

Affirmative Action: Myth or Necessity?

At an August 19 Policy Forum, entitled “Affirmative Action after Michigan,” scholars discussed the latest research on the impact of racial preferences in higher education. Participants included Cato policy analyst Marie Gryphon, Georgetown University professor Harry Holzer, and Tanya Clay from People for the American Way. Excerpts of their remarks follow.

Marie Gryphon: When I started working on this issue, some of my friends asked whether it was really the best use of my time and energy. “Shouldn’t you just keep ranting about the failures of urban public schools?” they asked. And in a way, they are right. Affirmative action is not a crisis on that level. It does not leave children illiterate and hopeless in America on a daily basis.

Nonetheless, I think affirmative action policy deserves serious attention, because no debate I am aware of is in more desperate need of clear thinking or honest discourse than this one.

I titled my new paper “The Affirmative Action Myth” because I think that the costs and benefits of preferences are misunderstood and that the misunderstanding is promoted by academic and political leaders. The myth holds that preferences benefit minority students in concrete ways, that their social and psychological costs are small, and that without preferences colleges would become resegregated, depriving students of the educational benefits of diversity.

William Bowen and Derek Bok, former presidents of Princeton and Harvard, respectively, became the standard-bearers of the myth with the publication of their book *The Shape of the River*. But recent and better research shows that their claims are untrue. Preferences do not offer real benefits to disadvantaged groups, but they do impose real costs on students of all backgrounds.

For one thing, affirmative action does not actually send more minority students to college. Most people don’t realize this. Advocates mention affirmative action and the importance of college together so often that we are bound to think there is a connection. It is like hearing Saddam Hussein and September 11 together so much that you eventually come to think that Saddam had something to do with September 11. But no matter how often we hear the importance of a college edu-

cation and affirmative action in the same breath, the one still does not affect the other.

And this is because most four-year schools are not academically competitive. They accept everyone with a standard high school education. Preferences directly affect only the 20 to 30 percent of American colleges that enjoy more applicants than spaces. Students applying to these schools have many other college options.

The reason that more minority students do not get degrees has nothing to do with competitive admissions. Rather, too many of them leave high school without the bare minimum credentials necessary to attend any four-year school, selective or not. Freshmen must be college ready. This means that



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they have to be literate, they must have a high school diploma, and they must have taken certain minimum coursework.

Jay Greene of the Manhattan Institute found that only 20 percent of black students and 16 percent of Hispanic students leave high school ready to go to college. Minority underrepresentation in the college environment is thus the result of public schools’ failure to prepare minority students. It is a failure that affirmative action cannot remedy. In the *Los Angeles Times*, Greene noted that 1.3 million American kids become college ready each year and that 1.34 million of them go to college. We are sending

every ready kid to college, and a few more.

So affirmative action does not send more kids to college. It does, however, redistribute minority students from less selective schools into more selective ones. Advocates argue that this will raise graduates’ wages and help close racial disparities in wealth and income.

But contrary to what many assume, attending a selective school does not raise student incomes, regardless of race. This is an important new finding. A couple of years ago, economists Stacy Dale and Alan Krueger generated shockwaves by solving a persistent problem of older research on this issue. They compared students who were accepted to Cornell, for example, and went to Cornell, to students who were accepted to Cornell but chose, for reasons of their own, to attend a less selective school, like the University of Washington.

Comparing students with identical acceptances allowed them to control for all of the factors that colleges consider when they accept students. Dale and Krueger found that when genuinely equivalent students are compared, those who attended the fancier schools make no more money at all—not an extra dime—than students who attended the less selective schools. The idea that the Ivy League will make you rich is just another part of the myth. The Dale and Krueger paper, by the way, is in the *Quarterly Journal of Economics*, Fall 2002, in case you need to print it out and give it to that neighbor who is so proud that his son got into Penn early admission this year.

Preferences do not help minority students go to college, and they cannot increase minority incomes. But they do reinforce a harmful notion: the notion that status and not skill matters the most in the game of life. Upper-middle-class families are the worst offenders. The *New York Times* recently reported on a woman who was visiting elite colleges with her daughter who had not even started her sophomore year of high school yet. Because we associate college increasingly with prestige rather than learning, debates about affirmative action tend to turn on philosophical notions of fairness or merit, as if admissions were a trophy or certificate for good behavior.

Affirmative action worsens this tendency because it implies that some colleges are objec-

“When genuinely equivalent students are compared, those who attended the fancier colleges make no more money—not an extra dime—than students who attended the less selective schools.”

tively better than others and need to be redistributed. But this notion backfires. Having sold us on the idea that prestige matters, elite universities now generate racial resentment by apportioning this prestige according to race. A group led by Doug Massey at the University of Pennsylvania found that white and Asian students at selective schools feel cooler toward “affirmative action beneficiaries”—so labeled—than nonbeneficiaries of all races.

But affirmative action has more concrete harms. All researchers agree that sending students to selective schools results in lower grades. Bowen and Bok found that minority students finish 15 points lower in terms of class rank than they would have achieved if preferences did not exist. Minority students are more likely to drop out. And those who graduate finish, on average, in the bottom 25 percent of their class.

Now, this is in part due to lower levels of academic preparation. But it is also caused by what Claude Steele of Stanford calls “stereotype threat.” It’s a term of art that he uses to refer to a debilitating fear of confirming a negative stereotype that afflicts high-achieving minority students.

Doug Massey likewise found that stereotype threat leads to lower grades. His group noted that minority students who exhibit symptoms of stereotype threat earn GPAs that are .122 lower than those earned by similar minority students who feel less threatened. If that seems small to you, understand that it is over half of the .22 gap that remains between white, Asian, and minority students after differences in academic preparation are controlled or held equal.

Now, supporters of affirmative action often say: “Well, at least we are doing something about this terrible problem of inequality. What do you want to do?”

It is a fair question. I think the first thing we should do is to acknowledge our history of slavery and segregation and the role it has played in generating our current predicament. If, as John McWhorter argues, minority students harbor a distrust of the academic life, if some subcultures attach less importance to educational attainment than others, it should come as no shock that those feelings can be traced to centuries of oppression during which African Americans in particular were often denied the legal ability to pursue an education.

Acknowledging our history is an important prerequisite to moving forward together to tackle the only task that will truly promote racial equality in America: closing the skills gap. Studies show that minorities make about as much money today as whites with similar standardized test scores. Tests are often dismissed as irrelevant or biased. But they are measuring *something* that is valuable in the labor market. We can close the black-white earnings gap by closing the test score gap.

Tests measure skills that *can* be taught. Economists Derek Neal and William Johnson found that scores are powerfully affected by family size, parenting style, and the quality of local schools. Asian students not only score the highest on tests but also get



Harry Holzer: “Students admitted under affirmative action policies do benefit from them, but they are not the only ones who benefit.”

better grades than other groups even when the test scores are the same. This is because their parents and peers have very high expectations for their performance.

Finally, I think elite colleges may want to reconsider their current highly selective admissions policies. Most of the problems generated by affirmative action—resentment, stereotype threat, underperformance—are not caused by a general spread of abilities in a given college environment. Rather, they are caused by the creation of isolated subcultures of minority students who are obviously and painfully less prepared than their peers.

I agree that diversity is an important part of college life. And even if preferences

were abolished now, the top dozen schools in the country would retain a third of their black and Latino students, and the very selective schools that rank just beneath them would retain two-thirds of those students.

If that is not enough, schools should consider admitting a wider variety of students of all races, a move that would increase cultural diversity far more than the current practice of mixing a cadre of preferred students with an overachieving group of nonpreferred students.

The take-home lesson here is that affirmative action cannot solve the disparities in our country. Preferences were designed to harness what supporters hoped would be the formidable power of prestige. But those who hope to ride credentials into the sunset of equal opportunity have saddled the wrong horse. Only no-fuss integration and real skills will lead us to success.

Harry Holzer: Who really benefits from affirmative action? I am going to draw a very different picture from the one Marie drew. I would argue that when minorities are admitted to good schools because of affirmative action, they really do benefit. There is a wide range of good literature that controls for things like test scores and grades and still finds that getting into these better schools does lead to higher earnings.

Marie quoted a paper by Stacy Dale and Alan Krueger. It is a quirky paper. It uses a very unusual statistical methodology to get at the issue of comparing apples to apples.

If you read that paper carefully, two things come out. First of all, the lower down the income ladder you go with a family, the more the prestige of the college raises your earnings later. It is not as though there is no effect. And since minorities at these institutions tend to come from lower-income families (they are not coming from poor families, by and large, but from families with lower incomes than those of their white peers), they are, on average, going to benefit more than the white students.

Also, when Dale and Krueger use the average tuition of the university rather than the average GPA, they also find fairly strong effects on later earnings, which is a quirky finding. So maybe the lesson is, don’t go to

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the University of Michigan because it is not that expensive; go to Harvard because that's where the real payoff is.

Moreover, if the elite schools are not any better than their much lower-priced alternatives, it raises the prospect of a major market failure. Why are these students and their parents working so hard to get into those elite schools if they are so worthless? It would imply a massive irrationality on the part of consumers that the folks at the Cato Institute do not usually believe in and that I tend to not believe in either. I think there are reasons those schools are very competitive. There are reasons why parents shell out 40 grand a year to send their kids to those schools. There is a payoff in the labor market, and I think the people who go there do benefit from it.

There is other literature that says: “Well, we are admitting minority students, but then so many of them drop out afterward. So no one benefits.” I certainly agree that the high dropout rate among minority students is a big issue, and we have to pay more attention to it. But it is not caused by affirmative action. Because at elite institutions that are doing a lot more affirmative action, the dropout rates are lower, not higher. The elite schools do a better job at providing financial support, counseling, and other support services to students who are in trouble. They make sure that most of them get diplomas. So the dropout rate is a big problem, but it is not caused by affirmative action.

I think that students admitted under affirmative action policies do benefit from them. But in my reading of this literature, they are not the only ones who benefit. For one thing, there is pretty clear evidence that additional services are provided to low-income and minority communities by affirmative action beneficiaries. That is clearest in the case of doctors, for example. Several papers have indicated that minority doctors coming out of medical schools under affirmative action programs are more likely to serve low-income and minority patients in their communities.

Universities clearly believe they benefit from these policies. You may or may not buy the research on how diversity improves

the quality of the classroom, but the universities themselves feel that their legitimacy is enhanced by reaching out to a much larger population and providing access to a greater range of students.

And the business community seems to benefit. The demographics of the labor market are changing a lot in tight labor markets. Businesses are really strapped for ways to find talent in minority applicant pools, and affirmative action helps them do that.

Tanya Clay: Affirmative action provides equal opportunities to those who have equal abilities. It opens the door. It allows those people who have otherwise been denied this



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opportunity to compete on a level playing field. Education is a building block to providing opportunity. And by denying it to some, we are ignoring the realities of society and denying opportunities to communities of color.

It's difficult to provide equal opportunity if we are going to be judged by the standards of meritocracy that are typically used by institutions of higher learning. I think we need to revisit that standard. Our educational excellence is actually weakened by not having the contribution of various cultures. In the brief submitted by People for the American Way in the Michigan cases, we presented a number of reports by social scientists stating that heterogeneous groups—

including those based on race—are better at creative problem solving than homogeneous groups, due to the benefits of interactions between individuals with different vantage points, skills, or values.

I think that the sole reliance upon test scores and grade-point averages ignores the comprehensive evaluation of a student's promise within the context of their opportunities. Not all students can be judged solely by their grade-point averages or solely by test scores. Standardized tests like the SAT and the LSAT have a disproportionate effect on communities of color. We should not base our judgment of academic excellence solely on those two factors. Affirmative action opens the door to the variety of experiences that an individual brings to the table. It creates a better learning environment than a homogenous student body would.

LSAT scores have a huge effect on who can go to law school. And various studies have shown that, at most, LSAT scores can determine somebody's ability to get through the first year of college. It tells you nothing about how somebody is going to succeed after law school—whether or not they are actually going to pass the bar and have a successful career.

But doesn't affirmative action create these stereotypes, that simply by using race as a factor we are automatically assuming that somebody has particular unique experiences that somebody else does not have? It shouldn't. Affirmative action means taking positive steps to end discrimination, to prevent its recurrence, and to create new opportunities that were previously denied qualified minorities and women. The key term is “qualified.” Qualified means that individuals who are accepted through affirmative action programs already deserve to be there but were excluded on the basis of other reasons.

We have a responsibility to educate people about the real impact of affirmative action, what affirmative action really is. It is not quotas or some type of social promotion scheme in which people who are not qualified are admitted anyway based on their race.

And it goes both ways. If we think that people who are the beneficiaries of affirmative action are somehow not qualified to be at that school, what do we say to a white

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student who is the beneficiary of affirmative action at a historically black university? Are we then saying that they are not qualified to be at that institution as well? Most of you probably do not think of it in those terms, because we think of affirmative action as applying only to white institutions.

Admissions to selective institutions are based on a variety of criteria, not simply race or socioeconomic status. The University of Michigan decisions supported the theory that we should judge people based on numerous criteria.

However, one criterion is often overlooked. At Texas A&M, in 2002 and 2003, it is estimated that about 350 freshmen were admitted not on the basis of merit but on the legacy of their parents. During that same period, approximately 180 African-American students were admitted through affirmative action.

So why don't legacies have the same stereo-

types? Why don't we look at legacies as not being qualified to attend elite universities?

Colin Powell stated it very succinctly. He is also supportive of affirmative action. And he says that most people criticize him for his stance, but they have no problem with a preference that gives legacy scholarships or legacy admission to a certain university because your parents went there. But it is the particular type of affirmative action—based on race—that they find somehow improper. That seems inconsistent to me.

Marie Gryphon: Harry discussed more details about the Dale and Krueger work, which I think really did crack the nut on wages and school quality. He pointed out that there are some low-income effects to school selectivity. For reasons that aren't clear, if you are right around the poverty level—if you are truly poor—then there is a statistically significant positive benefit associ-

ated with increased selectivity. That's not true for other groups, and overwhelmingly, beneficiaries of affirmative action are middle class or upper middle class—86 percent, in fact, come from middle- or upper-middle income families.

He also mentions the price of tuition being positively related to higher wages in the Dale and Krueger study. What's interesting about this finding is that Dale and Krueger matched applicants for accepted and rejected colleges by school selectivity, and as a result they were able to filter out the unobserved variables that pertain to academic preparedness, or ability to succeed academically. However, they did not match students based on the cost of colleges they applied to. So this, too, like the older wage studies, could be the result of a statistical artifact. That is—the wage gains that appear to be the result of increased price of college are actually tied to unobserved socioeconomic status variables. ■

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