

Introduction

In the fall of 1938, Gunnar Myrdal, a Swedish economist and later Nobel prize winner, began his fact-finding tour of the American South for a volume on race relations in America funded by the Carnegie Foundation. War threatened in Europe and the United States was positioning itself as the champion of freedom against the forces of fascism. Myrdal believed that, despite these lofty ideals, a contradiction lay at the heart of the American character. Even as the country adopted the role of defender of democracy, a group of its citizens were disenfranchised and denied basic liberties due to the color of their skin.

When Myrdal began his journey, 75 percent of black Americans lived in the South, the region in which racial restrictions on political and economic freedoms were most severe. Yet, Myrdal argued that the “Negro problem” was not merely a regional crisis. This fully “American dilemma,” he believed, would only be confronted – and perhaps resolved – when the North finally accepted its role in this system of second-class citizenship.

Northern awareness of the “Negro problem” was hastened by mass migration of poor black southerners to northern and western cities. Seven million black migrants left the South over the twentieth century, with the highest out-flow leaving in the 1940s and 1950s, the decades after Myrdal’s journey. By 1970, for the first time since before the country’s founding, the majority of black residents lived outside of the southern region where their parents and grandparents had first been imported to work as slaves. The black share of the population in the typical northern or western city, where black residents were still a rarity in 1940, increased from five percent in 1940 to 22 percent by 1970.

For black migrants, the attraction of the North was twofold. The North held out a promise of social and political equality. In cities like Chicago and Philadelphia, blacks did not need to sit

in the back of the bus or drink from water fountains marked ‘colored only.’ School buildings were not doubled, one for black children and the other for whites, but instead black and white children could attend school together (even if they rarely did). Black residents could express themselves at the ballot box and even elect members of their own community as representatives in city council or in Washington, DC.

Just as importantly, the urban North offered a wider array of well-paid industrial jobs than could be found in the primarily rural South. Northern cities also provided higher pay for the stereotypical “negro” jobs, including cook, porter or driver, that blacks were able to secure in southern cities. The average white worker in the North and West earned around 30 percent more than his southern counterpart and the northern advantage reached 75 percent for the typical black worker in 1940.

As Myrdal (1944) predicted, the economic benefits of “migration to the North and West [was] a tremendous force in the general amelioration of the Negro’s position” (p. 200). Mass migration from the low-wage South to the higher-wage North was an important force in black economic advancement and in the (partial) closure of gaps in economic outcomes by race. Over the twentieth century, the ratio of black-to-white male earnings increased from 40 percent to nearly 70 percent. Much of this change was concentrated in the decades of the 1940s and the 1960s, two periods of large black out-migration from the South. James Smith and Finis Welch (1989) conclude that mass migration from the low-wage South can account for 20 percent of the black-white convergence between 1940 and 1980.

Even upon first arrival in the North, black migrants earned as much as their black counterparts who had been born and reared in the North. Many hoped that, within a generation, southern blacks would close the economic gap with northern whites as well. After all, some

observers reasoned, southern blacks were just the latest in a long line of migrants to settle in northern cities, following waves of Irish and German and then Italian, Polish and Jewish arrivals from abroad. The classic story holds that European immigrant groups started out in low-paying jobs but quickly moved up the occupational ladder, using their newfound savings to buy their own homes and provide education for their children.¹ As Oscar Handlin (1959), a prominent early historian of immigration to the United States, reasoned, black migrants were only the most recent newcomers and would soon “follo[w] the general outline of the experience of earlier [white] immigrants” (p. 120).

We now know from hindsight that the optimistic predictions of those who, like Myrdal and Handlin, believed in the transformative power of mass migration did not come to pass. The shift in the black population away from the low-wage South did contribute to black-white convergence at the national level. Yet the black-white earnings ratio *in the North* remained unchanged from 1940 to 1980, despite a short-lived improvement in the late 1960s and early 1970s. Moreover, the residential isolation of northern blacks in majority black neighborhoods, often marked by high rates of poverty, increased as the migration got underway, due both to growing segregation between city neighborhoods and to departures of urban white households from the city altogether. The frustration borne of stagnant economic opportunities and isolated neighborhoods in northern cities culminated in a burst of urban unrest in the mid-1960s.

Black migration to industrial cities did not lead to economic parity with whites. The standard explanation for this relative stagnation emphasizes two demand-side forces: a

¹ Abramitzky, Boustan and Eriksson (2012) have recently questioned the standard narrative of European immigrant advancement, demonstrating that immigrants from developed sending countries started out in occupations that earned more than the native born, while immigrants from poorer sending countries started out in occupations that earned less than the native born and experienced little catch up over the first generation.

weakening of the American manufacturing sector, coupled with racism in northern labor markets. European migrants who settled in US cities circa 1880 enjoyed four or five decades of American manufacturing ascendancy. Black arrivals in 1940 instead benefited from a decade or two of plentiful blue-collar positions before American manufacturing was eclipsed by global competition. Furthermore, although European immigrants faced some discrimination in the labor market, they were able to blend in with the white majority relatively quickly, a feat that most black migrants, marked by the color of their skin, could not achieve. The racial barriers faced by blacks in the labor market and housing market were both more severe and more persistent.

This book adds a supply-side element to the story of slow black economic advancement in the North. The persistent influx of black migrants to northern labor and housing markets created competition for existing black residents in an economic setting already constrained by a weakening manufacturing sector and by northern racism. New migrants expanded the supply of black workers competing for the limited set of jobs open to black applicants, holding down black wages in the North. Black migrants were closer substitutes with existing black workers than with similarly-skilled whites, both because some employers restricted black employment to the dirtiest and most unpleasant jobs in northern factories on the basis of race, and because black students often attended poorly equipped and understaffed schools, especially in the South, and therefore had fewer productive skills than their white counterparts.

By doubling the black population in the North, migrants also intensified efforts among some white households to defend the boundaries of their segregated city neighborhoods, while encouraging others to leave urban neighborhoods altogether for predominately white towns in the suburban ring. In urban housing markets, the invisible – but all too palpable – fences dividing white and black neighborhoods initially held firm as new migrants arrived, creating even more

demand for already cramped and expensive apartments in black enclaves. Seeking relief from high rents, black households were often willing to outbid white households for units on the blocks dividing black from white areas.

As the racial composition of these boundary neighborhoods began to change, some whites households chose to stay in the city and “defend” their communities, forming neighborhood associations to limit black entry through overt violence and intimidation or more subtle legal or social pressures. Yet many more households chose the less strident but equally consequential option of leaving the city altogether for newly-built and racially homogeneous neighborhoods in the suburban ring. The possibility of choosing “flight” over “fight” was an outcome of the specific historical moment, following World War II, in which black migration reached its apex. In these years, movement to the suburbs was facilitated by new housing construction on the suburban ring and by state and federal road building programs that enabled residents of these bedroom communities to quickly and easily commute by car to jobs in the central city.

Some white households were prompted to leave for the suburbs by changes to their immediate neighborhood. Yet over two-thirds of white residents in central cities lived in a neighborhood that was at least 99 percent white in 1940 and the average white resident lived over three miles from a black enclave. I show that more whites left the central city in direct response to black arrivals than can be explained by fears over local social interactions with neighborhoods. As the racial composition and income profile of the city electorate shifted with black in-migration, the suburbs looked increasingly attractive to some residents of the city both for their political separation and for their racial homogeneity. Initially, these concerns were primarily fiscal in nature, focused on property tax rates and spending priorities. Public schooling

became more important after the institution of neighborhood schools was challenged by a series of court-ordered desegregation plans in the 1970s.

Main contributions of the book

Competition in the Promised Land emphasizes the interactions between black migrants and existing residents in northern cities and labor markets. This northern focus makes a number of contributions to our understanding of the consequences of the Great Black Migration in American history.

First, I emphasize that the black migration produced winners and losers among the black population in the labor market. I find that, by competing with existing black workers for a limited set of accessible jobs, migrant arrivals lowered the wages of blacks in the northern economy by an aggregate \$4 billion a year (in 2010 dollars). This cost, while high, is lower than the annual benefit of moving North for the migrants themselves (\$6 billion). I show that, if not for the continued migration, black workers would have experienced higher wage growth in the North but that blacks would still not have achieved economic parity with whites by 1970, even absent this southern competition.

Second, I provide the first convincing causal evidence that black migration contributed to the departure of urban whites for the suburbs and the resulting residential segregation between cities and suburbs. My results encompass 70 large and mid-sized cities in the North and West, which allows me to demonstrate that the pattern of black arrivals and white departures is widespread, afflicting not only paradigmatic cities like Chicago and Detroit but occurring in cities of all sizes and in all regions. In addition, by marshaling evidence from many cities, I can tease apart the effects of in-migration from the role of other factors, like economic growth and

industrial change, that tend to coincide with (and perhaps attract) migrant arrivals. In her account of the black migration, Isabel Wilkerson (2010) muses “If [black migrants] had not gone North, what would...Philadelphia, Detroit, Pittsburgh, Chicago, Los Angeles, Washington and Oakland look like?” The answer is that northern cities would *still* have lost a substantial amount of population and employment to the burgeoning suburbs. Yet the response of white residents to black arrivals prompted additional departures from already hemorrhaging cities, contributing to an increase in racial residential segregation and the growth of majority-black neighborhoods in the urban core.

Third, I argue that the motivations for white flight extended beyond concerns about the racial composition of one’s immediate neighborhood. White households worried about – and responded to – the racial and income composition of the city as a whole. Even the many white households who lived at some distance from black enclaves engaged in *fiscal/political* interactions with blacks across town at the ballot box and, ultimately, in schools after the advent of court-ordered desegregation remedies in the 1970s. These cross-town interactions provided a motivation for suburbanization even to the many residents of all-white neighborhoods in the city.

By examining aggregate outcomes, including population flows and housing price gaps between cities and suburbs, I uncover patterns that are often overlooked in historical treatments of northern cities at mid-century. White protests to defend their neighborhoods or their schools from black “infiltration,” for example, are well-documented in standard historical sources but the movement of white households from city to suburb, no matter how numerous, is often only apparent when looking at the broader lens of city-wide population trends over time.² As a result, historical accounts tend to over-emphasize the importance of more easily observable forms of

² A non-exhaustive list of the vast historical literature on responses to desegregation includes Carter (1995), Gaston (1998), Webb (2005), Sokol (2006) and Crespino (2009).

protest (“white fight”) relative to the more silent but still revolutionary social changes (“white flight”).

The potential for southern black inflows to threaten the economic standing of existing black residents was noted as early as the 1920s, when W.E.B. Du Bois (1923) cautioned that a “great reservoir of [southern black] labor” could reduce black wages and generate tension between blacks and whites over residential space. This sense of rivalry can explain the ambivalence with which blacks in the North greeted subsequent arrivals; as James Grossman (1991) has put it, “they seemed to welcome them...[but] they didn’t seem to open-arm welcome them” (p. 139). Black migrants remember meeting “a chilly reception from many longtime black residents who feared the newly arrived blacks...would jeopardize their tenuous position” (Trotter, 1991, p. 115).

The process by which recent arrivals compete with previous migrants in the labor and housing markets is not unique to the black experience. Jewish immigrants, many of whom worked in the garment industry, welcomed their fellow countrymen while also worrying about overcrowding in their occupational niche. In more recent years, swelling numbers of immigrants from Mexico and Central America have generated competition and lowered wages for immigrants who hold a similar set of jobs in gardening, housekeeping, construction and restaurant work, with little effect on the wages of the native-born. To the extent that immigrants arrive with a similar set of skills and settle in the same neighborhoods, they are more likely to compete for jobs and housing with others from their country of origin. But the stronger the discriminatory barriers that a group faces, the more difficult it is for existing residents to switch occupations or move out of the old neighborhood, and therefore the more concentrated the force

of this competition will be. Thus, competition was arguably more severe within the black community than amongst other immigrant groups.

In previous work, two prominent sociologists, Stanley Lieberson and William Julius Wilson, used similar logic to suggest that continued black in-migration had negative consequences for existing black residents of the North. Both scholars were interested in explaining how blacks failed to get ahead in the same cities that had nurtured white immigrant groups just a generation before. Ironically, they argued, white immigrants benefited from the tightening of the border in the Immigration Act of 1924; blacks, in contrast, suffered from the openness of the Mason-Dixon line. Lieberson (1980) argued that migrants “occupy particular occupational niches” that quickly become over-crowded with subsequent in-flows (p. 33). Wilson (1987) calls “the flow of migrants...the most important single contributor to the varying rates of urban racial and ethnic progress in the twentieth-century United States” (p. 33).

My claims about how migration hindered black progress in northern cities are consistent with Lieberson and Wilson but are grounded at every stage in economic theory. I begin by introducing an individual-level model of the migration decision that emphasizes the relative benefits of remaining in one’s home location versus moving elsewhere. Among other things, the model generates useful predictions about which black southerners are most likely to move to the North based on a comparison of wage rates in the two regions. Shifting then to a market- (rather than individual-) level analysis, I use an economic framework to consider the effects of black in-migration on the northern labor and housing markets. These models help to parse which workers are most likely to compete with black newcomers and how many existing residents are expected to leave the central city as black migrants arrive.

Migrant arrivals harmed some existing black workers in the northern labor market but benefitted others. The expanding pool of applicants for factory positions hurt the job prospects of the existing black workforce, but, when patronizing black churches, entertainment venues and businesses, the same crowds could generate a livelihood for black preachers, musicians, professionals, and politicians. The reception of new migrants by the northern black community was, as a result, quite mixed. In general, those selling non-tradeable services to the black community, whether they be religious, legal, or political in nature, had the most to gain from the growing numbers. Often these service providers were among the most educated members of the community and the most likely to express their views in print. Perhaps as a result, historians have tended to emphasize the positive consequences of the migration. James Gregory (2005) and Thomas Sugrue (2008), for example, have recently highlighted the role that northern migrants played in the birth of the Civil Rights movement, while Kusmer (1995) lauds the creation of “distinctive black institutions” in US cities, from black newspapers to black self-help societies to black political organizations (p. 458, 471).

I should emphasize that the focus here on competition in labor and housing markets is quite distinct from the outmoded view that migrants imported a maladaptive southern culture to the North. By this account, black migrants harmed northern black communities by introducing their southern folkways to the North, including high rates of male idleness and female household headship, a process of “contagion” rather than competition. This idea was first voiced by black social reformer Sadie T. Mosell in the 1920s and echoed by E. Franklin Frazier (1939), who bemoaned the fact that “masses of ignorant, uncouth and impoverished migrants...changed the whole structure of the Negro community” (p. 295). Gilbert Osofsky picked up this theme in the 1960s. Most recently, this view has been advanced rather uncritically by Nicholas Lemann

(1991) who, in his sweeping chronicle of the black migration, declared that “black sharecropper society...was the equivalent of [and contributed to the making of] big-city ghetto society today in many ways,” spreading out-of-wedlock childbearing, spotty education and casual violence to the North (p. 31). Yet the notion that, in modern terminology, southern migrants created “negative peer effects” in the North is not consistent with the fact that southern migrants earned just as much as northern-born blacks, even upon first arrival in the North, and had higher rates of both marriage and employment.

Outline of the book

The argument in the book proceeds in six chapters. The first chapter explores the southern context of the Great Black Migration. Chapter 2 provides new evidence on the selection of black migrants from the southern population and assesses how these newcomers fared in their adoptive cities in the North. Chapters 3 through 5 then turn to the effect of black migrant arrivals on the northern economy. Chapter 3 demonstrates that black migrants competed more readily with existing black workers, contributing to slow black wage growth in the North. Chapter 4 argues that white residents responded to black arrivals by leaving cities for the suburbs, further augmenting the racial segregation of urban space. The motivations for white flight are considered in Chapter 5, with particular attention to the fiscal/political considerations that encouraged white households living at some distance from a black neighborhood to move to the suburbs. Chapter 6 concludes by following each of these trends – black migration, black-white wage convergence, and white flight from central cities – to the present.

Despite large wage gaps between North and South before this period, black migration to the North was quite limited before 1915. Chapter 1 demonstrates that black migration to northern

cities was a continuation of rising mobility rates *within* the South in the late nineteenth century. The shift to northern destinations was spurred by the “triple shock” of rising labor demand during World War I, a temporary freeze on immigration from Europe, and falling demand in southern agriculture with the spread of the boll weevil. Once the migration began, its numbers swelled rapidly, peaking in the 1940s and 1950s, and falling thereafter. Migrants were responsive to changing agricultural conditions in their home county and, therefore, the timing of out-migration varied across the South.

Previous work has shown that blacks who left the South were more educated than those who remained, suggesting that migrants were positively selected from the southern population. In Chapter 2, I demonstrate that the largest wage differentials between the two regions occurred in the middle of the skill distribution, where well-paid factory positions in the North generated a particularly strong incentive to migrate. Using a novel dataset of individuals linked across Census years, I find that black migrants were more likely than their counterparts who remained in the South to be the sons of fathers engaged in semi-skilled or skilled blue collar work. Census links also facilitate better measures of the economic return to migration. I estimate a return to migration of 75 percent in 1940 by contrasting brothers, one of whom moved to the North while the other remained in the South. This approach allows me to control for potential selection into migration at the household level. Not only did black migrants earn substantially more than their counterparts who remained in the South, but I also find no evidence that southern migrants faced an earnings penalty relative to northern-born blacks. Black migrants earned as much as northern-born blacks both upon first arrival and after spending some time in the northern economy.

Chapter 3 determines the effect of black in-migrants on the earnings of black and white workers in the North. I present a framework, adopted from the economics of immigration

literature, to estimate the effect of southern migrant arrivals on existing workers of both races. If blacks and whites with similar skills were used interchangeably in the labor market, black migrants should affect the wages of both white and black workers in the North equally. Instead, I find that black arrivals lowered the wages of existing black workers by more than that of similarly-skilled whites, suggesting that black migrants were more substitutable with other black workers. I document that, if not for the large migration flow after 1940, blacks would have experienced some economic convergence with northern whites, although they would not have reached complete parity. The racial divisions in the labor market confirm historical accounts in which northern employers relegated black workers to the least desirable factory positions and prevented their ascension into supervisory roles. Such job assignments reflected both racial barriers in northern firms and pre-market differences in school quality by race, particularly in segregated southern schools.

Chapters 4 and 5 focus on the effect of black inflows on northern cities and urban space, emphasizing the white response to black arrivals. Southern blacks settled in metropolitan areas in which suburbanization was already underway due to rising incomes, state and federal road building, and new housing construction. Yet white households also accelerated their departures for the suburbs as the black population share of central cities increased. I show that, in a sample of 70 large and mid-sized northern and western cities, each black arrival is associated with more than two white departures. By my estimate, the typical city would have experienced a 16 percent *decline* in urban population due to white flight in response to black in-migration, an out-flow equivalent in size to the estimated response to one new interstate highway (Baum-Snow, 2007). The relationship between black arrivals and white departures is equally strong in an instrumental variables analysis that considers the possibility of reverse causality.

Chapter 5 analyzes the motives of white households who left the central city following black in-migration. A portion of this out-flow can be traced to whites leaving neighborhoods proximate to majority-black neighborhoods. Yet, half of white city residents lived more than two miles away from a black enclave in 1940 and these distant neighborhoods experienced little racial change over the next thirty years. I argue that white departures from these areas were prompted by the broader changes to local city policy as the municipal electorate and enrollment in city schools became increasingly black, and thus increasingly poor, over time.

The first part of the chapter argues that we can learn about the demand for suburban residence by studying the relative prices of city and suburban housing. In general, housing prices provide useful information about the value of location-specific goods, such as ocean views, that are implicitly traded through the housing market. By this logic, higher housing prices for housing units with a particular attribute (say, a suburban location) signals the value of this feature to the typical homeowner. I then introduce an original dataset of housing prices from the Census of Housing collected along more than 100 municipal borders, most of which divide cities from suburbs. Residents on either side of these borders lived in predominately white neighborhoods whose racial composition changed little as central cities received large inflows of black migrants. Yet, as in-migration increased the black population share in the central city, the housing prices on the city side of the border fell relative to their suburban neighbors.

Before 1970, this “willingness to pay,” via the housing market, to avoid fiscal or political interactions with black residents across town can be entirely explained by the effect of black arrivals on the city’s median income. Municipalities with lower income residents tended to have higher property tax rates and more spending per capita on non-educational services, two features that the typical homeowner sought to avoid. After 1970, with the advent of court-ordered

desegregation in some northern districts, race played an increasingly important role in this form of white flight. In districts under court order, residents were no longer assured that their children could attend local public schools whose racial composition reflected the demographics of the neighborhood but instead found their children attending schools whose student body mirrored the racial composition of the city as a whole. As a result, some remaining white households moved to the suburbs, a pattern that is reflected in falling housing prices on the city side of municipal and school district borders.

The main analyses in the book end in 1970, as the black migration from the South was tapering off and beginning to reverse course. The concluding chapter brings the three trends discussed in the book – black migration, black-white wage convergence, and white flight from central cities – up to the present. Since 1980, net black migration has flowed out of the North and West. In one sense, these new black migrants are simply joining a national movement toward Sunbelt cities, which now boast wages on par with their northern counterparts and offer lower housing prices. However, this southern turn is more meaningful for the black community, as it severs the long association between economic progress and northward migration. In fact, the black-white earnings gap is now larger in the North than in the South, and northern cities remain far more segregated than their southern counterparts. Furthermore, despite the reversal of the black migrant flow into northern cities, black wages have not rebounded in these areas nor has white flight reversed course. This persistence reveals the importance of history: the position of black workers in the northern labor market, once established, has been slow to adjust and the suburban neighborhoods, once built, hard to dismantle.