URBAN INDUSTRIAL STRUCTURE AND THE RELATIVE INCOME OF NON-WHITE MALES

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The decline of the central city is a cornerstone of the urban crisis in America. Much of the blight, declining tax base, and crime in the central city can be attributed to the high incidence of poverty in that part of most metropolitan areas. The elimination of poverty is a prerequisite for any effective solution to the urban crisis, although it is not likely to be sufficient to stop the decline of the central city. Since a majority of the non-aged urban poor are non-whites, raising the income of this group is of particular importance. The purpose of this paper is to investigate the relationship between the industrial structure of a metropolitan area and the relative income of non-white males.

The analysis of the non-white/white income ratio is complicated by the presence of an important non-economic determinant, i.e., discrimination. There are three basic ways to investigate the impact of discrimination on the relative income of non-whites in econometric studies. One strategy is to include variables that may be related to discrimination in the regression equations. For example, variables such as region (non-south and south) and the percentage of the population that is non-white are assumed to be related to the level of discrimination. The coefficient of such a variable is then used as an estimate of the intensity of discrimination. The weakness of such an approach is the difficulty of interpreting these indirect measures of discrimination.¹

A second strategy is the residual technique which assumes discrimination is responsible for all the variance in the income ratio which is unexplained by the included economic variables. Unfortunately, any misspecification of the model using this approach will yield a bias in the estimated importance of discrimination.

The third strategy, and the one used in this paper, is based on the premise that no satisfactory estimate of the impact of discrimination on the relative income of non-whites will emerge from regression analysis. The basis for this assertion is that the economic variables included in econometric studies are unlikely to be free of the effect of discrimination. For example, white malevolence may cause non-whites to have a relatively poor quality of education and this discrimination may be reflected in the coefficient of the education variable. Nevertheless it is important for public policy to have models that yield insight into the economic and social determinants of the non-white/white income ratio. The necessity of such models follows from the fact that legislation cannot directly affect prejudice but rather must work through economic and social variables.

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THE MODEL

Economic research suggests four types of variables that are likely to be important determinants of the non-white/white income ratio. These variables include a variety of economic and institutional factors. The specification of these variables for empirical testing is presented in the following section.

Relative Productivity

Age and education are widely accepted as the principal determinants of labor productivity. In addition to these factors, it is likely that significant differences occur in the demand for various skill levels relative to their supply. The differences in skill level between the races and the demand and supply relationships for these skills are likely to be significant determinants of the relative income of non-white men.

Monopoly

The theory of economic discrimination suggests that industrial structure may have a significant impact on the income ratio. In particular, Becker's work suggests that competitive firms are less likely to discriminate against minority groups than those enjoying some degree of monopoly power.² Including a variable reflecting the competitiveness of the industrial structure makes it possible to test this hypothesis.

Bureaucratic Employers

Large employers of labor may be more likely to hire and promote non-whites than smaller establishments. Personnel offices handling large numbers of employees may find it advantageous to avoid the racial dimension in the decision making process. Small plants may attempt to avoid any potential racial conflict among workers (whether real or imagined) that may affect labor productivity. This concern for the non-pecuniary preferences of its labor force may be too costly for large firms. The wholesale rejection of non-whites as a source of labor may result in higher costs of production and the process of isolating those workers who suffer non-pecuniary losses from working with non-whites may pose a difficult personnel problem. This bias toward ignoring the racial dimension in the hiring practices of large plants is likely to be reinforced by pressures from both civil rights groups and certain government agencies which find large establishments an attractive target for their integration efforts.

Access to Economic Opportunity

The fourth type of variable included in the analysis reflects the degree to which non-whites are physically and socially isolated from economic opportunity. The work of Kain and Mooney suggests that the income of non-whites may be related to a physical separation of their residences and potential places of work. Proxy variables for spatial and social restrictions on non-white economic mobility are also included in the analysis.

SPECIFICATION OF THE VARIABLES

The determinants of the non-white/white male income ratio are investigated by cross section analysis of 42 Standard Metropolitan Statistical Areas (SMSA's) for which the required data are available.³ The dependent variable in each regression is the non-white/white male median income ratio.⁴

On a priori grounds, productivity is expected to be one of the most important sources of variation in the income ratio. In light of Mincer's work showing an interaction between age and education in determining worker pro-

ductivity, an independent variable combining these elements is likely to be superior to a formulation that treats them as separate influences on income. The age and education variables are combined in the following way. An income matrix for all males in the United States is constructed so the ij th element is the mean income of a man in the i th age bracket,⁵ with j years of education.⁶ The productivity or expected income of non-whites relative to whites is based on a comparison of their age and education distributions. The expected income of non-whites is given by $\sum (NW_{ij}/NW_t)^k \cdot S_{ij}$; where $(NW_{ij}/NW_t)^k$ is the proportion of non-white males in the k th SMSA in the i th age bracket with j years of education and S_{ij} is the ij th element in the income matrix for the United States. The expected income of whites may be calculated in a similar way. The non-white/white expected income ratio is the independent variable used in the regressions to control for variations in productivity.⁷

As noted above, earnings in any age/education cell may be influenced by variations in the supply and demand relationships for these labor skills between geographic areas. For the purposes of this paper two skill levels are identified--one that typifies the relatively low skills of non-whites and the other with characteristics most frequently associated with white labor. Given the market conditions for the largely white skilled labor force, an increase in the demand for unskilled labor relative to its supply should improve the income of non-whites relative to whites. Unskilled labor is defined to be workers with less than 9 years of schooling while skilled labor includes those with 9 or more years.

The supply and demand conditions in the unskilled labor market are given by the number demanded divided by the number supplied. The amount of unskilled labor demanded ($\#U_d$) is given by $E_{jt} [\sum (U/T)_i \cdot (E_{ij}/E_{jt})]$ where $(U/T)_i$ is the percentage of the national labor force in industry i that is unskilled, (E_{ij}/E_{jt}) is the proportion of total employment in SMSA j that is engaged in industry i and E_{jt} is total employment in area j .⁸ The number of units of unskilled labor supplied ($\#U_s$) is the total number of males between 18 and 65 with fewer than 9 years of education. The market conditions for skilled labor (S) are similarly specified. The independent variable used in the regression analysis that follows is the ratio of the market conditions, i.e., $(\#U_d/\#U_s) \cdot (\#S_s/\#S_d)$.

The degree of monopoly power in an SMSA is difficult to measure. For manufacturing industries an index of monopoly power for each SMSA can be prepared by using national concentration ratios for each industry and assuming they will be reflected at the local level. The national concentration ratio for each industry (CR_{4i}) and the distribution of manufacturing employment (E_{ij}/E_{jt}) for each SMSA j were used to create an index. Summing over all industries $\sum (CR_{4i} \cdot [e_{ij}/E_{jt}])$ yields a measure of industrial concentration for the j th SMSA.⁹ While such an estimate includes only manufacturing employment, this may not be a serious limitation since it is the largest sector and offers most of the high wage employment opportunity.

If estimates of monopoly power were available for firms in non-manufacturing activities this method could be expanded to include all employment. Fortunately, such estimates have been made by Shepherd and are used to create an index of monopoly power for all sectors of the local economy.¹⁰ The degree of industrial concentration in an area may be related to the extent of manufacturing employment. The percentage of total employment engaged in manufacturing is included in the analysis to avoid a potential specification error.¹¹

Bureaucratic employers of labor may be in either the public or private sector. Within any metropolitan area, the number of large plants and the presence of federal government employment are assumed to indicate the presence of bureaucratic employers. The number of plants with more than 1000 employees divided by the non-white male population is included as an independent variable in order to approximate the availability of employment in large plants for non-whites.¹² If the federal government has a lower propensity to discriminate against non-whites than the private sector, we might expect the non-white/white income ratio to be higher in those places with large numbers of federal employees. This proposition is tested with a binary variable that assigns a value of one to Washington, D. C. and zero to all other cities.

Variations in access to economic opportunity between regions are specified by two dummy variables. It is generally believed that discriminatory institutions and customs of the South limit the economic advance of non-whites more than those of the North and West. Typically this notion has led investigators to include a regional dummy variable in econometric studies of the economic well-being of non-whites. In this study two regional dummy variables are included in order to assess differences in the discriminatory practices of the deep South and border states.¹³

Since World War II employment opportunities have expanded more rapidly in the suburban ring than in the central city portion of our major metropolitan areas. The impact of the physical separation of non-white housing and employment opportunities is measured by an index of residential segregation in SMSA's. The index adopted was developed by Taueber and assumes a value between zero and 100 where the latter value indicates that residents of each block are either all non-white or all white.¹⁴

Non-Negro non-whites have levels of income that differ substantially from those of Negroes. The Oriental population generally has a higher level of income than Negroes. Any change in the composition of the non-white population is likely to have a significant impact on the dependent variable. Those SMSA's where the Oriental population is greater than ten percent of the non-white population are specified by a dummy variable taking a value of one for those cities and zero for all others.¹⁵

The complete model is given in equation 1:

$$1) \quad Y_n/Y_w = f(P_n/P_w, U/S, CR, 1000/NW, MAN, DS, BOR, SEG, GOV, ORIENT)$$

where

Y_n/Y_w	= non-white/white median income ratio
P_n/P_w	= non-white/white productivity (expected income) ratio
U/S	= relative tightness of the unskilled and skilled labor markets
CR	= measure of industrial concentration
$1000/NW$	= number of plants with more than 1000 employees divided by the non-white male population
MAN	= percentage of total employment engaged in manufacturing
DS	= region: deep south
BOR	= region: Border
SEG	= index of SMSA segregation
$ORIENT$	= SMSA's with a large oriental population
GOV	= SMSA with a large percentage of total employment hired by federal government

EMPIRICAL RESULTS

The regression results are presented in Table I. The basic model includes those variables that have a relatively clear economic interpretation. These include relative productivity (P_n/P_w), the relative tightness of the unskilled and skilled labor markets (U/S), monopoly (CR) and the availability of employment for non-whites in large plants ($1000/NW$). Basic regression 1 uses the manufacturing concentration measure for the degree of monopoly while regression 2 uses Shepherd's estimates of total concentration. In both cases all of the variables are significant at the .20 level or higher and explain .45 and .56 of the variance in the non-white/white income ratio, respectively.

Equation 3 uses the total concentration measure of monopoly power because of the marked superiority of this specification. In this expanded equation the regional dummy variables are highly significant while the significance of all other variables is reduced except for total concentration. Adding the percentage employed in manufacturing, the dummy variables for large Oriental populations

THE DETERMINANTS OF THE NON-WHITE/WHITE INCOME
RATIO BY SMSA, 1960
(t values in parentheses)

	1	2	3
Constant	-.099 (.462)	-.464** (2.12)	.004 (.02)
P_n/P_w	.547** (1.95)	.359** (1.40)	.023 (.13)
U/S	.123** (2.22)	.161* (3.15)	.040 (1.05)
CR^a	.003** (1.53)	.013* (3.47)	.007** (2.83)
$1000/NW$	24.3** (1.52)	23.9** (1.68)	-51.9 (.51)
DS			.160* (6.59)
BOR			.111* (5.97)
d.f.	37	37	35
R^2	.45	.56	.82

*Significant at .01 level (two tail)

**Significant at .20 level (two tail)

^aRegression 1 uses manufacturing concentration while regressions 2 and 3 use total concentration.

and Washington, D. C. and segregation variables to regression 3 failed to increase the explained variance in the income ratio. Hence, they are not reported in Table I.

In each case the index of relative productivity has the expected sign and is significant at the .20 level or higher in two of three regressions. The size of the coefficients suggest that non-whites benefit less from increased productivity than do whites. This may result from economic discrimination against non-whites. An alternative although not mutually exclusive explanation is that the quality of non-white education is relatively poor. Support for the latter possibility is given by the Coleman Report which argues that after 12 years of education non-whites are three years behind whites in scholastic

achievement.

In every regression the coefficient of U/S has the expected positive sign. This implies that a tightening of the unskilled labor market relative to that of skilled labor increases the relative income of non-whites.

The industrial concentration variable (CR) was included in the analysis in order to test the hypothesis that firms operating in monopolistic and oligopolistic industries discriminate more than competitive firms. As noted above, two alternative measures of monopoly power in any area are used. In all three regressions reported this variable had a positive sign and was significant at the .20 level or higher, suggesting that employment conditions in more competitive firms are less favorable to non-whites than in monopolistic industries. Further, industrial concentration does not appear to be a proxy variable for the extent of manufacturing in an area since this variable did not change the results when added to regression 3. This result is a direct contradiction of the hypothesis that competitive industries are not likely to discriminate in the hiring of labor. Since the hypothesis is based on the assumption that the firms are in competitive equilibrium, i.e., where profits are zero, the results suggest that most firms have a surplus (profit) that permits them to discriminate without threatening the corporate survival. The results also indicate that firms possessing some degree of monopoly power are less likely to exercise their power to discriminate than competitive firms. This latter phenomenon may be due to the fact that firms in highly concentrated industries are national corporations that are less likely to be bound to discriminatory customs peculiar to local and regional areas. Further, these large firms are often subject to more governmental pressure to hire minority groups than their competitive counterparts.¹⁶

The plant size variable (1000/NW) is significant in the basic models but is insignificant when the regional dummy variables are included in the regressions. The regional dummy variables (DS and BOR) have the expected sign and are significant at the .01 level each time they appear in an equation. In each case the magnitude of the deep South Coefficient exceeded that of the border state variable, a not unexpected result. The coefficients in equation 3 suggest that the average income ratio in the North and West is 12 and 19 percent larger than that of the border and deep South states respectively.

POLICY IMPLICATIONS

The results presented in Table I have several interesting implications for public policy designed to reduce the incidence of poverty among urban minority groups.

Differences in productivity are an important determinant of the non-white/white income ratio, although the relative importance of age and education are unclear. Separating the influence of these two components is of vital importance for policy since it is easier to influence the quantity of education received than the age distribution. This is accomplished by assuming that the non-white education distribution within each age category is identical to that of whites while the relative age distributions are held constant. Under these assumptions the calculated non-white/white productivity ratio for the United States rises from the actual value of .85 to .98. Thus it appears that the largest portion of the difference in productivity is due to variations in education rather than age. This suggests that efforts to improve the quantity of education acquired by non-whites may have an important impact on their income relative to whites.

The coefficient of the relative productivity variable is less than unity in each regression, suggesting that non-whites benefit less from increasing education than do whites. This is consistent with recent investigations into the rate of return to education by race.¹⁷ The relatively small coefficient may be due to the inferior quality of non-white education. An alternative, but not mutually exclusive interpretation suggests that discrimination is responsible for the lower return to non-white education. To the extent that inferior quality is responsible for the coefficient being less than unity, either increased expenditures in predominantly non-white schools or school integration would appear to have a favorable impact on the economic well-being of non-whites.¹⁸

The significance of the U/S variable suggests that a policy of increasing the level of education of non-whites raises their income in two ways. In addition to raising wages through increased productivity, such a policy raises the number of skilled labor supplied while reducing the size of the unskilled labor force. If demand conditions remain unchanged, the market for unskilled labor will tighten relative to that of skilled labor. According to the regression results, that tightening will further increase the income of non-white males relative to whites.

This variable also suggests that the large Negro migration to urban centers from the rural South may have greatly reduced the city's ability to absorb the poor. A large supply of unskilled labor may lower the wage rate to a level where even full time employment will not raise a typical family out of poverty. The frustration of marginal workers in such a labor market has been described by Elliot Liebow in his study of Negro street cornermen, Tally's Corner.¹⁹ One of the great advantages of a national poverty program based on a guaranteed annual income is that it reduces the necessity to leave the farm. By removing the push out of rural areas, only a rising attraction of the major metropolitan areas will induce labor to flow from rural areas. The reduced supply of low skilled labor in such cities would improve the material well being of the poor and may increase the probability of their being absorbed into the mainstream of American economic life.

Large plants and concentrated industries are more likely to be characteristic of large metropolitan areas than small cities. The significance of these variables suggests a rationality to non-white migration patterns other than the sociological phenomenon that rural non-whites are lured to the city by communication from friends and relatives. The hypothesized impersonal hiring policies of bureaucratic employers poses an interesting dilemma for the quality of urban life. Dissatisfaction with modern urban life may in part be a product of the alienation inherent in the depersonalization of economic and social institutions. This alienation of the middle class, however, may benefit minorities which have been traditionally excluded from the mainstream of American life. To the extent this racial dichotomy of interests is valid, it is of short term value. In the long run, we may assume that the incidence of poverty will decline and the pain of alienation in large impersonal cities will exceed the gain in upgrading urban minority groups.

The positive and statistically significant relationship between industrial concentration and the income ratio suggests that large national corporations may be more susceptible to government pressures for "fair employment" practices than their smaller counterparts. If firms are vulnerable to federal policy because they accept federal contracts, the federal government is able to improve the access of non-whites to over 4.2 million manufacturing jobs, or over 21 percent of total manufacturing employment.²⁰ The federal government's own relatively equal employment practices add over 2.9 million jobs to this total, suggesting that at least ten percent of total U.S. employment in 1968 could be influenced directly by effective fair employment legis-

lation. Given the relatively low priority of civil rights legislation during the 1950's, the regression analysis using 1959 data suggests that the federal government has strong weapons to combat non-economic barriers to non-white economic advancement.

The dramatic differences in the non-white/white income ratio between regions suggest that there may be a basis for federal policies that are oriented toward changing certain discriminatory customs and institutions in southern and border states.

SUMMARY

In this paper we have analyzed the determinants of the non-white/white male income ratio. The basic model used a measure of relative productivity, indices of labor market tightness, concentration, and access to bureaucratic employers as independent variables. It was tested using SMSA data. The model explained over 45 percent of the variance in the SMSA non-white/white income ratio.

Five variables provided the most noteworthy results. As expected, the low educational attainment of non-whites is a source of their relatively low income. In addition, the institutionalized personnel policies of bureaucratic employers in large plants appears to foster better economic opportunities for non-white males. As others have found, economic opportunities for non-whites vary among regions with the greatest disadvantage present in the deep South, lesser in the border states and the most favorable opportunities in the North and West.

The remaining two variables provide particularly interesting insights into the determination of the non-white/white income ratio. A characteristic of the non-white labor force is that it is generally part of the unskilled labor pool. Therefore policies raising the level of non-white education will improve their income by reducing the supply of unskilled workers relative to the demand for their services. Finally the presence of firms in concentrated industries, where competition is not strong, is associated with higher relative non-white incomes. Thus the Becker hypothesis that competitive firms are less likely to discriminate than monopolists is not supported.

APPENDIX A

CALCULATED VALUES FOR THE NON-WHITE/WHITE PRODUCTIVITY
RATIO FOR STANDARD METROPOLITAN STATISTICAL AREAS, 1959

<u>SMSA</u>	<u>Non-White</u>	<u>White</u>	<u>Non-White/White</u>
Akron, Ohio	2.2500	2.6656	.8441
Atlanta, Georgia	2.1479	2.7436	.7829
Baltimore, Maryland	2.1205	2.4876	.8524
Birmingham, Alabama	2.1267	2.5970	.8189
Boston, Massachusetts	2.3648	2.7077	.8734
Buffalo, New York	2.2547	2.6001	.8671
Chattanooga, Tennessee	2.1115	2.4810	.8510
Chicago, Illinois	2.3594	2.6725	.8828
Cincinnati, Ohio	2.2907	2.6062	.8789
Cleveland, Ohio	2.3452	2.6926	.8709
Columbus, Ohio	2.4163	2.5827	.9356
Dallas, Texas	2.2179	2.6540	.8357
Dayton, Ohio	2.3687	2.6252	.9023
Denver, Colorado	2.5103	2.7103	.9262
Detroit, Michigan	2.3491	2.6253	.8948
Flint, Michigan	2.3284	2.5115	.9271
Fort Worth, Texas	2.2295	2.6068	.8553
Hartford, Connecticut	2.3941	2.6924	.8892
Houston, Texas	2.2583	2.6718	.8452
Indianapolis, Indiana	2.2700	2.6680	.8408
Kansas City, Missouri	2.3975	2.6610	.9010
Los Angeles, California	2.5189	2.7727	.9085
Louisville, Kentucky	2.2911	2.5299	.9056
Memphis, Tennessee	2.0995	2.5799	.8138
Miami, Florida	2.106	2.7296	.7366
Milwaukee, Wisconsin	2.3242	2.6392	.8806
Minneapolis, Minnesota	2.6156	2.6665	.9809
Nashville, Tennessee	2.2262	2.5081	.8876
New Orleans, Louisiana	2.1011	2.5810	.8141
New York, New York	2.3997	2.6972	.8897
Philadelphia, Pennsylvania	2.3130	2.6156	.8843
Pittsburgh, Pennsylvania	2.2924	2.6002	.8816
Richmond, Virginia	2.1729	2.6243	.8280
Rochester, New York	2.1980	2.6071	.8431
St. Louis, Missouri	2.2525	2.5936	.8685
San Diego, California	2.2487	2.3321	.9642
San Francisco-Oakland, Calif.	2.4547	2.7527	.8917
Seattle, Washington	2.5094	2.7448	.9142
Toledo, Ohio	2.6258	3.0824	.8519
Washington, D. C.	2.3723	2.9061	.8163
Wilmington, Delaware	2.2492	2.6868	.8371
Youngstown-Warren, Ohio	2.1970	2.5701	.8584

APPENDIX B
SIMPLE CORRELATION MATRIX FOR SMSA'S
(x 100)

	P_n/P_w	P_n/P_w	U/S	CR	CR ^a	1000/NW	DS	BOR	MAN	SEG	ORIENT	GOV
P_n/P_w	100		43	32	30	32	42	27	15	-37	51	-17
U/S		100		-02	-13	22	41	23	-32	-52	79	16
CR*			100		69	20	16	19	44	-02	-04	-23
CR ^a					100	13	29	05	37	03	-15	-15
1000/NW						100	33	28	41	-28	24	-14
DS							100	-25	04	-33	20	-07
BOR								100	35	-24	25	-28
MAN									100	-19	-35	-36
SEG										100	-52	-21
ORIENT											100	-07
GOV												100

*CR and CR^a represent manufacturing and total concentration respectively.

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FOOTNOTES

¹A high degree of multicollinearity in such models is a major contributor to this problem. See Rasmussen, Chapter 3.

²Becker, The Economics of Discrimination, Chapter 3.

³The SMSA's in the sample are listed in Appendix A.

⁴There has been considerable debate about the use of the mean or median as a measure of central tendency. Since there is little consensus on this issue, the data restrictions requiring the use of median income in the dependent variable are probably of little consequence. See Becker, Human Capital, p. 76.

⁵The age brackets are: 18 to 24; 25 to 34; 35 to 44; 45 to 54; and 55 to 64.

⁶The educational groupings are: 0 to 7 years; 8 years; 9 to 11 years; 12 years, 13 through 15 years; and 16 or more years.

⁷It is important to note that non-white productivity is overstated unless the amounts of on-the-job training and quality of education are equal between the races. The calculated values of the "productivity index" by race are given in Appendix A. The age and education distributions were calculated from the State Reports, Table 103. The S_{ij} matrix is found in Occupation by Earnings and Education, Tables 1 and 4.

⁸This assumes that there are no substantial differences in the composition of labor demand between an SMSA and the nation for any given industry. The $(U/T)_i$ figure is derived for 27 industries (Industrial Characteristics, Table 21) and the (E_i/E_t) data is found in State Reports, Table 75.

⁹This data is found in the Census of Manufactures, Vol. II, Tables 2 and 5 and Vol. III, Table 6. The industrial composition of SMSA's are developed at the three digit level.

¹⁰See Shepherd. Employment data is found in Growth Patterns in Employment by County 1940-50 and 1950-60.

¹¹The degree of industrial concentration may also be related to the degree of unionization. Unfortunately, the degree of unionization is not available for SMSA's.

¹²Experiments with various sizes of large plants (250/NW and 500/NW) suggest this is the best specification. This data is found in the Census of Manufactures, Vol. III, Table 6.

¹³The deep South includes the SMSA's in the following states: Alabama, Arkansas, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee and Virginia. Border states include Delaware, Florida, Kansas, Kentucky, Maryland, Missouri, Oklahoma, Texas and West Virginia. A value of zero was assigned if the area was in the deep South or Border state and one if not.

¹⁴This index applies to the central city only and hence tends to underestimate the degree of segregation in an SMSA. An alternative measure comparing the percentage of non-whites residing in the central city and the pro-

portion of all jobs in the central city was also investigated. This specification did not significantly change the results.

¹⁵These cities are Boston, Denver, Los Angeles, Minneapolis, San Diego, San Francisco, and Seattle.

¹⁶See Northrup.

¹⁷See Hanoch.

¹⁸The Coleman Report argued that environmental factors influence the quality of education much more than expenditures per pupil. This conclusion has been challenged by Bowles and Levin. In light of this debate, it would seem appropriate to move toward equal expenditures per pupil and the elimination of segregated schools.

¹⁹Boston: Little, Brown and Co., 1967.

²⁰This estimate is based on employment figures for the 25 largest defense contractors (2.7 million employees) and an estimated 1.5 million for remaining 22,000 firms involved in defense contracts. See Rukeyser.