Rising Inequality, Falling Support for Redistribution among Blacks and the Elderly

By Ilyana Kuziemko, Princeton University, and Ebonya Washington, Yale University

Since the 1970s, income inequality has been on the rise in the United States. The standard political economy model predicts that the rise in income inequality should be accompanied by increasing support for income redistribution, as the median voter stands to gain increasingly more from redistributive policies. Yet, while the share of income accruing to the top one percent more than doubled between 1978 and 2007, over this same time frame demand for income redistribution remained flat by some measures and even decreased by others. Beyond the US in other Organisation for Economic Co-operation and Development (OECD) countries that have seen rising income inequality, citizens have generally not exhibited greater demand for redistribution (Kenworthy and McCall 2008).

Explaining the fall in redistributive support during this time of rising income inequality has inspired a large literature. In this report we offer new “clues” to the puzzle by documenting significant heterogeneity by demographic group in the trend in support for redistribution over time. Our focal question—drawn from the General Social Survey (GSS)—states, “Some people think that the government in Washington ought to reduce the income differences between the rich and the poor, perhaps by raising the taxes of wealthy families or by giving income assistance to the poor. Others think that the government should not concern itself with reducing this income difference between the rich and the poor. Here is a card with a scale from 1 to 7. Think of a score of 1 as meaning that the government ought to reduce the income differences between rich and poor, and a score of 7 meaning that the government should not concern itself with reducing income differences. What score between 1 and 7 comes closest to the way you feel?” We subtract this variable from 8 so that it is increasing in support for redistribution among Blacks and the Elderly.

Rising Inequality, Falling Support for Redistribution among Blacks and the Elderly

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Welcome to the latest issue of *The Minority Report*, a joint publication of the American Economic Association’s Committee on the Status of Minority Groups in the Economics Profession (CSMGEP), the American Society of Hispanic Economists (ASHE), and the National Economic Association (NEA). This Report showcases the people, programs, research, and other activities of the three groups, which work together to increase the representation and presence of minorities in the economics profession.

**AEA’s Committee on the Status of Minority Groups in the Economics Profession**

CSMGEP was established by the American Economic Association (AEA) over 40 years ago to increase the representation of minorities in the economics profession, primarily by broadening opportunities for the training of underrepresented minorities. It has been operating under its current name since 1974, when it became a full, free-standing AEA Committee. CSMGEP, which is comprised of economists from all areas of the profession, also works to ensure that issues related to the representation of minorities are considered in the work of the AEA, makes an annual report to the AEA on the activities of the Committee as well as on the status of minorities in the economics profession, and engages in other efforts to promote the advancement of minorities in the economics profession.

[Links to CSMGEP website and contact information]

**ASHE Officers - 2014**

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Alberto Davila (President-elect) University of Texas - Pan American
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**National Economic Association**

The NEA was founded in 1969 as the Caucus of Black Economists to promote the professional lives of minorities within the profession. Through its journal, *The Review of Black Political Economy*, and its annual meeting/sessions, the organization produces and distributes knowledge of economic issues that are of exceptional interest to native and immigrant African Americans, Latinos, and other people of color.

[Links to NEA website and contact information]

**NEA Officers - 2014**

Trevon Logan (President), The Ohio State University
Lisa Cook (President-elect), Michigan State University
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Romie Tribble, Jr. (Secretary), Spelman College
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**The Minority Report Newsletter**

Senior Co-Editors: Cecilia Rouse and Gary Hoover
Design/Editing: [Dawn’s Desktop](#)

Questions about *The Minority Report* may be addressed to Cecilia Rouse, rouse@Princeton.edu
CSMGEP currently sponsors training and mentorship programs for students at different stages of their education as well as “newly minted” Ph.Ds.

### The Summer Training Program

In 1974, the American Economic Association established the AEA Summer Training Program to prepare talented undergraduates for doctoral programs in economics and related disciplines, by offering a unique opportunity for students to gain technical skills in economics and conduct independent research. The Program provides courses in economic theory, mathematics, and econometrics as well as research seminars intended to acquaint students with key economic concepts and issues. This Program is open to all qualified students, regardless of race, ethnicity, or gender. The Minority Fellowships are open to qualified U.S. citizens and permanent residents, with preference for those who are members of historically disadvantaged racial or ethnic minority groups and advance the diversity of the Economics profession. Application and nomination information for this program can be found at [http://healthpolicy.unm.edu/events/aeasummer12](http://healthpolicy.unm.edu/events/aeasummer12), or through email at [aea@unm.edu](mailto:aea@unm.edu). For more information, please contact the Program Coordinator, Kate Lenzer at [klenzer@unm.edu](mailto:klenzer@unm.edu).

### AEA Economics Mentoring Program

In the mid-1990s, CSMGEP created the AEA Mentoring Program (formerly known as the Pipeline Program) for under-represented minority students in Ph.D. programs in economics. Since then the Program has expanded to include new doctorates. In the program, students are matched with a mentor who sees the student through the critical junctures of their graduate program or the early stages of their post-graduate career. The goal is to help students successfully complete their doctorate and secure academic and professional jobs in economics. The AEA Mentoring Program also hosts an annual Summer Pipeline Conference to which all participants and their mentors are invited. The conference, which is held each year at the site of the AEA Summer Training Program, brings together undergraduate students, graduate students, newly minted Ph.Ds, and senior-level economists from around the country. This Program is currently funded through the generous support of the National Science Foundation. For more information about joining and supporting the AEA Mentoring Program, contact the Program Director Marie T. Mora at [mtmora@utpa.edu](mailto:mtmora@utpa.edu), 956-665-7913.

### Summer Economics Fellows Program

Sponsored by the American Economic Association and the National Science Foundation, the Summer Economics Fellows Program is designed to increase the participation and advancement of women and underrepresented minorities in economics. Fellows spend a summer in residence at a sponsoring research organization or public agency, such as the Urban Institute or a Federal Reserve Bank. Summer economics fellowships are available to senior graduate students and junior faculty. Applications are due by February 15. For more information, go to [http://www.aeaweb.org/committees/CSMGEP/pipeline/summerfellows/](http://www.aeaweb.org/committees/CSMGEP/pipeline/summerfellows/). For more information, please contact Dan Newlon, Coordinator AEA Summer Economics Fellows Program at [dan.newlon@aeapubs.org](mailto:dan.newlon@aeapubs.org).
redistribution. While we focus on this single survey question in this brief report, the patterns we find hold when we instead use other questions about redistribution in the GSS (including one that asks specifically about “welfare”) as well as the sole redistribution question posed in the American National Election Studies survey.

Figure 1 shows a scatterplot, with best fit lines, of mean response over time to our focal redistribution question. The longer fitted line depicts a slight decrease in demand for redistribution over the period 1978 (when question was first posed) to 2012 (the most recent survey available). The shorter line, depicting a steeper drop in redistributive support, is the best fit from 1978 through 2006. We prefer restricting attention to the pre-recession years for three reasons. First, inequality did not actually increase during this period; by 2012 the top one percent had yet to regain the losses to their income share incurred in 2008 and 2009. To the extent that we want to focus on the puzzle of why demand for redistribution did not increase despite rising inequality, it seems prudent to exclude these most recent years, in which inequality did not increase on net and which, coming at the end of the time-

Figure 1: Government Should Reduce Income Differences
Full Sample

Data Source: General Social Survey
Scale: 1-no support to 7-high support

series, greatly influence trend lines. Second, this period also witnessed the greatest downturn since the Great Depression, which likely has had its own effect on redistributive demand. Third, as we are interested in trends by race, including the administration of the first black president might well conflate racial attitudes with view of government and thus not reflect views about redistribution more generally.

The aggregate trends of Figure 1 mask substantial heterogeneity across demographic groups. In Figure 2 we plot the same pattern, but by age group. The figure shows that while respondents under 65 see no significant change in mean desire for income reduction over the time period, the view of the elderly grows increasingly negative over time, whether we subset to the pre-recession time period or not. The second demographic split that reveals substantive differences in trends toward redistribution over time is race.
As shown in Figure 3, the level of support for redistribution amongst blacks remains higher than that of whites throughout the time period. However, blacks’ demand for redistribution declines markedly, narrowing the black-white gap. (We would have liked to explore trends by Hispanic ethnicity; unfortunately the GSS does not identify Hispanic respondents for the majority of our time period.)
For a number of decades the United States employed what had been coined a “benign approach” to immigration enforcement. Apprehended individuals found to have undocumented status were simply returned to their home countries—a policy known as “voluntary departure.” After 9/11, enforcement strategies changed substantially, with the Department of Homeland Security instituting a consequence delivery system with its intent to increase the cost of immigrating illegally to the United States. Under this system, apprehended individuals were made to pay a “steeper price” by serving time in detention centers, earning a deportation record or some other sanction intended to punish and deter that behavior. As displayed in Figure 1, immigrant convictions have been on the rise in the post-9/11 period as a share of total Federal convictions.

At the same time, there has been a shift in the distribution of enforcement activities from federal agents patrolling border areas to state and local law enforcement personnel undertaking immigration enforcement at interior points. While the pendulum seems to be swinging back toward an emphasis on border enforcement by federal agents, many states have made considerable headway implementing omnibus immigration laws that call for local police to make an effort to determine the immigration status of persons within their jurisdiction who are suspected of being illegal aliens. In addition to omnibus immigration laws, 287(g) agreements—designating that local law enforcement personnel assist with the identification and removal of undocumented immigrants—have been put in place between states and Immigration Customs Enforcement (ICE). These agreements have been gradually replaced with Secure Communities, a program now covering the entire country and that, like its predecessor, involves the cooperation of local police with ICE to identify and remove undocumented immigrants.

In sum, there has been a progressive increase in immigration enforcement over time, first at the federal level, then at the state level, and more recently, a push to make federal enforcement more encompassing. In this piece, we report on the various effects of these policies on undocumented migration, on the employment of likely unauthorized immigrants, and on their well-being. Additionally, we discuss the consequences that the policies might be having on unauthorized immigrants’ legal counterparts, e.g. native-born individuals and U.S.-born family members of undocumented immigrants.

Enhanced federal immigration enforcement may have reduced the flow of undocumented immigrants, whereas state and local immigration policies may have lowered the stock or total population of undocumented immigrants in the country:

Numerous researchers have examined the effects of stepped-up border enforcement on undocumented immigrants...
immigration, in particular with respect to persons of Mexican origin. Since measuring undocumented immigration and increased border enforcement is difficult, it is not surprising that these studies have differed in what they conclude (e.g. Espenshade, 1994; Amuedo-Dorantes and Pozo, 2014; Angelucci 2012; Massey, Durand, and Malone 2002). Nonetheless, there is considerable agreement that border enforcement did not make much of a dent in the stock of undocumented immigrants, although it might have impacted the flow (Angelucci, 2012). While expenditures on immigration enforcement by Customs Border Patrol (CBP) have risen since 2002 (see Figure 2), apprehensions of undocumented immigrants have fallen (see Figure 3), suggesting that, perhaps, increased enforcement has helped stem the inflow of undocumented immigrants. Nonetheless, as Massey, Durand and Malone (2002) note, enhanced border enforcement induces migrants to abandon their circular and temporary migration patterns in order to permanently settle in the U.S., thereby converting flows into stocks.

**Figure 2: Expenditures by Customs and Border Patrol**

![Bar chart showing expenditures by Customs and Border Patrol from 2002 to 2012.](source)


**Figure 3: Apprehensions of Undocumented Immigrants**

![Bar chart showing apprehensions of undocumented immigrants from 2002 to 2012.](source)


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Samuel L. Myers, Jr.: A Trailblazer in His Own Way

2015 Recipient of the National Economic Association Samuel Z. Westerfield Award

By Margaret C. Simms, Urban Institute, Washington, D.C.

When the National Economic Association confers the Samuel Z. Westerfield Award on Dr. Samuel L. Myers, Jr. at the ASSA meetings in January 2015, it will be the first time the son of a previous Westerfield Award winner is so honored. But while the son follows in his father’s footsteps in receiving this award, he has blazed his own trail in getting to this point.

The Samuel Z. Westerfield Award is presented periodically to a black economist to recognize them for distinguished service, outstanding scholarship, and the achievement of high standards of excellence. The award is named after its first recipient, Ambassador Westerfield, “an outstanding teacher and university administrator, a dedicated official in government service, a talented international diplomat, and a successful and avid builder of institutions dedicated to economic development and the appreciation of the black experience.”i Previous recipients have included, in addition to Samuel Myers, Sr., Marcus Alexis, Phyllis Wallace, and Andrew Brimmer.

In explaining the Westerfield Award Committee’s decision, committee chair Dr. Bernard E. Anderson said, “The scope, depth, and volume of Sam Myers’ work, and his brilliant academic career; mark him as one of the nation’s most eminent economists of any race. The NEA is proud to recognize him with the Westerfield Award conferred upon leading black economists.”

The current recipient, like his father, did his undergraduate work at Morgan State University. There he developed his interest in using economic tools in order to solve the problems of minority communities. When interviewed about this for a study on the black experience at MIT, Dr. Myers said, “What Morgan did was instill the vision and the sense of commitment to use these skills and tools for a purpose.”ii From Morgan State, Sam went on to MIT, where he became one of the first American blacks to receive the PhD in economics from that institution.

At MIT, he not only benefited from the teaching and research of faculty members, but from the friendships and partnerships he was able to forge with his fellow African American students. One of the individuals he has worked with most closely on research around the African American family and economic inequality is William A. (Sandy) Darity, Jr., the 2012 recipient of the Westerfield Award. When asked to comment on their collaboration, Dr. Darity said, “Sam is an extraordinarily creative and generous collaborator. For example, I marvel at the wider insights he has been able to draw about diversity and inclusion from his examination of race and competitive swimming in Minnesota. He and I have collaborated over many years on a number of projects: discrimination in employment, black ‘economic progress,’ male marriageability and family structure, discrimination in publishing in economics, and racial differences in alimony and child support. He always has insisted that we produce work that is sound analytically and empirically. He is a superb applied, policy economist—and, as a consequence, a supremely deserving recipient of the Westerfield award.”

Myers has used the powerful theory and analytic tools he acquired at MIT to delve into questions of particular relevance to the problems of the African American community and to critique public policies that adversely affect people of color. His work has ranged over a broad set of issues—racial disparities in the criminal justice system, credit markets and entrepreneurship, and government transfers and anti-poverty policies. As if there wasn’t enough work to do here in the United States, Sam has expanded his work on racial and ethnic disparities to look at these issues in Australia, New Zealand, and China.

Myers’ primary jobs have been in academia, with appointments at the University of Texas, University of Pittsburgh, University of Maryland, and the University of Minnesota. But he has also worked in or with government agencies; his engagement with
government includes serving as a senior economist at the Federal Trade Commission, and consultant to the House Judiciary Committee, the U.S. Civil Rights Commission, Minnesota Department of Transportation, and New Jersey Transit Corporation.

In his 22 years as the Roy Wilkins Professor of Human Relations and Social Justice at the Humphrey School of Public Affairs (University of Minnesota), Sam has brought academia to the community and the community to academia through the Roy Wilkins Center and the Roy Wilkins Forum. Through his teaching and his activities with the Wilkins Center, Myers has put into practice his articulation of race analysis as “the systematic application of the tools of historical and cultural analysis to understand the social and economic circumstances facing blacks and other racial minority group members.” During the 1990s, the Wilkins Forum hosted forums on race relations, education, affirmative action, and housing. More recently, the Center has been the site of two World Conferences on Remedies to Racial and Ethnic Economic Inequality and the convener of conferences in South Africa and Australia. These meetings have reflected both Sam’s passion for justice and his analytical way of thinking about the issues.

Myers has also found time to participate actively in national professional associations. In a 2012 article in Diverse magazine, Sam is quoted as saying that unlike his father he is not cut out for leadership in “industry” organizations. But his own resume proves him wrong since he has served as President of the National Economic Association, the Association for Public Policy Analysis and Management, and on the boards of many civic and professional associations.

As part of the Westerfield Award luncheon, Dr. Myers will be delivering a lecture on a topic of his own choosing. When asked to explain his choice, Sam said “The title of my Westerfield lecture is “The Production of Black PhDs in Economics at Harvard, 1905-1955.’ The choice of the topic stems from conversations with my father about Samuel Z. Westerfield, Jr., my father’s classmate at Harvard and my own ignorance about the significant contributions that black Harvard graduates had made before the second half of the 20th century. I wanted to learn more about these black pioneers and I wanted to glean as much information as I could from Samuel Myers, Sr. about the intellectual traditions and the theoretical perspectives that molded his work as well as that of the other notable African American graduates of Harvard’s economics PhD program. My thesis adviser, Robert Solow, who was in the same cohort as Westerfield and my father, was genuinely surprised to hear about the stories my father told me about being black at Harvard. So, I thought it was worth educating those who have never even heard of Samuel Z. Westerfield, Jr. about these trailblazers and the complexities of their lives.”

When Sam Myers was a newly minted PhD, Robert Solow is reported to have said, “Sam feels the normal conflict between the desire to do good academic economics and the desire to be useful to the black community. I think he will succeed in both.” Indeed, Sam has succeeded at both, in part because he developed a way to take and adapt good academic economics and make it useful in analyzing the problems of the black community and assessing the impact of public policies on the persistent racial disparities that exist in the United States and around the world.

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v Solow Papers, quoted in Darity and Kreeger (2014)
Because of the limited effectiveness of federal policies to reduce the stock of undocumented immigrants, many state and local jurisdictions have instituted their own immigration enforcement policies, sometimes in cooperation with federal agencies. Are these policies more effective at reducing the stock of the unauthorized? As with the studies that analyze federal border policies, findings by researchers differ depending on the immigration enforcement measures looked at, the geographic scope of the analysis, data sources and methodology employed (e.g. Watson, 2013; Bohn, Lofstrom, and Raphael, 2014; Amuedo-Dorantes and Lozano, 2014; Amuedo-Dorantes, Puttitanun, and Martínez-Donate, 2012; Amuedo-Dorantes and Pozo, 2014). Overall, the evidence points to the likelihood that interior state and local enforcement could have the potential to reduce the stock of unauthorized immigrants, although this seems to have primarily occurred via deportations as opposed to voluntary returns.

**Enhanced immigration enforcement may have altered employer preferences in intended and unintended ways:**

While a change in preferences towards individuals authorized to legally work in the United States is certainly the intent of employment-verification (E-Verify) mandates, these mandates may have unintentionally reduced employers’ demand for legal, often native-born, “Hispanic-looking” workers for fear they might turn out to be undocumented. In fact, nearly one-quarter of native-born Hispanics responded that “being Hispanic/Latino hurts when it comes to finding a job” (Pew, 2012).

However, using Current Population Survey data, Orrenius and Zavodny (2009) conclude that, because of tougher immigration laws post-2001, low-skilled legal immigrant and native workers are more likely to find employment relative to low-skilled, presumably undocumented, recent immigrant arrivals.

Thus it would appear that tougher regulations have led to a change in employers’ preferences toward the hiring of legal workers or, at the minimum, workers perceived as being “less likely to be unauthorized” in order not to run afoul of the law.

**Enhanced immigration enforcement may have severely impacted the well-being of migrants’ native-born family members:**

Finally, tougher immigration policies, particularly at the state and local level, might have had some unintended impacts on the well-being of migrants’ native-born relatives. State and local measures are more likely to be enacted in the heat of political debates, with less information concerning best practices and by more junior legislators than are federal immigration policies which seem to require far more consensus. As a result, state and local mandates are more likely to be arbitrarily interpreted compared to federal measures, which have the potential to be applied uniformly, possibly avoiding many of the unintended consequences that might emerge from state and local measures. Indeed, research supports the notion that, while internal enforcement does have the potential to reduce the stock of the undocumented (e.g. Amuedo-Dorantes and Pozo, 2014), it does so at a considerable cost. State and local level policies seem to have raised the rate at which undocumented immigrants experience mistreatment and abuse from law enforcement personnel while also raising the incidence of family separations (Amuedo-Dorantes et al. 2014). Workplace raids that deport the parents of young children at a moment’s notice contribute to what Menjívar and Abrego (2012) coin “legal violence”—actions rooted in the legal system that create an injurious environment for the children of undocumented immigrants, many of whom are U.S. citizens. As Capps et al. (2007) suggest, for each two persons deported on account of workplace raid, there is one child left behind.

In addition, interior enforcement has been associated with reports of U.S.-born and immigrant children being denied services to which they are entitled including public health services exempt from restrictions such as immunizations and emergency medical care (White et al., 2014). Sometimes this occurs as a result of a misunderstanding of the reach of the law. Other times it results from an unwillingness to distinguish those who have legal rights to these services from those who do not.

Even if the services are not denied, there are reports of mothers who are less likely to seek needed care for
their native-born children because they are under the impression that their own unauthorized status implies that their U.S. born children are ineligible for services or, that in the process of seeking care, they risk being deported. Empirical evidence from hospital pediatric emergency use analyzed by Beniflah et al. (2013) supports this claim, with the researchers finding a statistically significant decline in Hispanic patient use after the enactment of HB87 in 2011—Georgia’s omnibus immigration law requiring individuals to carry proof of citizenship or legal immigration status at all times. Furthermore, the severity of the conditions for which Hispanics were admitted rose after 2011. These differences in usage and acuteness of conditions are in contrast to those for all other racial and ethnic groups, suggesting that Hispanics became less likely to take their children to seek emergency care after the passage of the bill, possibly delaying care until the situation was more serious.

In conclusion, there is still much to learn about the effects of immigration enforcement. It is a difficult area of study given the sensitivity of the topic and the challenges inherent in studying behaviors of individuals who feel the need to remain in the shadows. Nonetheless, we have some understanding about the impacts of increased immigration enforcement:

(1) Federal immigration enforcement might have helped stem the flow, but not the stock of undocumented immigrants, which kept rising (in part due to the permanent settlement of previous circular migrants) until the Great Recession hit.

(2) Interior enforcement seems to have been more effective in reducing the stock of undocumented immigrants, although via deportations as opposed to voluntary returns.

(3) Interior enforcement has also proven to have significant unintended consequences on both undocumented and authorized immigrants, including increases in migrant mistreatment, family separations, and reductions in effective access to healthcare and other services for those eligible for such services.

Additional research into the effects of enhanced immigration enforcement is warranted given the vast level of resources spent in this area, the apparent limited effectiveness of many of the policies and the unintended consequences that are being detected on innocent bystanders.

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Bibliography


Changing Conceptions of Poverty

Although he grew up in an affluent home, William A. “Sandy” Darity, Jr. learned about poverty, inequality and social injustice from his parents. They taught him early on that people do not struggle because they make bad decisions; people are poor because our society creates poverty. These continued to be important issues to Darity, and when he went to college, he took economics hoping to discover reasons why some people are born into lives of deprivation. He was surprised and disappointed to learn most answers from economists of the day involved only variations of human capital theory. So, Darity says, “with the hubris of youth,” he decided to become an economist to change the way economists think about poverty and inequality.

As a child, Darity lived with his parents in the Middle East where his father worked for the World Health Organization. They returned to the States when Darity was eight, and his father went back to school and became the first African-American to earn a Ph.D. from the University of North Carolina at Chapel Hill. The family moved to Amherst, Massachusetts where Darity went to junior high and high school. From there, he earned his bachelor’s degree at Brown University in economics and political science, graduating magna cum laude with honors in both. He received a Marshall Scholarship which he used to attend the London School of Economics for a year. In 1975, he entered MIT and finished his Ph.D. in economics within just three years. (The only other person to do so is economist Paul Krugman.) Darity began teaching economics at the University of Texas at Austin in 1978 and was tenured in 1981. He moved to UNC Chapel Hill in 1983 and worked there for twenty-four years. For eight years he alternated semesters between UNC and Duke University before moving to Duke full time in 2007.

Darity has been a fellow at the National Humanities Center, the Centro de Excelencia Empresarial in Monterey, Mexico, and at the Center for Advanced Study in the Behavioral Sciences at Stanford. He has been a professor at several colleges and universities. For a year he was the William and Camille Cosby Endowed Professor at Spelman College. He is the editor in chief of the most recent edition of the International Encyclopedia of the Social Sciences, and is associate editor of the most recent edition of the Encyclopedia of Race and Racism. He was a member of the American Economic Association’s executive committee and is a former president of both the Southern Economic Association and the National Economic Association.

One of the most rewarding parts of his career has been working collaboratively with other scholars on problems of mutual interest. His research covers a wide variety of subjects including comparing...
the status of dalits and tribes in India with blacks in the USA, ethnic conflict, ethnic diversity and economic development, racialized tracking in schools, employment guarantees, relative position, happiness, and well-being, and race, religion, and health disparities. His current focus is on “Stratification Economics,” a combination of sociology and economics which provides an alternate approach to thinking about inequality between class and ethnic groups. Darity hopes his and others’ work in this area will widen exposure to this new way of thinking across the economic profession and beyond.

In 2012, Darity received the Samuel Z. Westerfield Award from the National Economic Association, the highest honor that organization bestows. The award acknowledges outstanding scholarly achievements and public service by an African-American economist. In his acceptance speech, Darity reviewed the “USA's long tradition of violating or grossly manipulating its own laws, particularly when those laws are intended to improve the lives of black folks.” He alluded to the Humphrey Hawkins Act of 1978 that calls for full employment and that the public sector must provide jobs if the private sector cannot. Since the government has not complied with this Act, Darity has proposed a National Investment Employment Corps to provide work for all who want to work. He wants every American to have a guaranteed job earning at least $23,000 a year with $10,000 in benefits, including federal health insurance. He believes this is one way to combat poverty and the destruction it brings to families and our country.

In fact, Darity says a highlight of his career came in January of this year when MSNBC reported that close to half the American public now favors a federal job guarantee. Although he has argued for years that the federal government should provide guaranteed employment at non-poverty wages, the idea has received little support. He was inspired to see a plurality of those who responded to the survey believe in such a proposal.

Through his extensive research, innovative proposals, and teaching young economists to think differently, Darity continues to fulfill his mission of changing the way the economics field treats poverty and inequality.

Proust Questionnaire

A salon and parlor game of the 19th century, made most famous by Marcel Proust’s answers, the Proust Questionnaire (adapted here) gets to the heart of things....

What is your idea of a perfect day?
Sharing a day with family and friends playing music, listening to Chicago blues, especially Bobby Blue Bland with guitarist Wayne Bennett, watching Carolina basketball in an NCAA championship that they win, eating excellent Indian or Thai cuisine or Texas bar-be-cue.

What’s on your nightstand?
Chimande Ngozi Adiche’s Americanah and a Crazy For Sudoku booklet.

What’s your favorite indulgence?
Ice cream -- unusual flavors, e.g. wasabi, Shiner beer, Mexican vanilla, strawberry tequila, white cinnamon. Best places to buy are Lick and Amy’s Ice Cream in Austin, TX.

Whom do you most admire?
My parents, my father and my late mother.

What is your greatest regret?
Not mastering the chromatic harmonica at a young age. Not learning how to write regression programs in the languages most commonly used today.

What will you never forget?
The births of each of my sons.

What’s your personal motto?
I have two aphorisms that I created: “Things can always get worse.” “It’s fun to be black, but it ain’t easy.”

What do you consider your greatest achievement?
After a great deal of persistence on my part in helping to promote this policy, it is now being able to see a growing momentum in support of the federal job guarantee. It would be wonderful also to witness a growth in support for reparations for African Americans and/or baby bonds for all Americans.

What would be your dream job?
I love being a professor, apart from having to grade papers. I would be thrilled to head a major research institute devoted to the study of and design of solutions to inequality.
It’s important having researchers who understand nuances in cultural awareness specific to Latinos and others.
world and tell the story of U.S. Hispanics, and how they are changing the U.S. and how the U.S. is changing them.

Lopez’ current focus is on the Hispanic Trends Project at Pew. The project “seeks to improve public understanding of the diverse Hispanic population in the United States and to chronicle Latinos’ growing impact on the nation.” Researchers collect data through public opinion surveys, including the annual National Survey of Latinos and prepare reports on a wide range of topics including economics and how it relates to personal finances, Hispanic/Latino identity, education, health care, and immigration trends, etc. The Hispanic Trends Project’s website http://www.pewhispanic.org/ contains a huge collection of publications based on the Center’s research and findings.

Of course, when Lopez tells the story of the Latino community, he does it through data. One of his graduate thesis advisors, David Card, used to tell him, “Take it back to the data.” For example, one interesting report based on the most recent National Survey of Hispanics showed that, when asked who the most important Latino leader is today, two-thirds of Latinos could not name one, and another 10% said “no one.” With these kinds of data, Lopez says he can “create a conversation: scientific research can lead to discussion.” He is often on television and radio shows to explain the data and open up dialog.

To get accurate data, Lopez says it’s important “having researchers who understand nuances in cultural awareness specific to Latinos and others.” Moreover, Lopez believes it’s important to produce data and analysis that are nonpartisan and impartial. (The Pew Research Center calls itself a “Fact Tank” and not a “Think Tank” for example.)

Such impartiality is key for Lopez, who claims that if he were not an economist, he would have pursued a career as a journalist. That way he could still tell the story with data for a broad range of audiences.

Proust Questionnaire
A salon and parlor game of the 19th century, made most famous by Marcel Proust’s answers, the Proust Questionnaire (adapted here) gets to the heart of things....

What is your idea of a perfect day?
There are so many different kinds of perfect days! Spending time with my mom making enchiladas is among the best kind. But so too are days when the Cal Bears win a football game while enjoying my signature cocktail—the Lopez.

What’s on your nightstand?
A clock radio...so I can listen to the news as I fall asleep.

What’s your favorite indulgence?
A day washing, polishing and waxing my Camaro, making sure each wheel shines.

Whom do you most admire?
Tough question. I admire my former boss Paul Taylor tremendously for his ability to tell stories with data. But I also admire my parents. They sacrificed plenty for me and my siblings so we could have a chance to succeed.

What is your greatest regret?
I didn’t get to tell my dad how much he mattered to me before he passed away.

What is your greatest achievement?
Being the director of Hispanic research at the Pew Research Center, which has allowed me to travel the world to talk about the nation’s growing and changing Latino community.

What trait do you most deplore in others?
Rudeness, which includes talking over people, not respecting others, and cutting in line.

What’s your favorite movie or book?
I have three! *Bless me Ultima* by Rodolfo Anaya, *Their Eyes Were Watching God* by Zora Neale Hurston and *Catcher in the Rye* by J. D. Salinger.

Which is your favorite city?
Los Angeles—my hometown.

Which words or phrases do you most overuse?
There are three! “Not enough hours in the day”. “See what happens when you hang out with a Mexican?” “Who approved that!”
A Comparative Advantage

Caroline Hoxby’s interest in economics began in the 8th grade when she was working on a project about school finance in her economics class. Hoxby says, “Of course, I would have written a better paper if I had learned graduate public finance before embarking on the project, but what is an 8th grader to do?” She continues, “Suffice it to say that I was already a convert to economics at about the age of 13, having precociously read Adam Smith, Hume, Ricardo, J.S. Mill, Alfred Marshall, Galbraith, and others.”

Hoxby grew up in Shaker Heights, Ohio, a suburb of Cleveland, during the late 1970s and early 1980s. During this time, her father, Steve Minter, was Under Secretary for the U.S. Department of Education under the Carter administration. Both of Hoxby’s parents believed it was important to expose her to issues of welfare, anti-hunger, and other anti-poverty programs. Hoxby says, “Their idea of tourism in Detroit was going to see the exact location where the riots started!” Her background therefore gave her a deep interest in poverty and its manifestations.

After graduating from high school, Hoxby went on to graduate summa cum laude from Harvard. She attended Oxford on a Rhodes Scholarship and graduated with the “Best Master of Philosophy” thesis. Then she came back to the States and earned her doctorate from MIT. From 1994 to 2007, she was on the faculty at Harvard. She became the Morris Kahn Associate Professor of Economics and later the Allie S. Freed Professor of Economics. During her Harvard years, Hoxby was the only African-American economics professor with tenure. In 2007, Hoxby moved to Stanford where she is now the Scott and Donya Bommer Professor of Economics.

Hoxby has received multiple honors since 1993, including a Ford Foundation Fellowship, an Alfred P. Sloan Research Fellowship in Economics, and being named a Carnegie Scholar. In 2006 she was awarded the Phi Beta Kappa Prize for Excellence in Teaching and in 2014 was appointed the John and Lydia Pearce Mitchell University Fellow in Undergraduate Education (Stanford’s highest teaching honor). Among many other affiliations, Hoxby was a visiting professor at the Paris School of Economics and a research associate at the National Bureau of Economic Research where she is now Director of the Economics of Education Program.

In fact, economics of education is one of her main areas of focus. Her recent research in this area demonstrated that most talented high school students from low income backgrounds did not even apply to selective colleges, despite these schools actually being cheaper from them owing to very generous financial aid. Hoxby and her co-authors then went on study how to give such students information on their full range of college opportunities, the net prices they would actually pay, and how to negotiate the application process.
In the end, Hoxby developed a packet that is customized for every student and that went to tens of thousands of low-income high achievers in a massive randomized controlled trial. The trial shows that, when disadvantaged students are better informed, they are almost 80 percent more likely to gain admission to a very selective school with rich instructional resources—one that they can often attend for free. An article in the Smithsonian Magazine, http://www.smithsonianmag.com/innovation/how-do-you-get-poor-kids-to-apply-to-great-colleges-180947642/?no-ist=&page=4, published in December 2013, states “The information packet, which grew out of two landmark studies she [Hoxby] published in the last year, is the crowning achievement of her two decades as the country’s leading education economist....In a world where poverty and inequality seem intractable, this may be one problem on the way to being solved:”

While the article also says that Hoxby “almost single-handedly created the field of educational economics,” she claims her interests go beyond that arena. She says, "I am about equally interested in the economics of education, public economics (taxes and spending), and labor economics (wage determination, labor supply, discrimination, etc.) At the end of the day, however, I mostly write on the economics of education and local public finance because these two subjects are my comparative, if not my absolute, advantage.”

If you ask Hoxby about the most rewarding part of her career, she’ll likely tell you that she is thrilled when she finds a new result or method. As for what she likes about economics specifically, Hoxby says, “I love answering questions with data and theory. I love the science that is economics.”

On the subject of how race might affect her research, Hoxby says that it doesn’t have much of an impact. As to how it affects her professionally, she reports “I do not dwell much on this because I am big believer that sunk costs are sunk,” she says. “My goal is to ensure that younger people do not face the challenges that I faced. I do not even want them to know much about the existence of these challenges because they ought to focus on economics as a science.”

As for her advice to economics graduate students, Hoxby encourages them to work on topics for which they have a special acumen and not to follow the crowd. She states, “Here is my logic: EVERYONE who makes it to a PhD program in economics is extremely good at economics. Therefore, you can only distinguish yourself by being insightful about something among these extremely good people. It is not plausible that you have equally important insights in every area of economics, so if you work on something other than your own ‘bent,’ you will find it very hard to distinguish yourself.”

By going with her “bent” or comparative advantage, Hoxby has made an impact, not only in the field of economics, but also in fighting poverty and some of its effects on the next generation of scholars and their families.

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**Proust Questionnaire**

A salon and parlor game of the 19th century, made most famous by Marcel Proust’s answers, the Proust Questionnaire (adapted here) gets to the heart of things....

**What is your idea of a perfect day?**

Drink extremely good expresso for breakfast. Go to a museum. Eat a picnic lunch on a sunny hillside meadow. Have a vigorous walk all over an archeological site or beautiful, culturally interesting town. Have a light dinner at a truly good restaurant. Go to a Handel, Mozart, or Monteverdi opera. Eat gelato afterwards on the main piazza. Did I mention that all this is probably in Italy and certainly with my husband Blair?

**What’s on your nightstand?**

A book on the painter Nicholas Poussin. *The Waters of Rome* by H.V. Morton. *1066 and All That* by Sellar and Yeatman. (Everyone ought to have the last of these on his or her nightstand.)

**Whom do you most admire?**

Definitely my cats. Within the human species, I admire people who are true to themselves and who exhibit fortitude.

**What trait do you most deplore in others?**

Selfishness.

**What could the world do without?**

If we could, without imposing any suffering or economic hardship, have a human population that was much smaller, the world environment would be under much less pressure.

**What’s your most annoying/bad habit?**

I wake up much earlier than other people—so much so that it would annoy anyone but a saint (i.e. my husband).

**What was the last book you read?**

*The Decline and Fall of the Roman Empire*. (No kidding. It is fabulous. What a writer!)**

**Which words or phrases do you most overuse?**

analytic, analysis, analytical.

**What’s your favorite sport?**

I do not know whether ballet qualifies as a sport, but if it does then it is my favorite. I love to see it, and it is the only form of exercise I truly enjoy. Otherwise, tennis (I love it but I am horrible at it), rowing (I understand it well because I was a cox), college football (obviously, I am just a spectator!).
The American Community Survey (ACS) Gini Index of Income Inequality: Evidence from Washington, D.C.

By Jan E. Christopher, Delaware State University College of Business

The Gini Index and other metrics, such as the Atkinson Inequality Index, the Human Development, Hoover, and Theil Indexes, are utilized to measure income inequality across geographic areas. The Gini Index gauges how aggregate income accrues from the poor relative to the rich by dividing the income distribution into fifths, known as income quintiles. The American Community Survey (ACS) defines a quintile as 1/5th of the total number of households in a geographic area. The Gini coefficient is a single-valued number that measures how equitably income is distributed within a population. It provides an illustration of changes in inter-temporal income distribution and in income and wealth, and can assist in cross-comparisons of salary structures within large, complex organizations (Farris 2010).

The Gini coefficient can be used to study race and ethnicity, ways to reduce opportunity gaps and increase asset building, and other issues related to spatial inequality. Aggregate household income is the most often-used measure to calculate the Gini coefficient on U.S. data; however, aggregate family income, per capita personal income, wealth, land, and median family income are also used to measure relative income inequality.

To calculate the Gini coefficient in the ACS for a particular geography, such as Washington, D.C., the population is rank-ordered in increasing magnitude according to total household income for the time frame under consideration. It is assumed that all negative incomes are recoded to be zero prior to calculating the ACS Gini Index. Ultimately, the Gini coefficient is derived from the “Lorenz curve,” which is defined for each quintile and uses linear interpolation to complete its shape, particularly when the top 5% of aggregate household income is taken into consideration.

As household composition changes as a result of economic conditions, spatial inequality becomes more extant, changing the dynamics of income inequality in general. What is directly observable by researchers and policymakers in any geographic area is the cumulative percentage of total income from lowest to highest by the various percentages of households. A straight line that is characterized by a 45° angle which cuts the area in half is termed the line of perfect equality, where the lowest 20% of households have 20% of the income and 95% of the households have 95% of aggregate income. The Gini coefficient is derived from how the calculated Lorenz curve deviates from the 45° line of perfect equality. Since Gini coefficients should only be compared if computed in the same manner, the method in which the Gini Index is calculated in the ACS—and computing subsequent Gini coefficients in the similar manner—will facilitate future research on income inequality that is consistent across research studies.

The ACS provides a Margin of Error (MOE) for each variable estimate, which is the interval width that measures the lower and upper confidence bounds based on the 90% confidence level (U.S. Census 2008, 30). Point estimates are based on the time periods of 1-year, 3-year, and 5-years in the ACS. In this article, the 2012 and 2013 ACS 1-year estimates will be used.

The Gini Index is between 0 and 1, with a larger value indicating greater variability and a smaller value indicating greater uniformity (Everitt 2003). The geometry in which the Gini coefficient is derived is that of a rhomboid, i.e., each quintile is a parallelogram with adjacent sides not equal. A rhomboid can be compared with a rhombus which is a parallelogram in which at least two adjacent sides are equal. In Table 1, for Washington D.C.—the lowest 20% of households held 1.94% of all incomes in 2012 and 1.83% in 2013—a decline of 5.7% in just one year.
Table 1: Quintile Shares of Aggregate Household Income for Washington, D.C., 2012 and 2013

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Households Quintile Share of Aggregate Income (Estimate)</td>
<td>Lowest (First) Quintile</td>
<td>Second Quintile</td>
<td>Third Quintile</td>
<td>Fourth Quintile</td>
<td>Highest (Fifth) Quintile</td>
<td>Top 5 Percent (95 Percentile)</td>
<td>Household Gini Index</td>
</tr>
<tr>
<td>2</td>
<td>2012 District of Columbia Share (Percent)</td>
<td>1.94</td>
<td>6.82</td>
<td>13.10</td>
<td>22.53</td>
<td>55.62</td>
<td>26.03</td>
<td>0.5343</td>
</tr>
<tr>
<td>3</td>
<td>Cumulative Share</td>
<td>1.94</td>
<td>8.76</td>
<td>21.86</td>
<td>44.39</td>
<td>100</td>
<td></td>
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<td>5</td>
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<td></td>
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<tr>
<td>6</td>
<td>2013 District of Columbia Share (Percent)</td>
<td>1.83</td>
<td>6.94</td>
<td>13.26</td>
<td>22.59</td>
<td>55.38</td>
<td>25.32</td>
<td>0.5320</td>
</tr>
<tr>
<td>7</td>
<td>Cumulative Share</td>
<td>1.83</td>
<td>8.77</td>
<td>22.03</td>
<td>44.62</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Number of Households, 2013</td>
<td>54,330</td>
<td>54,330</td>
<td>54,330</td>
<td>54,330</td>
<td>54,331</td>
<td>13,583</td>
<td></td>
</tr>
</tbody>
</table>

Table 1: Spreadsheet Configuration of ACS Shares of Household Income by Quintile and Household Gini Index
Source: American Community Survey.
Note: \( N_{2012} = 266,662 \) Households and \( N_{2013} = 271,651 \) Households

Variables Associated with the ACS Gini Index

Using the ACS, the variables B19081: Mean Household Income of Quintiles or B19082: Share of Aggregate Household Income by Quintile can be used to estimate the series B19083: Household Gini Index of Income Inequality. Most Gini Index calculations based on geographic areas in the United States are derived from regional or industrial concentrations, land area, or other agglomerations and tend to range between 0.34 and 0.63 within 2012 and 2013.

As a researcher or policymaker, the ability to successfully confirm and reconfirm the ACS Household Gini Index of Inequality (B19083), and to use the exact/similar methods to impute the Gini Index on geographic types that are not reported in the 1-year ACS estimates, may hinge upon reviewing the associated ACS variables prior to embarking on research using the ACS Household Gini Index. All ACS monetary variables are defined in inflation-adjusted dollars.\(^5\)

Unlike most Gini coefficients, the ACS Gini Index partitions the highest quintile to reflect the top 5% of aggregate household incomes. This decomposition reflects not only inequality between households in each quintile but also inequality within the highest quintile where 5% of the households in Washington, D.C. had 26.03%
of aggregate income in 2012 and 25.32% in 2013. Between 2012 and 2013, the number of persons in the District of Columbia increased by about 2.23% and the number of households increased by 1.87%. The lowest income quintile had a decline in its share of aggregate income by 5.7% while the top 5% of households had a decline in its share of aggregate income by 2.7%, which may reflect the interrelationship between the top 5% percent and the lowest income quintile. All other income quintiles remained relatively unchanged between 2012 and 2013. The average income in the highest quintile is relatively unchanged between 2012 and 2013 in the District of Columbia; however, the mean income of the top 5% declined by about 2% reflecting effects of income tax reform on the highest quintile.

The ability to incorporate the ACS Gini Index in research and in policymaking is determined by the ability to understand the coefficient’s exact formulation. This linear interpolation formulation in the ACS is useful for comparisons across times frames, geographies, industries, and ethnicities.

Endnotes

1The ACS has the following geographic types that can be used to assess spatial inequality: The nation, census regions, census divisions, states, counties, census tracts, block groups, and census blocks. Measures of the “nation,” and the United States including Puerto Rico, can be subdivided into urban areas, core based statistical areas, and zip code tabulation areas. States and their corresponding geographic areas can be segmented by school districts, congressional districts, urban growth areas, state legislative districts, public use microdata areas and places. Counties can be subdivided into voting districts, traffic analysis zones, county subdivisions, and sub-minor civil divisions.

2Household income is derived approximately 80% from “earnings,” i.e., wage and salary income. Investment income and public and private transfer payments are categorized in the ACS as “interest, dividend, or net rental income”; “social security income,” “supplemental security income,” “cash public assistance income,” “retirement income,” and “other types of income.”

3To obtain the standard error of the estimate, the M.O.E. is divided by 1.645.

4The ACS generates 1-year estimates on areas of 60,000 persons or more; 3-year estimates on areas of 20,000 persons or more; and 5-year estimates for smaller areas.

5The CPI-U for the Washington-Baltimore, DC-MD-VA-WV Metropolitan Area increased by 1.523% between 2012 and 2013 (November 1996=100).

Applicable ACS data files: B01003 Total Population; S1902 Mean Income in the Past 12 Months; B19001 Household Income in the Past 12 Months; B19001A-I Household Income in the Past 12 Months by Race/Ethnicities of Householder; B19013 Median Household Income in the Past 12 Months; B19025 Aggregate Household Income in the Past 12 Months; B19080 Household Income Quintile Upper Limits; B19081 Mean Household Income of Quintiles; B19082 Shares of Aggregate Household Income by Quintile; B19083 Gini Index of Income Inequality; B19301 Per Capita Income in the Past 12 Months; and B19313 Aggregate Income in the Past 12 Months.

References


Inequality, continued

What explains the racial and age differences that we do identify? Not surprisingly, given the increase in public transfers (most notably Social Security and Medicare) to the elderly across recent decades, controlling for income and other covariates reduces the elderly/non-elderly trend differential by about half. The elderly fit our standard political economy model of redistributive preferences: As their situation has improved, their desire for redistribution has decreased. For blacks, who have not seen the income gains of the elderly in past decades—in fact the black-white wage gap has grown in the most recent decade—^—a credible explanation is more elusive. Thus while this note offers some partial explanations (the rising income of the elderly) for the failure of aggregate demand for redistribution to rise with inequality, clearly results by race serve to further complicate the puzzle.

1See the online updates to Piketty and Saez (2003) at http://eml.berkeley.edu/~saez/TabFig2012preLxls
2This report is based on ongoing work supported by and in preparation for Brookings Papers on Economic Activity.
3See www.census.gov/prod/2013pubs/p60-245.pdf

References


Immigration Bibliography, continued


Economics Jobs Beyond Academia

While many people are familiar with the nature of academic jobs, most know less about jobs for economists outside of academia. The following includes some examples of non-academic positions held by economists, described in their own words.

RAND Corporation
Location: Washington, D.C.

Francisco Perez-Arce is an economist at the nonprofit, nonpartisan RAND Corporation and works in its Washington, DC office. The job entails conducting objective research projects that are relevant for economic policy. Major areas of research at RAND include health, education, labor markets, development, environmental economics, defense, and international affairs. Research projects at RAND vary in type and scope. Some projects are funded by grants from institutions like the National Institutes of Health and the National Science Foundation or by private foundations (such as the Gates, MacArthur, and Wallace foundations). Grant-funded projects are usually initiated by individual economists, are very similar to the research conducted in universities, and most often result in articles for publication at various academic journals. Other projects are funded by contracts, mostly with government entities or international organizations, which focus on answering a specific policy question and often result on peer-reviewed public reports that are published by RAND. In addition, several economists at RAND are also faculty members in the Pardee RAND Graduate School, which has a doctoral program on public policy. As faculty members, RAND economists teach classes and advise on dissertations.

Perez-Arce learned about this job opportunity through the American Economic Association’s (AEA) Job Openings for Economists (JOE), but prior to that he had heard about RAND from publications by some of its economists and was aware RAND went to the AEA meetings every year to hire junior economists.

For Perez-Arce, the most exciting aspect of the work at RAND is “the possibility to conduct objective research that is close to the decisions being made on current policy issues while still having the opportunity to work on an academic research agenda.” In terms of the challenging aspects of the job, he adds, “The most difficult thing is to balance your time around multiple and diverse projects. Given the opportunities to work across projects in different topics and of different nature, it is challenging to organize your time.”

In terms of recruiting at his organization, Perez-Arce says, “RAND believes diversity reinforces the organization’s core values of quality and objectivity by promoting creativity and ensuring multiple viewpoints and perspectives on public policy challenges. Through our recruiting efforts, we look for unique backgrounds, original views, and diversity in academic training, work experience, and ideological outlook. We attend numerous recruiting and outreach events throughout the year that promote diversity. Whether it is a large scale event, such as attending a national conference, a more focused setting such as participating in a panel discussion for a minority organization on campus, or hosting our own events such as the Summer Faculty Workshop or our Summer Associate program, RAND continually strives to support and promote its commitment to diversity.”

His advice for “newly minted” economists interested in this type of job:

“The one thing in common in this type of employment is the desire to conduct policy-relevant research, and the willingness to work with, and communicate about research with, individuals from other disciplines and backgrounds. I would encourage ‘newly minted’ economists to pursue opportunities that demonstrate those interests.”

Board of Governors of the Federal Reserve System
Location: Washington, D.C.

Daniel Beltran is a Senior Economist in the International Finance Division at the Board of Governors of the Federal Reserve System (“the Board”) in Washington D.C. After coming from Brazil to get his PhD in economics, Beltran joined the Federal Reserve Board in 2007. He conducts research and policy analysis on developments in global capital flows, such as the effects of foreign portfolio shifts on U.S. asset prices, the determinants of portfolio and direct investment flows, the sustainability of the U.S. current account deficit, and the threats posed by international portfolio allocations to global financial
Carolina Sanchez-Paramo works in Washington, D.C. as a Practice Manager at the World Bank Group (WBG), a source of financial and technical assistance to developing countries around the world. Sanchez-Paramo supervises the work of a team of 40 economists working on economic policy, poverty, equity, and gender issues in the countries that comprise the Europe and Central Asia region of the WBG. The job involves providing strategic and technical advice to team members, representing the team with individual countries and within the rest of the WBG organization, promoting the team’s work, and identifying and developing new projects for her team to undertake in the Europe and Central Asia region. The job also involves managerial responsibilities, including the team’s budget, performance evaluations, and career management.

Sanchez-Paramo joined the WBG through its Young Professional Program, a two-year experience during which recruits gain a broad overview of the WBG’s policies and work. She learned about this program by word-of-mouth during graduate school. Sanchez-Paramo particularly enjoys “the strategic/technical aspects of the job, as well as the interaction with the team.” Speaking on the challenges of the job, she adds, “Many in the Europe and Central Asia region, including government counterparts, think that poverty and equity are not important issues in the countries we work with. Making the opposite case in a way that is convincing and evidence-based is sometimes challenging.”

Sanchez-Paramo says that the WBG “has a well-defined and very pro-active diversity policy that covers both ethnicity and cultural background and informs hiring decisions of staff and management.”

His advice for “newly minted” economists interested in this type of position:

“A successful Fed economist knows how to develop policy-related research into an academic paper, and also how to make recommendations for practical application of the research. Further, you should be open-minded about the research topics that you’re willing to explore. When you’re open to opportunities outside of your traditional research interests, you may find that new and exciting policy questions are also interesting from an academic standpoint.”
Appendix*

Review of the ACS Method in Calculating the Gini Coefficient

The Gini coefficient represents the degree of income inequality and takes into consideration the area between the bowed-shape Lorenz curve and the 45° line of perfect equality. The Gini coefficient is an odds ratio measuring the area underneath the Lorenz curve L divided by the area underneath the 45° line. \( \frac{L}{L + 0.50} = 0.50 \) or 50%. The Gini coefficient is twice the area of the entire curve minus the area of the first quintile. Therefore, the area of the entire curve is equal to \( \frac{1}{2} - \frac{L}{2} \) = 1 - 2L. The area underneath the Lorenz curve forms a shape similar to a rhombus, or \( \frac{1}{2} \times b \times (h_1 + h_2) \), where the base b is 0.20 (a quintile), and h1 and h2 represent the lower limit (left side) and upper limit (right side) of each quintile. Note that the lower limit endpoints for one quintile become upper limit endpoints for the next succeeding quintile.


The ACS Household Gini Index (Estimate), B19083, takes into consideration the Top 5 percent of households and uses a linear interpolation of the partition of the upper and lower limits of the highest (fifth) quintile. The steps can be delineated as:

1. **Calculate Lorenz curve/Gini Coefficient by averaging the Right and Left Endpoints**

   \[
   \text{Multiply Midpoints of the Upper and Lower Limits for Quintiles 1-4} \\
   \begin{align*}
   2012 & \quad \frac{1}{2}((0 + 0.0194)\times0.20) + \frac{1}{2}((0.0194 + 0.0876)\times0.20) + \frac{1}{2}((0.0876 + 0.2186)\times0.20) + \frac{1}{2}((0.2186 + 0.4439)\times0.20) = 0.10951 = 0.0019 + 0.0107 + 0.0306 + 0.0663 = 0.1095 \\
   2013 & \quad \frac{1}{2}(0 + 0.0183)\times0.20) + \frac{1}{2}(0.0183 + 0.0877)\times0.20) + \frac{1}{2}(0.0877 + 0.2203)\times0.20) + \frac{1}{2}(0.2203 + 0.4462)\times0.20) = 0.10988 = 0.0018 + 0.0106 + 0.0308 + 0.0667 = 0.1099
   \end{align*}
   \]

2. **Next, using the same logic, calculate the Linear Interpolation of the Highest Quintile**

   \[
   \begin{align*}
   2012 & \quad \frac{1}{2}(0.4439 + (1.00 - 0.2603))\times0.15) + \frac{1}{2}(0.4439 + (0.5562 - 0.2603) + 1.00)\times0.05) = 0.132265 = 0.0888 + 0.0435 = 0.1323 \\
   2013 & \quad \frac{1}{2}(0.4462 + (1.00 - 0.2532))\times0.15) + \frac{1}{2}(0.4462 + (0.5538 - 0.2532) + 1.00)\times0.05) = 0.13315 = 0.0895 + 0.0437 = 0.1332
   \end{align*}
   \]

3. **Calculate the Gini Coefficient from the Lorenz curve area by combining the first four quintiles to the highest quintile (Left Endpoints):**

   \[
   2012 \quad 0.1095 + 0.1323 = 0.2418 \\
   2013 \quad 0.1099 + 0.1332 = 0.2431
   \]

4. **Complete the Gini Coefficient by taking the deviation from the Line of Perfect Equality**

   \[
   \begin{align*}
   2012 & \quad 2^* (0.5 - 0.2418) = 0.5164 \\
   2013 & \quad 2^* (0.5 - 0.2431) = 0.5138
   \end{align*}
   \]
(5) Repeat the Interpolation of Partitioned Highest Quintile using the Right (Upper Limit) Endpoints

\[
\begin{align*}
2012 & \quad \frac{1}{2} \left( (0.4439 + (1.00 - 0.2603)) \right) \cdot 0.15 + \left[ \frac{1}{2} \left( (0.4439 + (1.00 - 0.2603)) \cdot 0.15 + ((1.00 - 0.2603) \cdot 1.00) \cdot 0.05 \right) \right] \cdot 0.20 = 0.115223 = (0.0888 + [(0.1775 + 0.0870)/2] \cdot 0.20 = 0.026453) = (0.0888 + 0.0265) = 0.1153 \\
2013 & \quad \frac{1}{2} \left( (0.4462 + (1.00 - 0.2532)) \right) \cdot 0.15 + \left[ \frac{1}{2} \left( (0.4462 + (1.00 - 0.2532)) \cdot 0.15 + ((1.00 - 0.2532) \cdot 1.00) \cdot 0.05 \right) \right] \cdot 0.20 = 0.116104 = (0.0895 + (0.179 + 0.0873)/2 \cdot 0.20 = 0.02663) = (0.0895 + 0.0266) = 0.1161
\end{align*}
\]

(6) Calculate the Gini Coefficient from the Lorenz curve area by combining the first four Quintiles to the Highest Quintile (Right Endpoints):

\[
\begin{align*}
2012 & \quad 0.1095 + 0.1153 = 0.2248 \\
2013 & \quad 0.1099 + 0.1161 = 0.2260
\end{align*}
\]

(7) Complete the Gini Coefficient by taking the deviation from the Line of Perfect Equality

\[
\begin{align*}
\text{Gini Coefficient for Washington, D.C. (Right Endpoints)} \\
2012 & \quad 2 \cdot (0.5 - 0.2248) = 0.5504 \\
2013 & \quad 2 \cdot (0.5 - 0.2260) = 0.5480
\end{align*}
\]

(8) Finally, estimate the ACS Household Gini Index by averaging the Gini Coefficients over the areas of the Lower and Upper Limits

Midpoint of the Lower and Upper Limits

\[
\begin{align*}
2012 & \quad (0.5164 + 0.5504) / 2 = 0.5334 \\
2013 & \quad (0.5138 + 0.5480) / 2 = 0.5309
\end{align*}
\]

(9) Comparison of Interpolation Estimates with the ACS B19083 Gini Index of Income Inequality

\[
\begin{align*}
2012 & \quad \text{The measure of 0.5334 approximates the Household Gini Index in B19083 for the 2012 ACS 1-year estimates for the District of Columbia of 0.5343 \pm 0.0126.} \\
2013 & \quad \text{The measure of 0.5309 approximates the Household Gini Index in B19083 for the 2013 ACS 1-year estimates for the District of Columbia of 0.5320 \pm 0.0119.}
\end{align*}
\]

\*Readers may take the formula in this note and copy it in Column J.

\[
\begin{align*}
=\frac{(0.5-\frac{(((B2+2/100))2/2)}{2})+\frac{(((B2+C2)2/100)+(B2+C2+D2)2/100)}{2}}{2}+\frac{(((B2+C2)2/100)+(B2+C2+D2+E2)2/100)}{2}+\frac{(((B2+C2+D2+E2)2/100)+(F2-G2/100)}{2}}{2}+\frac{(((B2+C2+D2+E2)2/100)+(F2-G2/100)}{2}}{2}
\end{align*}
\]
CSMGEP Sessions

**AEA CSMGEP Dissertation Session**

**Chair:** Marie T. Mora, The University of Texas-Pan American

**Papers:**
- “Bias or Behavior? Using Differences Between Teacher Reports and Administrative Records to Identify Bias in Teacher Perceptions of Student Behavior” Dania V. Francis, University of Massachusetts, Amherst
- “Can higher pay improve teacher quality? Lessons from the birth control pill natural experiment” Candace Hamilton Hester, University of California, Berkeley
- “Housing and Monetary Policy” Ejindu Ume and Robert Reed, University of Alabama
- “A Dynamic Nelson-Siegel Model with Markov Switching” Jared Levant and Jun Ma, University of Alabama

**Policy Interventions and Educational Outcomes**

**Chair:** Rodney J. Andrews, The University of Texas at Dallas and NBER

**Discussants:** Juan Carlos Suarez Serrato, Stanford Institute for Economic Policy Research and Duke University; Monica Deza, University of Texas at Dallas; Damon Jones, University of Chicago and NBER; Omari Swinton, Howard University

**Papers:**
- “The Effect of Health Care Access on Academic Achievement: Evidence from State Medicaid and SCHIP Expansions” Michael F. Lovenheim, Cornell University and NBER; Samuel Kleiner, Cornell University
- “The Effects of Charter School Entry on Local School Markets” Marcus Casey, University of Illinois Chicago; Patrick Baude, University of Illinois Chicago; Eric Hanushek, Stanford University and NBER; and Steve Rivkin, University of Illinois Chicago and NBER
- “Intensive Math Instruction and Educational Attainment: Long-Run Impacts of Double Dose

ASHE Session

**Migration Factors and Economic Outcomes**

**Presiding:** David Molina, University of North Texas

**Discussants:** Marie T. Mora University of Texas-Pan American; Anita Alves Pennington, Colorado State University; Ronald L. Oaxaca, University of Arizona; Richard Fry, Pew Research Center

**Papers:**
- “Selectivity and Immigrant Employment” Brian Duncan, University of Colorado-Denver; Stephen J. Trejo, University of Texas-Austin
- “Does Violence Affect Migration Flows? Evidence from the Mexican Drug War” Heriberto Gonzalez Lozano, University of Pittsburgh; Sandra Orozco-Aleman, Mississippi State University
- “Where is the American Dream? Community Level Immigration Enforcement and Interstate Migration” Catalina Amuedo-Dorantes, San Diego State University; Fernando A. Lozano, Pomona College
- “Does the United States Labor Market Reward International Experience?” Susan Pozo, Western Michigan University

NEA Sessions

**African Development**

**NEA/African Finance & Economics Association**

**Organizer:** Elizabeth Asiedu, University of Kansas

**Chair:** Mwansa Nkusu, International Monetary Fund

**Discussants:** Zuzana Brixiova, African Development Bank; Una Okonkwo Osili, Indiana University-Purdue University at Indianapolis; John Karikari, Government Accountability Office; Léonce Ndikumana, University of Massachusetts Amherst; Malokele Nanivazo, United Nations University-World Institute of Development Economics

**Papers:**
- “Aid Allocation, Gender and Social Development in Sub-Saharan Africa” Léonce Ndikumana, University of Massachusetts at Amherst; Lynda Pickbourn, Hampshire College

**Algebra**

Kalena Cortes, Texas A and M University-College Station; Joshua Goodman, Harvard University; Takako Nomi, St. Louis University
“Growth and Inequality in Africa 1960-2010” Depankar Basu, University of Massachusetts-Amherst, Mwangi wa Githinji, University of Massachusetts-Amherst
“The making of the middle class in Africa” Mthuli Ncube, African Development Bank; Abebe Shimeles, African Development Bank

The Economics of Race and Sports
Organizer: Samuel Myers, University of Minnesota
Chair: Kwabena Gyimah-Brempong, University of South Florida
Discussants: Patrick Mason, Florida State University; William A. Darity, Duke University; Kwabena Gyimah-Brempong, University of South Florida; Ana Cuesta, University of Minnesota
Papers:
“Race, Social Distance and the World Cup” Fernando Lozano, Pomona College
“The Grass is Not Always Greener: Pay Disparity at Wimbledon” Rhonda Sharpe, Duke University
“Do White NBA Players Suffer from Reverse Discrimination?” Gheng Aijore, University of Toledo
“Compensation Discrimination for Marginal Workers: Evidence from the National Football League” Johnny C. Ducking, North Carolina A&T State University; Peter Groothuis, Appalachian State University; James Richard Hill, Central Michigan University

Bridging the Academy and Public Policy: A Session in Honor of Marcus Alexis
Organizer: Charles Betsey, Howard University
Chair: Charles Betsey, Howard University
Discussants: William A. Darity, Duke University; Kaye Husbands Fealing, The National Academies; Gary Hoover, University of Alabama
Papers:
“Black-White Differences in Consumption: An Update and Some Policy Implications” Charles Betsey, Howard University

Business and Financial Issues in Minority Economic Development
Organizer: Lucy Ruben, Duke University
Chair: Wilhelmina Leigh, Joint Center for Political and Economic Studies
Discussants: Willene Johnson, KOMAZA, Inc.; Linda Loubert, Morgan State University; ValerieRalston Wilson, National Urban League
Papers:
“Predatory Mortgage Lending and Dodd-Frank: Is it Business as Usual?” Sandra Phillips, Syracuse University
“Tribal Casino Investment and State Hold-Up” Larry Chavis, University of North Carolina, Chapel Hill; Dominic Parker, University of Wisconsin
“Capital Constraints and Industry Mix Implications for African-American Business Success” Lucy J Reuben, Duke University

Race, Ethnicity and Economic Policy (NEA/ASHE)
Organizer: David Molina University of North Texas
Chair: Anita Pena Colorado State University
Discussants: David J. Molina, University of North Texas; Trevon D. Logan, The Ohio State University; Lisa D. Cook, Michigan State University; Jose N. Martinez, University of North Texas
Papers:
“Breaking Bad: Are Meth Labs Justified in Dry Counties?” Jesus Fernandez, University of Louisville; Stephan Gohmann, University of Louisville; Joshua Pinkston, University of Louisville
“Health Gaps among Hispanics and Whites within an Aging Population with HIV/AIDS” Juan DelaCruz,
ASSA 2014, NEA Sessions Continued

Gender, Race and Economic Development
Organizer: Juliet Elu, Morehouse College
Chair: Marie Mora, University of Texas-Pan American
Discussants: John Karikari, Government Accountability Office; Kwabena Gyimah-Brempong, University of South Florida; Una Okonkwo Osili, Indiana University-Purdue University at Indianapolis; Malokele Nanivazo, United Nations University-World Institute of Development Economics
Papers:
“Gender and Business Outcomes of Black and Hispanic Entrepreneurs in the US” Alberto Davila, The University of Texas-Pan American; Marie Mora, The University of Texas-Pan American
“Race and Gender Heterogeneity in the Impact of English Language Learning Students on Native Students’ Performance. The North Carolina Experience.” Timothy M. Diette, Washington and Lee University; Ruth Uwaifo Oyelere, Georgia Institute of Technology
“Gender And Firm Performance in Nigeria: Implication of Entrepreneurship” Juliet Elu, Morehouse College
“Women and Development: The Case of Tunisia” Mina Baliamoune-Lutz, University of North Florida

Innovations in Innovation and Entrepreneurship
Organizer: Lisa Cook, Michigan State University
Chair: Keoka Grayson Hobart and William Smith Colleges
Discussants: Chaleampong Kongcharoen, Thammasat University; Jennifer Hunt, Rutgers University; Michael Roach, Duke University; Hal Varian, University of California, Berkeley
Papers:
“Bad International Relations but More Science? Soviet Technological Spillovers and the Boycott of the 1980 Moscow Olympics” Maksym Ivanya, IMF
“The Patent and Commercialization Gap in Pink and Black” Lisa Cook, Michigan State University
“Eponymous Entrepreneurs” Aaron Chatterji, Duke University; Sharon Belenzon, Duke University
“Innovation Strategies in Entrepreneurial Firms: Market Maturity and Killer Apps in the iPhone Ecosystem” Pai-Ling Yin, MIT; Jason Davis, MIT; Yulia Muzyrya, Boston University

Public Policies Impacting Low-Income & Minority Communities (NEA/Labor & Employment Relations Association)
Organizer: Bradley Hardy American University
Chair: Bradley Hardy American University
Discussants: Dania V Francis, Duke University; Rodney J Andrews, University of Texas at Dallas and NBER; Darrick Hamilton, The New School; Tiffany Green, Virginia Commonwealth University
Papers:
“The Cost of Homicide: Evidence from Transactions Data” Marcus Casey, University of Illinois at Chicago
“The Changing Safety Net for Low Income Parents and Their Children: Structural or Cyclical Changes in Income Support Policy” Bradley Hardy, American University; Timothy Smeeding, University of Wisconsin; James P. Ziliak, University of Kentucky
“Factors Influencing Transitions Into and Out of Near Poverty” Misty L. Huggeness, U.S. Census Bureau; Charles Hokayem, U.S. Census Bureau
“Time-Inconsistency and Saving: Experimental Evidence from Low-Income Tax Filers” Damon Jones, University of Chicago; Aprajit Mahajan, UCLA

SEA Annual Meetings, November, 2014

The Status of Women and Minorities in the Economics Profession (CSMGE/CSWEP)
Co-Chair: Gary Hoover, University of Alabama
Co-Chair: Ragan Petrie, George Mason University
WEAI Annual Meetings, July, 2014

CSMGEP Session

Education Funding for Disadvantaged Students

Organizer: Rucker C. Johnson, University of California, Berkeley & NBER
Chair: Francisca Antman, University of Colorado-Boulder
Discussants: Jeffrey Zax, University of Colorado-Boulder; Hani Mansour, University of Colorado-Denver; Francisca Antman, University of Colorado-Boulder

Papers:
“The Effect of School Finance Reforms on the Distribution of Spending, Academic Achievement, and Adult Outcomes” Rucker C. Johnson, University of California, Berkeley & NBER; Clement Kirabo Jackson, Northwestern University & NBER; Claudio Persico, Northwestern University
“The Incidence of Special Education Mandates” Julie Cullen & Henrique Romero, University of California, San Diego

ASHE Sessions

Policy and Macroeconomic Effects on Mexican and Immigrant Labor Outcomes

Organizer: Marie T. Mora, University of Texas Pan-American
Chair: Salvador Contreras, University of Texas Pan-American
Discussants: David J. Molina, University of North Texas; Anita Alves Pena, Colorado State University; Alberto Davila, University of Texas-Pan American

Papers:
“Violence in Mexico and Its Effects on Labor Productivity” Rene Cabral, Tecnológico de Monterrey; Andre Varella Mollick, University of Texas-Pan American; Eduardo Saucedo, University of Texas Pan-American
“The Labor Market Returns to Authorization for Undocumented Immigrants: Evidence from the Deferred Action for Childhood Arrivals Program” Catalina Amuedo-Dorantes, San Diego State University; Francisca Antman, University of Colorado
“The Short-Term and Long-Term Impact of the Great Recession on Immigrant Groups and Native Workers: Evidence from the Current Population Survey” Anita Alves Pena, Colorado State University; Maoyong Fan, Ball State University

The Puerto Rican Economy, Migration, and Employment Outcomes

Organizer: Marie T. Mora, University of Texas Pan-American
Chair: Mark Hugo Lopez, Pew Research Center
Discussants: Andre Varella Mollick, University of Texas-Pan American; Anita Alves Pena, Colorado State University; Marie T. Mora, University of Texas-Pan American; Edwin Melendez, Hunter College, CUNY

ASHE Sessions continued

Papers:
“Is Puerto Rico Experiencing a Minsky Moment?” Belinda Roman, St. Mary’s University, & Palo Alto College
“Self-Employment Outcomes of Island-Born and Mainland-Born Puerto Ricans between 2006 and 2011: The Effects of Ethnic Enclaves and Island versus Mainland Residence” Marie T. Mora, University of Texas-Pan American; Alberto Davila, University of Texas-Pan American; and Havidan Rodriguez, University of Texas-Pan American
“Puerto Rican Migration and Dispersal at the Dawn of the New Millennium” Edwin Melendez, Hunter College, CUNY; Kurt Birson, Hunter College, CUNY
“Puerto Rican Migration Trends since 1980” Mark Hugo Lopez, Pew Research Center; D’Vera Cohn, Pew Research Center; Eileen Patten, Pew Research Center

Race/Ethnicity, Policy, and Socioeconomic Outcomes

Organizer: Marie T. Mora, University of Texas Pan-American
Chair: Catalina Amuedo-Dorantes, San Diego State University
Discussants: Marie T. Mora, University of Texas Pan-American; Mark Hugo Lopez, Pew Research Center; Belinda Roman, St. Mary’s University & Palo Alto College

Papers:
“The Impact of Transfer Payments on the Consumption Patterns of Blacks and Hispanics” David J. Molina, University of North Texas
“For Economic Advantage or Something Else? A Case for Racial Identification Switching” Salvador Contreras, University of Texas-Pan American
“Is Los Alamos a Natural Experiment in Stratification Economics?” Sue K. Stockly, Eastern New Mexico University

NEA Session

Historical Perspectives on Health and Well-Being

Organizer: Rodney J. Andrews, University of Texas, Dallas
Chair: Rodney J. Andrews, University of Texas, Dallas
Discussants: Terry-Ann L. Craigie, Connecticut College; Rodney J. Andrews, University of Texas, Dallas

Papers:
“Family, Labor and Loss: Income Mobility during the Great Depression” Keoka Grayson, Hobart and William Smith Colleges
“For Want of a Cup: The Rise of Tea in England and the Impact of Water Quality on Economic Development” Francisca Antman, University of Colorado
“Black Mortality in the Post Bellum Era: Evidence from Union Army Pensions” Shari Eli, University of Toronto; Trevon D. Logan, Ohio State University
“Adoption and Adult Outcomes in the Early 20th Century” John Parman, College of William & Mary

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