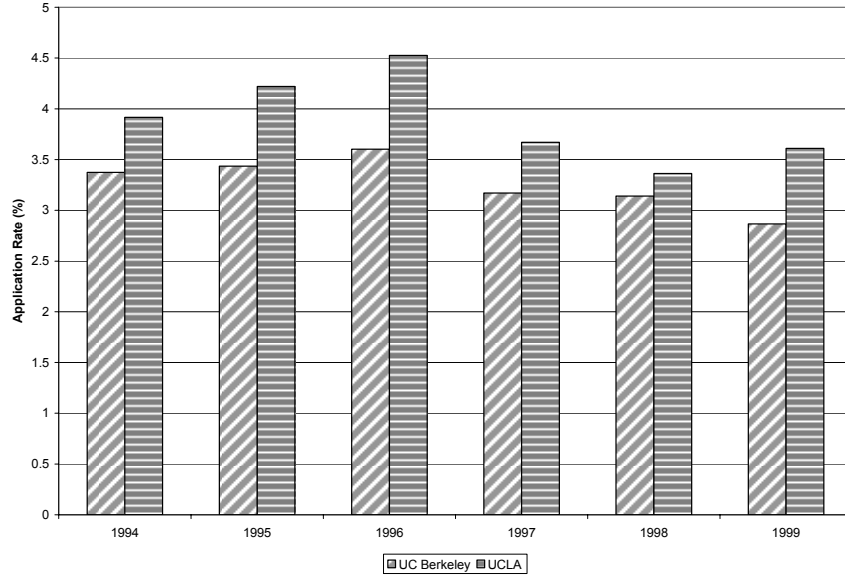


Figure 21: Black Admit Rates as a Percent of Total 18-Year-Old Black Population in California

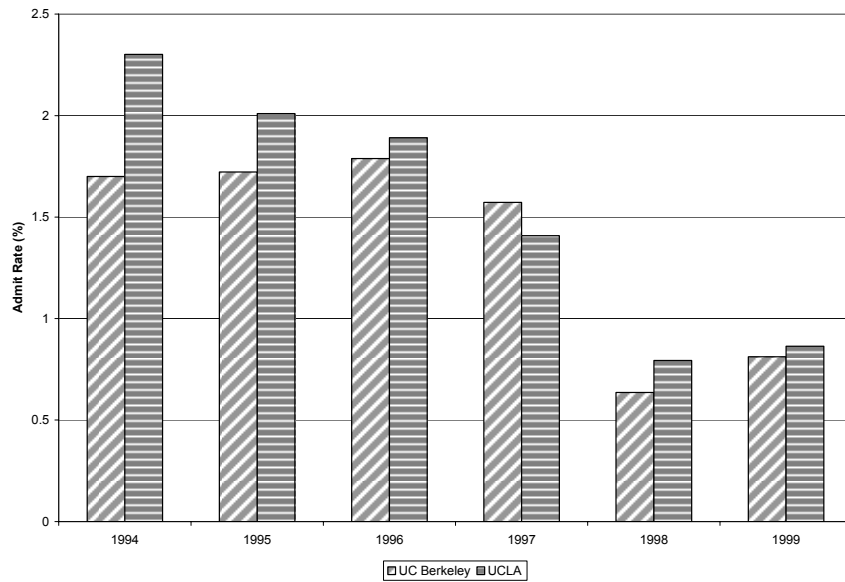
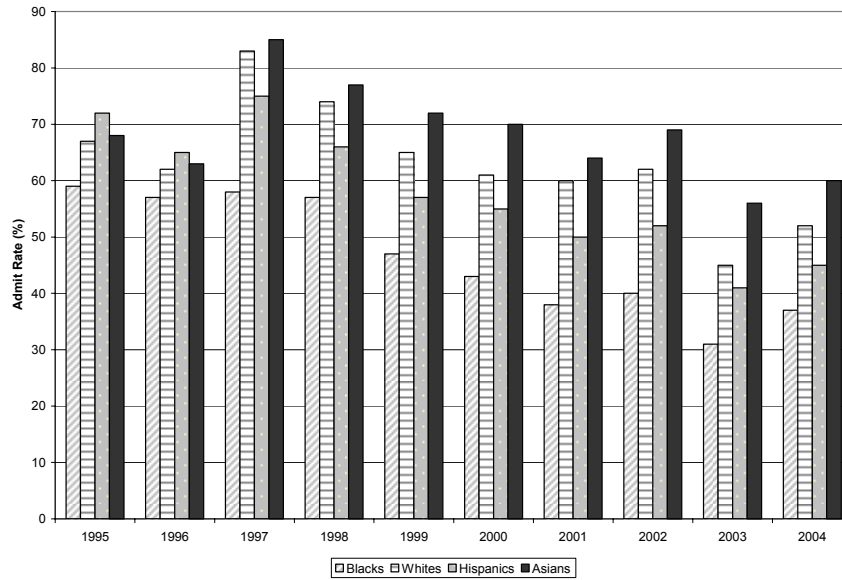


Figure 22: Admit Rates—University of Texas Austin



Source: UT Austin Office of Institutional Research

Figure 23: UT Austin Black-White Admissions Gap

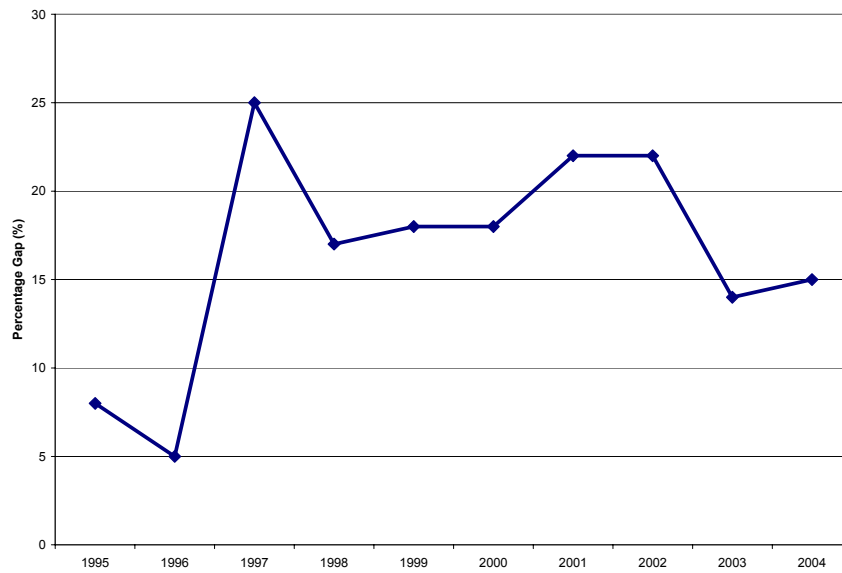


Figure 24: UT Austin Black Application Rates as a Percent of Total 18 Year-Old-Black Population in Texas

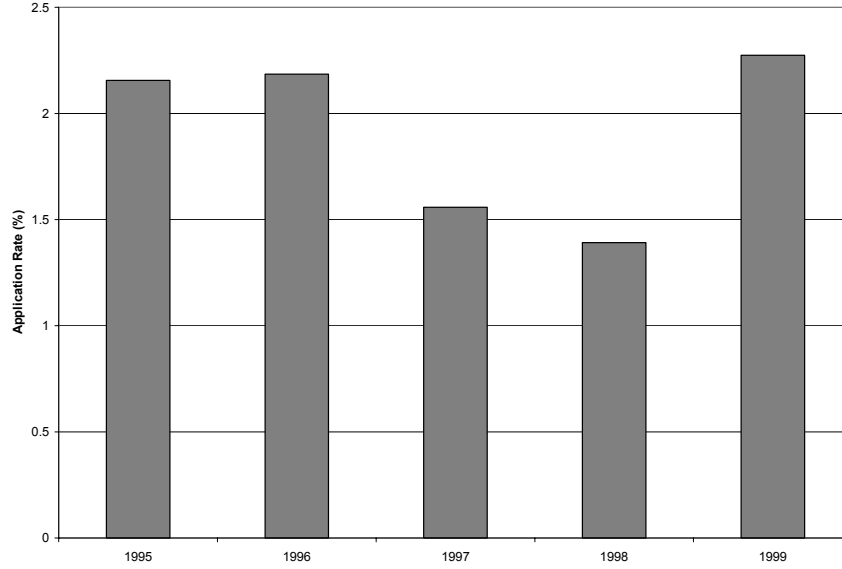


Figure 25: UT Austin Black Admit Rates as a Percent of Total 18-Year-Old Black Population in Texas

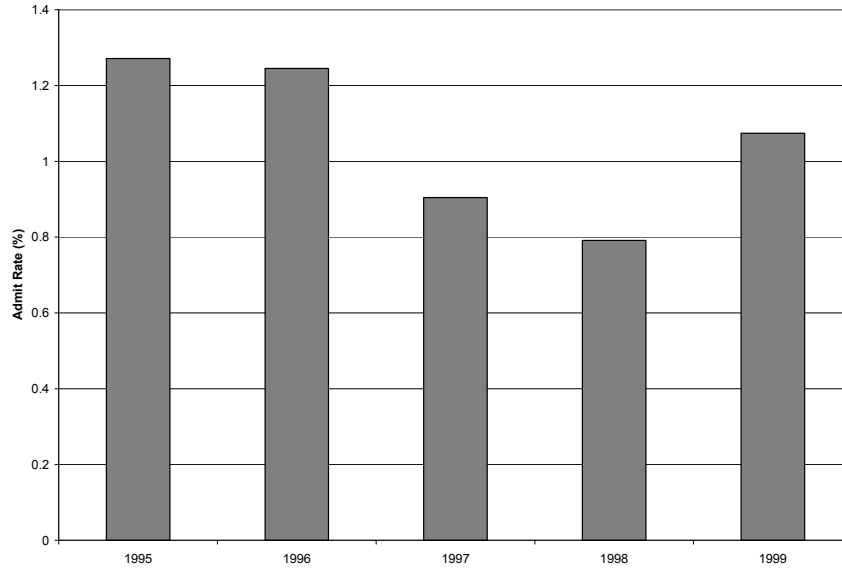
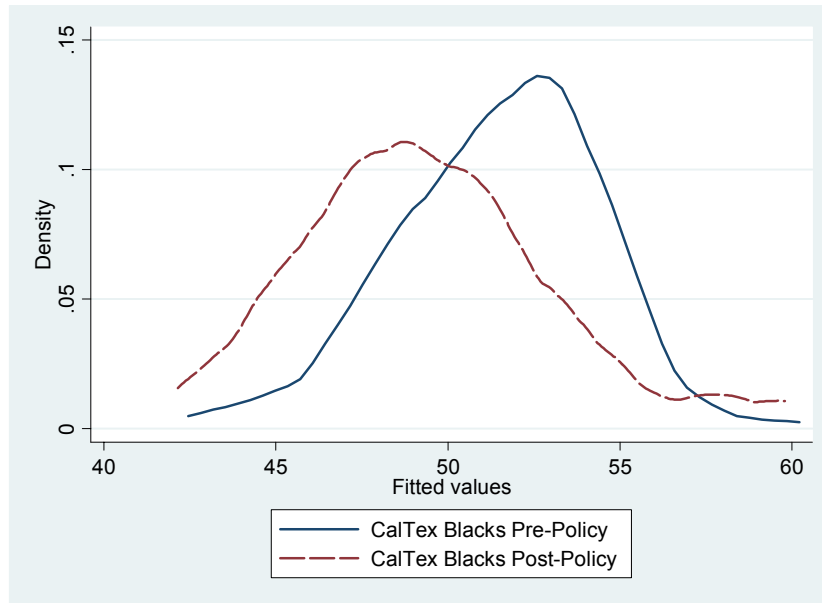
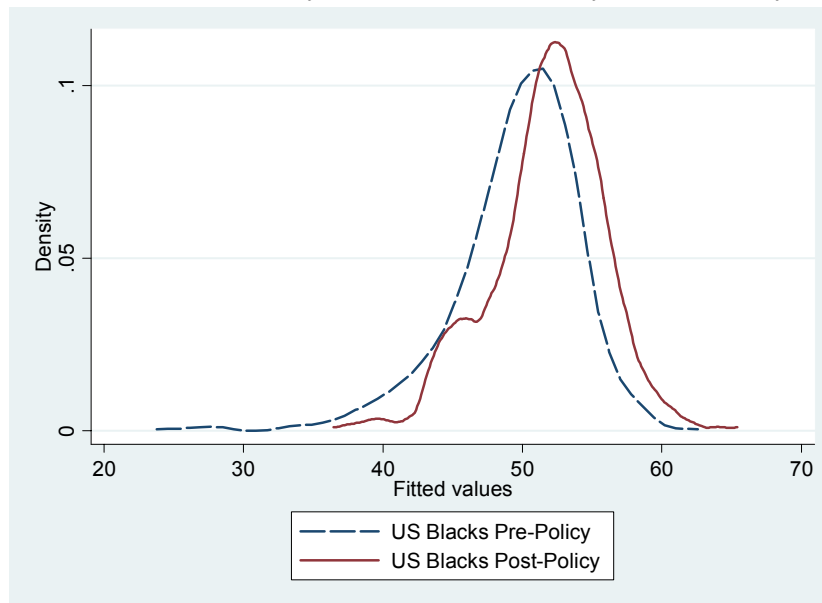


Figure 26: Test Score Distribution—13- & 14-Year-Old PIAT Math Scores—California and Texas Blacks Pre-Policy vs. Post-Policy



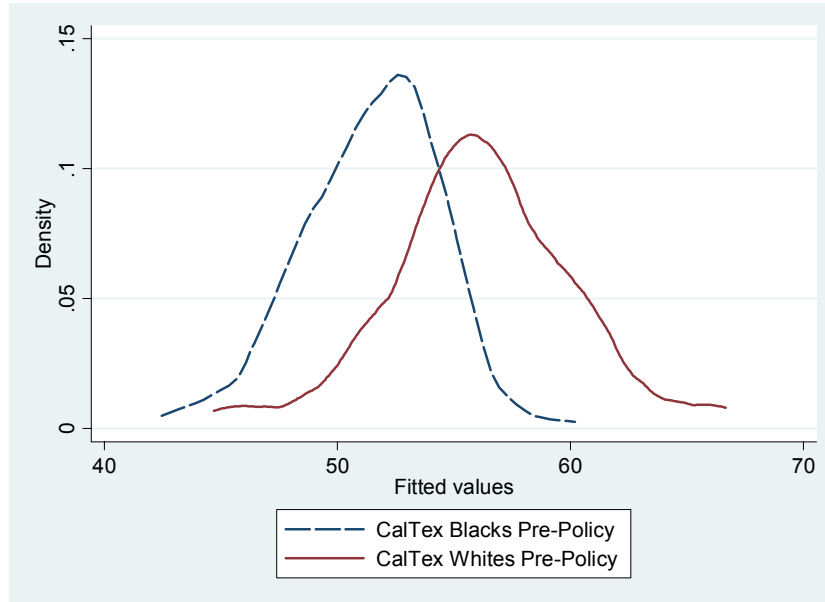
Source: Caldwell (2008)

Figure 27: Test Score Distribution—13- & 14-Year-Old PIAT Math Scores—Non-Policy State Blacks Pre-Policy vs. Post-Policy



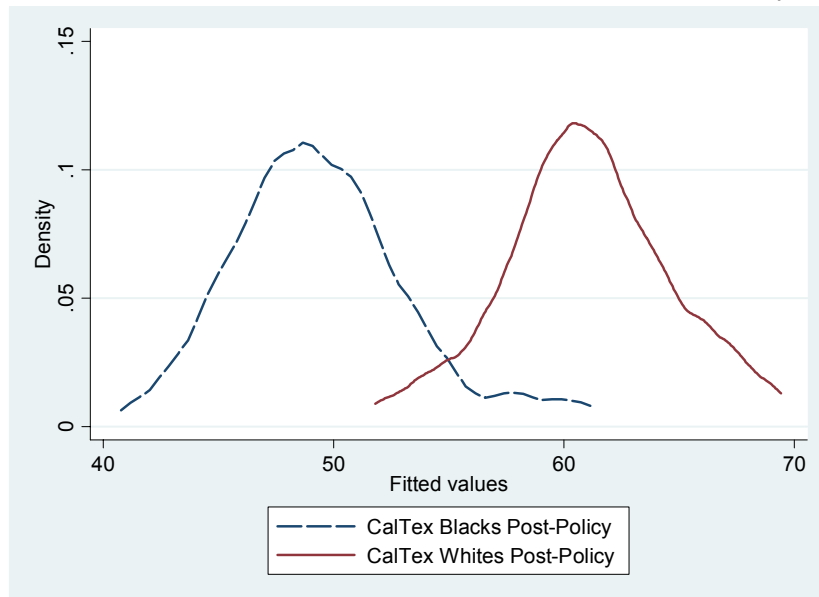
Source: Caldwell (2008)

Figure 28: Test Score Distribution—13- & 14-Year-Old PIAT Math Scores—California and Texas Blacks vs. Whites Pre-Policy



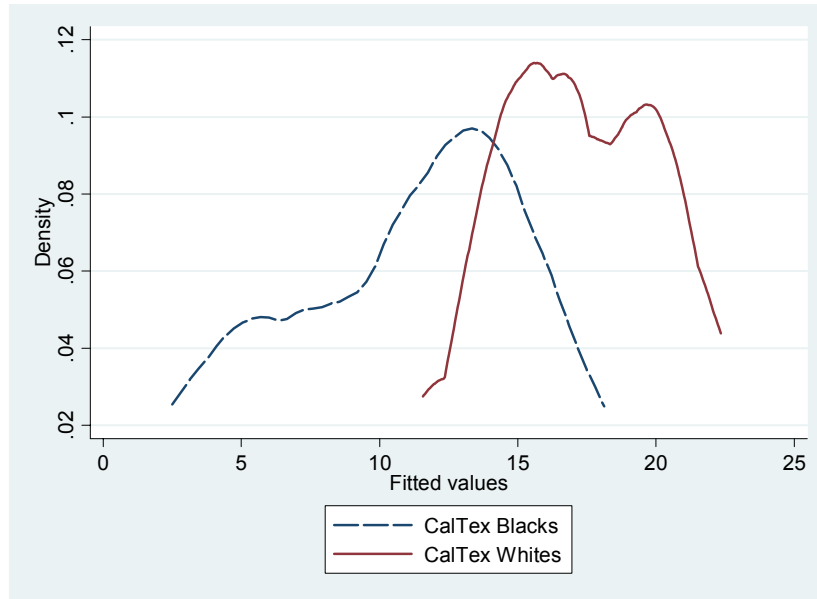
Source: Caldwell (2008)

Figure 29: Test Score Distribution—13- & 14-Year-Old PIAT Math Scores—California and Texas Blacks vs. Whites Post-Policy



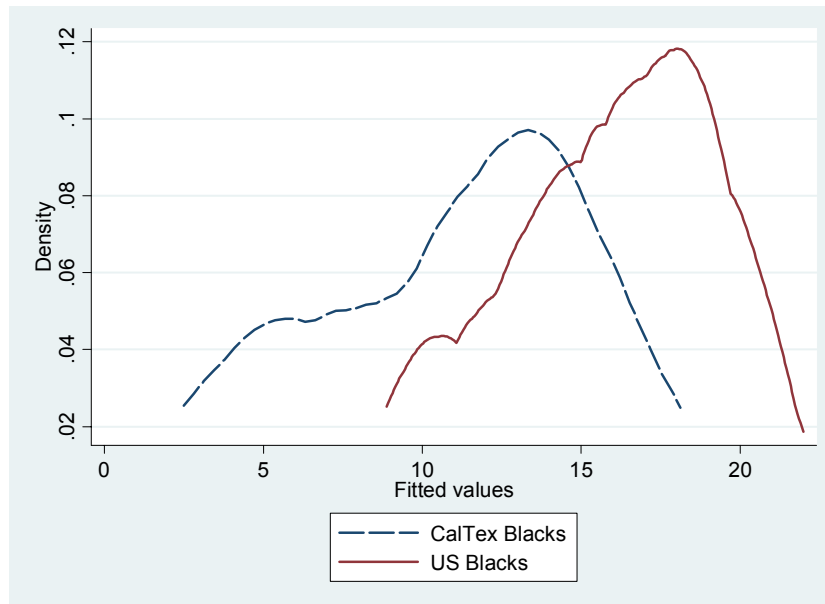
Source: Caldwell (2008)

Figure 30: Distribution of Growth in PIAT Math Scores 1996 to 2000—  
California and Texas



Source: Caldwell (2008)

Figure 31: Distribution of Growth in PIAT Math Scores 1996 to 2000



Source: Caldwell (2008)

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Table A1: California Resident Fall Applicants—First-Time Freshmen

Year	Total	Native	Black	Hispanic	Asian	White	Other/ Unknown
1994	43389	362	2149	6843	14203	17357	2475
1995	45714	459	2292	7332	14377	18404	2850
1996	48585	414	2305	7191	15485	19785	3405
1997	49030	358	2141	6933	16019	20870	2709
1998	52301	408	2151	7285	15912	18149	8396
1999	55402	405	2271	7709	17876	22138	5003
2000	56309	374	2376	8234	18204	21747	5374
2001	59747	379	2590	9265	19207	22680	5626
2002	62903	413	2821	10121	20308	23881	5359
2003	66774	412	3108	11417	20718	24555	6564
2004	63852	425	2860	11324	20202	23411	5630
2005	65851	409	2966	12313	21367	24362	4434
2006	71011	470	3307	13656	24111	24926	4541
2007	74509	479	3603	15140	24778	26030	4479

Source: University of California StatFinder

Table A2: Fall Applicants—First-Time Freshmen

Year	Total	Native	Black	Hispanic	Asian	White	Other/ Unknown
1994	47579	388	2268	7086	15438	19721	2678
1995	50196	495	2422	7603	15647	20917	3112
1996	53112	449	2426	7441	16817	22266	3713
1997	54833	396	2304	7199	17834	24059	3041
1998	59661	463	2347	7609	17911	21800	9531
1999	63837	452	2476	8107	20340	26685	5777
2000	65928	421	2623	8686	21010	26891	6297
2001	70196	448	2893	9866	22352	27990	6647
2002	72826	481	3119	10691	23151	29125	6259
2003	75816	474	3408	11951	23263	29334	7386
2004	72838	484	3177	11914	22961	27912	6390
2005	73865	467	3239	12781	23602	28696	5080
2006	80127	543	3671	14194	26712	29769	5238
2007	83969	546	4025	15728	27516	30937	5217

Source: University of California StatFinder

Table A3: California Resident Fall Admits—First-Time Freshmen

Year	Total	Native	Black	Hispanic	Asian	White	Other/ Unknown
1994	36475	317	1628	5672	11962	14802	2094
1995	38176	392	1683	6050	12037	15606	2408
1996	40035	360	1629	5745	12956	16484	2861
1997	40425	308	1556	5740	13494	17077	2250
1998	42742	316	1368	5503	13519	15202	6834
1999	45017	295	1454	5862	14973	18313	4120
2000	46524	288	1537	6397	15473	18368	4461
2001	51009	313	1735	7433	16659	20027	4842
2002	53686	337	1891	8077	17642	21180	4559
2003	57217	325	2116	8983	18181	21980	5632
2004	49497	290	1647	8050	16555	18512	4443
2005	56505	326	1961	9658	18903	21781	3876
2006	62214	390	2326	11198	21749	22472	4079
2007	65088	409	2567	12287	22362	23475	3988

Source: University of California StatFinder

Table A4: Fall Admits—First-Time Freshmen

Year	Total	Native	Black	Hispanic	Asian	White	Other/ Unknown
1994	39101	337	1699	5836	12768	16232	2229
1995	41005	423	1776	6237	12806	17187	2576
1996	42751	383	1687	5885	13736	17999	3061
1997	43940	333	1633	5877	14558	19067	2472
1998	46788	340	1427	5655	14623	17293	7450
1999	49006	312	1512	6018	16116	20556	4492
2000	50937	308	1619	6564	16771	20783	4892
2001	55793	347	1820	7711	18072	22516	5327
2002	58043	369	1956	8300	18934	23500	4984
2003	61426	350	2184	9201	19431	24259	6001
2004	53898	306	1731	8308	17976	20763	4814
2005	60221	352	2021	9813	20077	23765	4193
2006	66789	424	2399	11390	23261	24854	4461
2007	69611	436	2676	12497	23811	25802	4389

Source: University of California StatFinder



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Table A5: California Resident Fall Enrollees—First-Time Freshmen

Year	Total	Native	Black	Hispanic	Asian	White	Other/ Unknown
1994	21443	208	940	3353	8079	7710	1153
1995	21999	248	945	3432	7910	8179	1285
1996	23188	237	888	3209	8477	8817	1560
1997	23681	183	917	3131	8789	9451	1210
1998	24876	168	739	2948	8947	8256	3818
1999	24970	140	756	3233	9880	9713	1248
2000	26825	161	832	3479	10180	9779	2394
2001	28704	164	856	3864	11100	10234	2486
2002	29916	159	936	4222	11735	10577	2287
2003	30349	139	983	4450	11655	10473	2649
2004	27973	142	813	4189	11046	9440	2343
2005	30083	144	909	4652	12254	10165	1959
2006	33540	171	1072	5481	14058	10687	2071
2007	33577	172	1244	5874	13953	10473	1861

Source: University of California StatFinder

Table A6: Fall Enrollees—First-Time Freshmen

Year	Total	Native	Black	Hispanic	Asian	White	Other/ Unknown
1994	22205	216	963	3402	8321	8117	1186
1995	22857	262	972	3480	8147	8659	1337
1996	23958	242	903	3245	8709	9262	1597
1997	24717	191	948	3165	9097	10048	1268
1998	26115	176	760	2986	9285	8901	4007
1999	27204	143	774	3269	10279	10391	2348
2000	28215	164	867	3526	10588	10545	2525
2001	30146	175	879	3950	11536	10998	2608
2002	31200	170	957	4284	12113	11279	2397
2003	31530	144	1001	4497	12009	11137	2742
2004	29127	143	836	4260	11428	10033	2427
2005	30996	152	926	4678	12564	10646	2033
2006	34763	179	1088	5521	14472	11337	2166
2007	34658	177	1271	5909	14301	11054	1946

Source: University of California StatFinder

Table A7: UT Austin Fall Applicants—First-Time Freshmen

Year	Total	Native	Black	Hispanic	Asian	White	Other/ Unknown
1995	15442	86	795	2212	2055	9516	778
1996	17263	119	809	2492	2363	10584	896
1997	14682	65	620	1889	2153	8988	967
1998	15531	84	596	2106	2326	9387	1032
1999	17797	79	957	2615	2512	10406	1228
2000	19562	98	1073	2763	2643	11547	1438
2001	20025	115	999	2998	3012	11164	1737
2002	20280	96	1080	3165	3053	11388	1498
2003	22748	108	1275	3822	3198	12823	1522
2004	21336	116	1375	3827	3021	11348	1649

Source: UT Austin Office of Institutional Research

Table A8: UT Austin Fall Admits—First-Time Freshmen

Year	Total	Native	Black	Hispanic	Asian	White	Other/ Unknown
1995	10059	51	469	1599	1395	6353	192
1996	10517	58	461	1617	1500	6571	310
1997	11458	49	360	1421	1821	7492	315
1998	10777	49	339	1393	1780	6931	285
1999	10893	39	452	1498	1819	6802	283
2000	11413	51	461	1518	1862	7027	494
2001	11024	52	380	1513	1941	6720	418
2002	11719	49	431	1654	2112	7067	406
2003	9967	34	397	1572	1775	5826	363
2004	10343	43	511	1741	1800	5851	397

Source: UT Austin Office of Institutional Research

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Table A9: UT Austin Fall Enrollees—First-Time Freshmen

Year	Total	Native	Black	Hispanic	Asian	White	Other/ Unknown
1995	6352	28	309	935	904	4081	95
1996	6430	34	266	932	942	4159	97
1997	6644	33	163	807	1078	4460	103
1998	6000	32	165	762	1034	3928	79
1999	6427	22	251	861	1130	4084	79
2000	6664	28	243	877	1158	4139	219
2001	6340	26	205	832	1240	3864	173
2002	6862	31	232	935	1316	4196	152
2003	5986	19	237	926	1029	3314	161
2004	5965	24	275	1024	1082	3386	174

Source: UT Austin Office of Institutional Research

Table A10: California Resident Fall Applicants—  
First Time Freshmen—Berkeley

Year	Total	Native	Black	Hispanic	Asian	White	Other/ Unknown
1994	17981	130	1026	2301	7444	5953	1127
1995	19458	177	1129	2603	7659	6563	1327
1996	21678	157	1154	2698	8596	7360	1713
1997	22485	117	1099	2742	9201	7905	1421
1998	24447	148	1164	2977	9062	7129	3967
1999	24865	136	1038	2612	9986	8552	2541
2000	26141	146	1190	3214	10441	8442	2708
2001	28145	169	1296	3697	11266	8874	2843
2002	29234	166	1407	4014	11725	9306	2616
2003	30571	166	1564	4418	11738	9555	3130
2004	30407	159	1405	4562	11879	9561	2841

Source: University of California StatFinder

Table A11: California Resident Fall Admits—  
First Time Freshmen—Berkeley

Year	Total	Native	Black	Hispanic	Asian	White	Other/ Unknown
1994	7487	93	517	1304	2697	2418	458
1995	7771	118	566	1434	2572	2564	517
1996	8056	100	573	1326	2734	2709	614
1997	7426	59	545	1247	2609	2423	543
1998	7305	27	236	619	2785	2370	1268
1999	7334	38	294	728	2909	2559	806
2000	7637	41	338	885	2965	2550	858
2001	7949	48	323	995	3098	2601	884
2002	7630	41	319	1001	3058	2503	708
2003	7767	45	304	1013	3052	2521	832
2004	7849	40	216	928	3171	2722	772

Source: University of California StatFinder

Table A12: California Resident Fall Applicants—  
First Time Freshmen—UCLA

Year	Total	Native	Black	Hispanic	Asian	White	Other/ Unknown
1994	21428	124	1191	3389	9008	6557	1159
1995	23002	154	1387	3707	9090	7235	1429
1996	25763	170	1450	3783	10335	8262	1763
1997	25984	143	1272	3619	10743	8827	1380
1998	29067	178	1247	3960	10814	8414	4454
1999	30962	179	1308	4055	12066	10500	2854
2000	32261	176	1480	4574	12594	10389	3048
2001	34422	181	1531	5256	13218	10949	3287
2002	37516	198	1757	6100	14161	12134	3166
2003	39287	196	1916	6628	14465	12261	3821
2004	37656	207	1764	6552	14203	11581	3349

Source: University of California StatFinder

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Table A13: California Resident Fall Admits—  
First Time Freshmen—UCLA

Year	Total	Native	Black	Hispanic	Asian	White	Other/ Unknown
1994	10937	99	700	1999	4402	3185	552
1995	9920	105	661	1994	3734	2839	587
1996	10132	97	606	1716	3774	3229	710
1997	9622	76	488	1476	3812	3172	598
1998	9699	44	294	969	3879	2999	1514
1999	9313	37	313	1022	3897	3097	947
2000	9886	47	325	1152	4066	3289	1007
2001	9876	43	326	1257	4037	3178	1035
2002	9427	38	337	1310	3961	2936	845
2003	9496	32	277	1306	3949	2959	973
2004	8777	33	215	1147	3664	2859	859

Source: University of California StatFinder