



## Transcript for “The Great Black Migration and Competition in Northern Labor Markets”

Featuring [Leah Boustan](#)

Hosted by David Chancellor

**In this podcast, UCLA Associate Professor of Economics Leah Boustan discusses the Great Black Migration that took place in the United States from 1915 to 1970 and how competition from migrants from the South affected wages in Northern labor markets.**

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**[Chancellor]** Hello, you’re listening to a July 2015 podcast from the Institute for Research on Poverty at the University of Wisconsin-Madison. I’m Dave Chancellor.

For this podcast, I talked with UCLA economics professor Leah Boustan about her work on the Great Black Migration.

The Great Black Migration took place in the United States from about 1915 to around 1970 and, over that time period about 7 million black people left the rural south and moved to industrial cities in the North and west. We’re going to hear from Professor Boustan first about how the migration came about and then look at what it did in terms of competition in the Northern labor market. As we get started here, she explains that we can think of the timing of the migration relative to World War I and II and the Great Depression.

**[Boustan]** People tend to group the migration into two waves -- one took place starting off with World War I and going through the 20s and the second took place starting with World War II and going all the way through 1970. This breakdown into two waves is a little bit artificial because in between the two is the Great Depression. During the Great Depression, Americans are very immobile. It’s one of the least mobile decades in U.S. history so it looks like the migration falls off a lot and then starts up again, but if not for the Great Depression, it probably would have looked like one continuous movement.

**[Chancellor]** From an economic standpoint, a big part of why Southern blacks would have wanted to move was that they could make more money in the North, especially in Northern factories, stockyards, and other businesses. Boustan says, however, that this had been the case prior to the start of the Great Black Migration around 1915, so the question is, what drove the moves during this time period?

**[Boustan]** There's a gap in wages between the North and the South going back as far as we can measure, likely going back to the end of the Civil War. In that case, we don't have great wage data, but we do have wage information for selected occupations. And so as far back as 1870, you would think that just by moving and leaving the South, people could increase their earnings by 50 or 100 percent. So one of the puzzles that have come up in the literature is 'why didn't the migration start earlier, for blacks and for whites?' And so there's nothing unique about 1915 or 1940 as periods where the wage gaps are particularly high, but there's some kind of force out there that's slowing the migration from starting. Once the migrations starts, it picks up really rapidly given the wage gaps of those sizes.

And, I haven't done original research on this, but I've looked at a lot of the evidence. Some people say that migration out of the South was delayed because Southern planters kept blacks in place, made it very difficult for blacks to move out, maybe they used a debt contract or something, so they kept their tenant farmers in debt. I don't think that's what's going on for the most part because there's a lot of black mobility at that time, it's just not mobility to the North. So I put together some data on state to state migration flows and there's nothing special about 1915 or 1940 in terms of overall black mobility rates. What's special is that suddenly there's a shift to the Northern destinations.

**[Chancellor]** Boustan suspects that this shift to Northern destinations was due to a combination of factors that sort of resulted in a critical mass of migration.

**[Boustan]** My sense of what's going on is that moving to a new place without friends and family, without a network, is really challenging. So what you see as the potential benefit of moving, just by comparing earnings, might not be realized by a real migrant. That migrant might show up and have a hard time finding a job, be unemployed for a long time, and only be able to work in a very low skill position. Once the migration gets started though, you do have your friends and family around who do help you get settled. So the migration starts in 1915 as sort of this confluence of historical factors, World War I so there's a lot of labor demand in factories. Immigration from Europe gets cut off temporarily during the war so there isn't a lot of labor supply coming in to those factories. And there's also, exactly at that same time, some cotton harvest failures in the South due to a cotton pest.

**[Chancellor]** The cotton harvest failures—mostly in the 1920s, combined with other setbacks in cotton growing areas in the 1930s. And, this comes through in work that Boustan does looking at migration rates out of the South by county.

**[Boustan]** There's around 1000 Southern counties. And, to a first approximation, you can group the South into the cotton South and the non-cotton South. And there's a lot more outmigration from the cotton growing areas than from the non-cotton growing areas. And that has a lot to do with low economic opportunity in those areas, particularly at the tail end of the depression. During the Depression and the New Deal response, there are government payments to cotton farmers to keep land fallow, to try to keep cotton prices up by just shutting down production, so a lot of black farm tenants are thrown out of work in this process. And you'd think they would be moving in the 30s, but there really isn't much to move to at that point because unemployment rates are so high in the Northern cities. And as soon as the unemployment rates turn around with World War II production, there's just a massive outflow from these cotton areas.

**[Chancellor]** It's this period around the start of World War II up through 1970 that Boustan focuses on in her research. It's also the period of heaviest migration out of the South... about four million blacks leave the South, which effectively doubles the black population of the North in just a 30 year period. So, the North is looking really good for migrants at this time, there's a lot of opportunity and a lot of social momentum behind this migration. But that's where the literature on the Great Black Migration has kind of stopped... that is, it's looked at the benefits of migration to the migrants.

**[Boustan]** And I was inspired by the economics of immigration literature, which actually was focused on precisely the opposite. When we think about migration from Mexico or Central America or Asia today, labor economists tend to have a very U.S. focus to that inquiry. And so they ask 'how do these migrant arrivals harm native workers, if at all? What is the effect of migrants on the native wage distribution?' And they sort of just take for granted that, yeah, the migrants are probably benefitting, but we're not going to worry about measuring that. Whereas, with the black migration, people were asking exactly the opposite question. And so I wanted to take a look at labor market competition from this black migration. And, if black migrants competed with just your average white worker in the North, the flow would have been large, but not that large. Black migration increased the overall labor supply in the North by around 4 percent. So, smaller than foreign born migration today. But, if blacks competed only with other blacks in the North, then the potential competition effects from immigration was tremendous because black migration doubled the black population in the North.

**[Chancellor]** So, Boustan wanted to pin down just who the migrants were competing with. And she did this by looking at what you can think of as 'skill groups' in the North. So, in these groups, she compared people with similar levels of education and similar levels of labor market experience and then would look at the effect that new migrants had on a group.

**[Boustan]** And, within this group, let's say high school grads who are young men. There are some whites who are already there, there are some blacks who are already there. And they face the same sort of inflow of new migrants from the South. And then whose wages are hurt? Is it only black wages who are hurt, is it white wages in that group as well? And what can we learn from the relative size of these impacts?

And there I find pretty strong evidence that the black migrant arrivals only competed with other blacks, to a first order of approximation. So that tells us that blacks and whites are used very differently in the labor market, even if they have, on the face of it, the same set of skills. And so I wanted to understand why. This would be very consistent with what historians have said about limited occupational opportunities for black migrants. So, yes, they were suddenly working in factories rather than in farms, rural areas in the South. But in the factory, they may not ever get to work with a complicated machine, they may not ever become a foreman, they may stay only at the low level, dirtiest, most dangerous positions.

**[Chancellor]** The standard explanation for this has been that these Northern employers were discriminating and only offered black migrants these less desirable, lower paid, more dangerous positions. But Boustan's analysis offers a somewhat different take.

**[Boustan]** Another possibility is that black migrants were already facing discrimination in the South that shaped the rest of their life. And what I mean is the schools they had available to them were very low

quality. So even if they would have stayed in school until they were 13 or 14 years old, they may not have learned very much in any one given year and in a very quantitative sense, I mean, it's shocking to me to look at the numbers, but the typical black student in the South was only in school for 90 days out of the year -- so that's like three months of school time, I guess four months if you consider the weekends. And the typical white student in the North was in school for twice that long. Depending on how you think about a skill group, whether you think about the years you were in school or the days you were in school makes a difference. And actually, if you compare people who were in school for a similar number of days. It looks like blacks and whites were actually much more competitive with each other in the labor market, and that teaches us that the reason why blacks and whites were actually not that competitive in the labor market of the day has a lot to do with the quality of the schooling that was available to them. So it takes off some of the onus from Northern employers, but there's still a little bit left over in the data that we could say is coming from discriminatory assignment and it puts it back on the South.

**[Chancellor]** Boustan says that understanding how this competition between black migrants and blacks and whites who were already in the North played out is important because it has implications for the black-white earnings gap over a much longer period of time.

**[Boustan]** Well, first, I was motivated in getting into this question because the pace of black earnings growth in the North was very slow. It's been slow since 1940. And, to be clear, in absolute terms, black earnings in the North have been growing since 1940, they've just been growing at around the same pace as white earnings. So, the black/white earnings gap has really not changed in the North since 1940 until today. But we know that nationally, there's been a lot of black/white wage convergence and what that means is that the majority of that convergence took place in the South. So, I wanted to understand why black advancement in the North in a relative sense was so slow and I thought that this migration and competition from migrants could play a role. And there's also a role to be played for economic change, structural change in the Northern economy. The decline in manufacturing, and the rise of bimodal services where you have either really high paid, high skills services or low pay, low skill. And that's certainly there, but my work suggests the competition from migration mattered, and the size of the black/white earnings gap would be smaller today if it hadn't been for this force of competition which is not to say that blacks would be at parity with whites today. The size of the gap between blacks and whites in the North in 1970 is around 25 log points so that's like around 30% or so and my results suggest that around a third of that would have been erased if not for this force of competition from in-migration.

**[Chancellor]** I asked Professor Boustan what we should take away from these kinds of findings about the Great Black Migration.

**[Boustan]** I think that this all speaks to the comparison, either implicit or sometimes explicit between the pace of black economic advancement and the pace of earlier white ethnics that, there was a whole set of white migrants who moved from Europe to the same set of Northern and western cities a generation before. And ironically, these migrants may have benefitted from the closing of the border in 1921. So, migrants from Italy, Poland, from Russia, etc., were competing with each other for the same sets of jobs, through 1900 and 1910. 1920, migration essentially shuts off completely or it falls from around a million people a year to around 100,000. And that may be a component of the story as to how white ethnics get ahead. Now, I haven't done the work specifically on the case of white migrants from Europe, but certainly

what we see from the case of black migrants is, the Mason Dixon line -- it can't close. So once the migration begins, it's an internal migration within the United States and the migration runs its course until there's complete wage convergence between North and South and the motivations for moving erase. And so, as a result, blacks who move first then face sort of the whole brunt of competition from new black arrivals and that's a portion of the story that can help us understand sort of differential outcomes across groups.

**[Chancellor]** Thanks to Leah Boustan for sharing her work with us. Her forthcoming book is called *Competition in the Promised Land: Black Migrants in Northern Cities and Labor Markets*. You've been listening to a podcast from the Institute for Research on Poverty.