NBER WORKING PAPER SERIES

AREA ECONOMIC CONDITIONS AND THE LABOR MARKET OUTCOMES OF YOUNG MEN IN THE 1990S EXPANSION

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Working Paper 7073
http://www.nber.org/papers/w7073

NATIONAL BUREAU OF ECONOMIC RESEARCH
1050 Massachusetts Avenue
Cambridge, MA 02138
April 1999

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NBER Working Paper No. 7073
April 1999
JEL No. J31, J15, J18

ABSTRACT

The current expansion has shattered the length of the previous longest peace-time boom and brought unemployment rates below four percent in 44 percent of metropolitan areas. We estimate the expansion's impact on the labor market outcomes of less-educated men. We find that young men, especially young African American men in tight labor markets experienced a boost in employment and earnings. Adult men had no gains, and their earnings barely changed even in areas with unemployment rates below 4 percent. Youths have higher earnings and employment in low crime states and poorer labor market outcomes in states where incarcerations are high.

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The 1990's economic boom has made the American job market the envy of the world. The proportion of the adult population that is employed has increased to the highest level in history. Unemployment has fallen far below the 6 to 7 percent that many economists and policy-makers believed was the NAIRU (non-accelerating inflation rate of unemployment) rate. While throughout much of the 1980's and 1990's, real wages of workers stagnated, in the late 1990's real wages began to rise, and at least some workers in the bottom of the distribution had their first gains in real earnings after years of decline (Economic Policy Institute, 1998).

To what extent has the 1990's boom improved the labor market outcomes of young non-college-educated men? How much has the boom helped young African American men who are the most disadvantaged and socially troubled group in the U.S.?

Previous economic booms have raised employment of young men and often raised their earnings as well.[1] Turning to our second issue, there is a large literature that links crime to economic conditions (see the review by Freeman (1999)). Most studies find that unemployment has a moderate effect on crime and that persons who engage in crime have a somewhat lower employment than otherwise comparable young persons not involved in crime. The large increase in incarceration and drop in the crime rate in the 1990s raises two questions: whether the fall in crime is due in part to the tighter labor market as opposed to, or in addition to the rise in incarceration; and whether the incarceration leads to a less employable work force of ex-prisoners.

But the 1990s has been a period when the relation between unemployment and other economic outcomes has surprised many analysts. Low rates of unemployment have generated smaller increases in wages than in previous economic booms. From the perspective of the aggregate economy, this is good news, since it has convinced monetary authorities to forego anti-inflationary policies that would end or dampen the boom. But from the perspective of economic disparity and the well-being of young low paid and less skilled workers, it could be bad news. If the boom of the late 1990's was insufficient to improve substantially the position of young non-college-educated workers, it is difficult to imagine that any expansion could do so, and thus would dash any hope that economic growth per se could raise their pay and income.

This paper examines the effect of the 1990's boom on young non-college-educated men and the relation between their economic position and crime and incarceration. One factor that differentiates young non-college-educated men in the 1990's compared to the past is their rate of criminal involvement and incarceration. Crime rates peaked at the end of the 1980's but the number of young non-college-educated men who were incarcerated rose, particularly among African Americans, possibly altering the relation between the boom and the employment and earnings of those in the civilian population from what it was in the past.[2] Because time series data on the 1990s boom are necessarily limited, we use variation in the level and change in joblessness across metropolitan areas to assess the contribution of market conditions on the position of young workers. Unemployment rates differ greatly and have changed differentially among areas, providing considerable variation in economic conditions from which to assess the effect of market conditions on youth unemployment. Similarly, there is wide variation in crime rates across areas (Glaeser, Sacerdote, and Scheinkman, 1995) that can be used to assess the link between crime and youth labor market outcomes. While our main focus is on young less educated young men, we present information on older less educated men as well.

The paper finds that:

1. Young men in tight labor markets in the 1990s experienced a noticeable boost in employment and earnings, while adult men had no such gains. Earnings of adults barely changed even in metropolitan areas with unemployment rates below 4 percent, while the earnings of youths, including disadvantaged African American youths improved. Youths do particularly well in areas that started the boom at lower jobless rates, suggesting that they would benefit especially from consistent full employment.

2. Crime rates fell most rapidly in states where unemployment fell most, supporting the notion that unemployment affects crime (Freeman, 1999). At the same time, youths have higher earnings and employment in low crime states and incarcerations per youth are adversely related

to labor market outcomes, which suggests that past criminal activity may affect outcomes, as well, with youths with criminal records having greater difficulties in the job market.

Data

We utilize three data sources. The first are the Merged Outgoing Rotation Groups of the Current Population Survey, 1983, 1987, 1989, 1992, 1996, and 1998. These years cover the beginning and peak of the 1980s expansion (1983-1989) and six years of the 1990s expansion (1992-1998). Our youth sample includes 16 to 24 year old men; our adults are defined as 25 to 64 year old men. We exclude youths in school. In the first four cross sections, our samples are based on responses to the Employment Status Recode (ESR) variable. Every individual whose major activity is in school was dropped. The unemployment rate is the ratio of the number of people looking for work to the sum of the number looking for work, the number working, and the number with a job but not working. The statistics for 1996 and 1998 are based on the monthly labor force recode (MLR) variable. Unlike the ESR variable that classified those on layoff as employed, this recode classifies those on layoff as unemployed. The change has no impact on the estimates because the share of workers on layoff is typically less than .5 percent of the civilian population. The employment-population ratio is the ratio of the number of people working and the number with a job but not working to the sum of those two numbers and the number out of the labor force.

We constructed the natural logarithm of real hourly earnings using the respondent's pay status. If the respondent reported that they are paid on an hourly basis, we took the logarithm of their hourly wage. If the respondent was paid on a weekly basis, we took the logarithm of the ratio of their usual weekly earnings and usual hours worked per week. We deflated nominal hourly wages using the CPI-UX-1 deflator.

The area unemployment rates come from various editions of the Bureau of Labor Statistics' Employment and Earnings and Geographic Profile of Employment and Unemployment. For 1983, Metropolitan denotes standard metropolitan statistical areas (SMSAs). In all other years, Metropolitan corresponds to metropolitan statistical areas (MSAs), primary metropolitan statistical areas, and consolidated metropolitan statistical areas. For the 1983 published data, Metropolitan denotes standard metropolitan statistical areas (SMSAs) and we are only able to identify 44 areas. In all other years, Metropolitan corresponds to metropolitan statistical areas (MSAs), primary metropolitan statistical areas, and consolidated metropolitan statistical areas. For the 1987, 1989 and 1992 published data 212 areas can be identified. For 1996 and 1998, 334 areas are identifiable. In some calculations we categorize the areas as having an unemployment rate below 4 percent, 4 to 5 percent, 5 to 6 percent, 6 to 7 percent and greater than 7 percent.

The 1983, 1987, 1989, 1992 and 1996 national and state crime rates per 100,000 inhabitants come from assorted volumes of the Uniform Crime Reports. The 1997 national value is computed by using the 4 percent decline from 1996 reported in the Uniform Crime Reports: 1997 Preliminary Annual Release. The national and state incarceration rates per 100,000 inhabitants for 1983, 1987, 1989 and 1992 are taken from the Sourcebook of Criminal Justice Statistic: 1996. The national incarceration rate for 1997 comes from Bureau of Justice Statistics Prisoners in 1996. To construct state crime per youth and state incarcerations per youth, we divide the crime and incarceration rates by a state's residents that are 16 to 24 years of age.

Aggregate Relations

Before presenting our area analysis, we review briefly the pattern of change in the aggregate national data that represents the phenomenon we want to explain. Figures 1 to 6 (Appendix Table A1) show unemployment rates, employment-population ratios, hourly earnings, crime and incarceration rates in the 1980s expansion (1983 to 1989) and in the 1990s expansion (1992 to 1998). These data show:

- Substantial falls in unemployment in both recessions. The unemployment rate fell for African Americans at roughly the same rate as for all persons.
- A smaller rise in the employment-population ratio in the 1990s expansion, presumably due to the higher initial ratio. The e-pop increased by 5 percentage points from 1983 to 1989 and

by 2.6 points from 1992 to 1998. The rise in the employment-to-population ratio for African Americans was somewhat larger in absolute terms: 7.4 points in the 1980s boom and 4.8 points in the 1990s boom.

- A very different pattern in real hourly earnings. Real hourly earnings fell in the 1980s recovery and fell from 1992 through 1996, then rose in 1997 and 1998, when the unemployment rate dropped below 5 percent.

- A different pattern in crime rates measured by the FBI's UCR index between the 1980s and 1990s expansions. During the 1980s expansion, the crime rate per 100,000 increased. During the 1990s expansion, the crime rate fell. Over both periods, the incarceration rate increased. These trends suggest that, while crime and incarceration may have cyclical components, their movements are largely dominated by other factors (the number of police on the street, enforcement policies, etc). They can thus be used as independent non-cyclical variables in analysis designed to isolate the effects of economic booms on outcomes.

The most striking evidence in Figures 5 and 6 is the extent of incarceration among African Americans. In both years and at all ages, African Americans have higher incarceration rates than whites. In 1990 and 1996 non-Hispanic African Americans were about twice as likely as Hispanics and nearly 8 times more likely than non-Hispanic whites to be in State or Federal prison. At year-end 1996 there were 1,571 sentenced African American inmates per 100,000 African Americans in the United States, compared to 688 sentenced Hispanic inmates per 100,000 Hispanics and 193 white inmates per 100,000 whites. In 1996, 8.3 percent of African American men age 25 to 29 were in prison compared to approximately 0.8 percent of white males in the same age group. Even though incarceration rates fall with age, the share of African American men age 45 to 54 in prison in 1996 was almost 3 percent. This value is more than 3 times the size of the highest rate of 0.9 percent among white men age 30 to 34. Based on 1980s data the Justice Department estimates that 29 percent of **all** African American men will spend time in prison (Bureau of Justice Statistics, 1997). The high rate of incarceration among African

American men has two effects on our data. First, it removes a substantial number of young African American men from the CPS sample. Second, it implies that an increasing number of African American men have a criminal record, which is likely to adversely affect their labor market outcomes.

Turning from all men to the young less educated men of concern to this study, we have calculated their employment and earnings during the periods 1983 to 1989 and 1992 to1998, using the CPS files. Figures 7 and 8 (Appendix Table A2) shows that in the 1980s employment rates among the non-college-educated rose but that their earnings fell. From 1992 to 1996 the pattern is similar, though the increase in employment for the younger men is greater. But from 1996 to 1998, the picture is different. The employment for all non-college-educated men ceases to grow, but their hourly earnings finally begin to increase, and hourly earnings increases most markedly for young African American men.

The aggregate data thus suggest that in the 1990s the recovery of the economy from its low point showed up first in employment and then, as unemployment fell to extremely low levels, in wages. But these data do not have sufficient variation to allow us to characterize the effect of the recovery to any greater extent. To determine further the effect of the boom on the less educated young men, we turn to data on labor market conditions and outcomes across local labor markets. For the 1990s we have 332 local labor markets, with a wide variety of unemployment experiences, ranging from continuous low unemployment to rapid reductions in unemployment to slow reductions in joblessness. These data provide us with market conditions that go beyond the 1990s boom -- rates of unemployment below 4 percent in many areas -- that allow us to assess what might happen to young workers if the aggregate economy produced even tighter labor market conditions. Most important, it allows us to assess the effect of continued high unemployment (below 4 percent for six ears of the expansion) on labor market outcomes and thus to gain some insight as to the effects of a continuous or near continuous boom on these workers.

Generalizing from patterns of change across areas to the nation as a whole has however, some problems, because there are adjustments that occur across geographic areas that cannot occur in the nation as a whole. In particular, migration across areas is a potentially important response to different area economic conditions. Migration is likely to ameliorate the effects of shocks on outcomes, as affected persons move from high to low unemployment locales. Still, Topel (1986), Blanchflower, and Oswald (1999) and others find evidence that local labor markets affect outcomes. And young non-college-educated workers are less mobile geographically than other workers. Another important ameliorative effect is likely to occur through product markets. In industries where prices are set nationally, a booming local market will be unable to raise prices in response to increases in wages, which should produce a smaller impact of low unemployment on wages than would be observed in a national boom. These and other factors differentiate the labor market dynamics of a boom in local areas from that in the entire economy, but do not gainsay the insight one can get from analyzing how local markets respond to booms. In any case, area data are the only "game" in town with sufficient observations to permit more than a description of events.

Area Variation

Figures 9 and 10 (Appendix Table A3) show the frequency distributions for the unemployment rates by state and metropolitan area that are the key variables in our analysis. Because the CPS identifies fewer metropolitan areas in 1983 than in later years, we report fewer rates of area unemployment for the 1980s boom. Most areas begin the 1980s expansion with unemployment rates that exceed 7 percent. By 1989 a sizeable number have unemployment rates less than 5 percent. Most areas begin the 1990s boom with unemployment rates in the 6-7 or 7+ range. By 1996, over 98 metropolitan areas and 7 states have unemployment rates below 4 percent. Between January to July 1998 these figures jump to 146 metropolitan areas and 21 states.

Panel A of Table 1 shows the transition matrix of metropolitan areas for the 1983 to 1989 and 1992 to 1998 periods. In both periods the matrix is near triangular with 0s dominating the transitions to higher unemployment. During the 1980s boom no area moved from a lower unemployment rate group to a higher unemployment rate group. In the 1990s boom just 2 areas had 1998 unemployment rates above 1992 unemployment rates. Fifty-seven areas had unemployment rates in the same group, while the vast majority of areas witness a decline in unemployment. Of the 167 areas that started with unemployment rates greater than 7 percent, 80 have now moved into the less than 4 percent and 4-5 percent groups.

Panel B displays the transition probabilities associated with the 1990s boom. The areas that started in the less than 4 percent group in 1992 remain in that group in 1998 with a very high probability. From 1992 to 1996, 65 percent of 5-6 areas moved to the less than 4 percent category, 60 percent of 6-7 areas moved to 4-5, and 63 percent of 7+ either moved to 5-6 or remained at 7+. By 1998, 81 percent of 5-6 areas have moved to the less than 4percent category, and 48 percent of 6-7 areas have moved to the less than 4 percent category. For the 7+ category, almost 50 percent have moved to either the less than 4 or 4-5 percent category by 1998.

Overall, the reduction in unemployment is about 3 percentage points between 1992 to 1998, but the table displays quite different histories among areas. To examine the various paths, we focus on three types of areas: those with "continuous full employment" -- defined as areas with unemployment rates below 4 percent in **all** years of the recovery (14 metro areas); those with "steady high unemployment" -- defined as areas that had unemployment rates that exceeded 7 percent in all years (28 areas); and those with "rapid reductions in joblessness", -- defined as areas where unemployment rates fell by over 5 points (15 areas). More paths exist, but for simplicity we focus on these cases.

Figure 11 plots the annual average unemployment rate for the three groups. The average for areas with unemployment rates below 4 percent in all years is 3.2 percent in 1992 and falls to 2.0 percent in 1998. Table 2 shows the areas that experiences this continuous full employment. They range from areas in Texas to midwestern metropolitan areas such as Des Moines and Iowa

City. The jobless rates for the group of areas with continuous high unemployment (rates in excess of 7 percent) also fall, but the group average here remains in double digits: it drops from 14.5 to 12.1 percent. Of these 28 areas, table3 shows that 11 are in California. Finally, areas with reductions in unemployment rates in excess of 5 percentage points start at an average of 10.3 percent in 1992 and fall to 4.6 percent in 1998. Almost half of these metropolitan areas are located in Massachusetts (see table 4).

Figure 12 shows the UCR crime rates for each of these groups in areas in the 1990s recovery and in the preceding decade. Throughout the period the area with the worst unemployment record have the highest rate of crime, while the areas with continuous low unemployment have a low rate of crime. With the expansion, crime rates for the group with the largest drop in unemployment falls the most, reaching essentially similar (in some years lower) levels in crime as in areas with unemployment below 4 percent. These results offer one possible emendation to the usual finding that unemployment is inversely related to crime: it suggests there is a limit to the reduction in crime associated with low unemployment -- even 6 years of low unemployment does not reduce the crime rate continuously. Rather, it simply keeps it at a lower than national level.

Unemployment and Earnings and Employment

How much does the employment and earnings of non-college-educated men vary with local labor market conditions?

To answer this question, we compared the economic positions of men across metropolitan areas with different unemployment rates, using the micro CPS files. We used a logit model for our employment analysis. The dependent variable is a 0-1 dummy variable for whether the male is employed in a given year; the independent variables are the area unemployment rate and measures of demographic characteristics: age, years of schooling and race. The variable for race is a dummy variable that equals 1 if the respondent is African American and 0 if the respondent is white. To estimate the wage effect, we regress the log (natural log) of hourly earnings on the same variables used in the employment equations.

Tables 5 and 6 present our main results linking the employment and earnings of non-college-educated young men to area unemployment rates and measures of crime, and comparative analyses for all men (25-64). Although we have wage and employment information for 1998, we do not have crime data for 1998. The results in Tables 5 and 6 are based on CPS samples that exclude the 1998 data. We estimated models that excluded our measures of crime and included the 1998 data, and summarize these results (which were similar to those in the table) during our discussion. The column A regressions give results from cross section regressions that exploit the differences among areas. The column B regressions give results from regressions which include metropolitan area dummy variables: they show how changes in unemployment in an area affect outcomes. We record both the estimated logit coefficients and their effect on the probablities. The upper part of the table measures unemployment as a continuous variable. The lower part divides unemployment rates by group, in an effort to find any non-linearities.

Table 5 shows that area unemployment has a sizeable effect on the employment of young non-college-educated men, both in the cross section and fixed effects specifications. In all of the calculations the coefficients on unemployment for young workers exceed those for all men. For instance the estimated effect of area unemployment on the probability of employment in the cross section is -0.015 versus -0.009 for all men. In the fixed effects estimates in column B, the estimated coefficients for the effect of unemployment on the employment of youths are generally larger and diverge more from those for adults than in the cross section results. Within areas changes in unemployment rates produce gains in employment for younger relative to older workers. The largest logistic coefficient is for African American youths (-0.124) and the next largest for all youths (-0.119), which compare to -0.074 for all men and -0.046 for African American men. Given the different levels of employment for the groups, these figures translate into larger gains in the probability of employment for younger African American youths than all youths and similar gains in the probability of employment for older African American men and older white men. In the bottom panel calculations in which we record coefficients on dummy variables for particular levels of unemployment, there is relatively little evidence of any non-linearities. These results do not change when the crime measures are excluded and the 1998 cross section is added.

Table 6 records the estimated effects of unemployment on the natural logarithm of hourly earnings, or the "wage curve" (Blanchflower and Oswald). Here, we find a striking difference between the results for the young men and for the older men. In both the cross section and fixed effects analysis, unemployment has a strong effect on the hourly pay of young men but has no effect on the hourly earnings of 25-64 year old men. Unemployment has a slightly smaller effect on the earnings of young African American men than on young white men (in contrast to Freeman's analysis of the 1983-87 period, which found a higher effect on young African Americans). However, this result appears to occur because young African American men are in areas that have taken longer for wages to rise. When we add the 1998 cross section (see appendix A3) the unemployment coefficient for African American youth jumps from –0.019 to -0.031, while the unemployment coefficient for all youth increases from –0.023 to –0.024. The gains for African American youth occur in the less than 4 percent, 4-5 and 5-6 categories. Indeed, the coefficients shown in Table 6 all increase by about 0.03 points when the 1998 cross section is added, which implies that the effect of the boom on earnings increased substantially in the 1996-1998 period. One reason may be that it takes time for the boom to raise demand and eventually the pay for African American youths.

Turning to the bottom part of the table, we find some evidence of non-linear effects of unemployment on the log earnings of young workers. In areas with unemployment below four percent, the fixed effects (column B) estimates show that the earnings of young non-college-educated men are 0.121 points higher, whereas they are just 0.018 points higher for all non-college-educated men. The coefficients on areas with 4-5% unemployment and areas with less than 4% unemployment differ by .04 points for the young men, but differ by only .008 points for all men. The implication is that very tight labor markets may improve the earnings of young non-college-educated workers without creating overall wage inflation.

In addition to unemployment, the regressions in tables 5 and 6 contain one area variable that is not normally part of wage curves-- the rate of crime per young person in the state. We have included it because of the substantial number of young men, particularly African American men, involved in crime and because of the likelihood that their criminal activity will affect labor market outcomes. Youths engaged in crime are likely to participate less in the local labor market, reducing the youth supply, and may have lower human capital than otherwise comparable youths, reducing their skills as well. In the fixed effects regressions, the coefficient on crime is negative in nearly all cases, implying that in areas where crime rose, employment fell and earnings fell. As we have controlled for area unemployment, one interpretation of this relation is that conditional on the labor market, youths in areas with more crime are trading jobs or legitimate earnings for criminal activity. If this were correct, we would expect that the coefficients on crime in the regressions for African-Americans (for whom crime is a more common choice) to be larger than those in the regressions for all men, and indeed this is true in the calculations. But we would also expect the crime coefficients in the young male regressions to exceed those for all men, and this is not the case. As our crime data are for states and our unemployment data are for areas within states, we are not prepared to make too much of this pattern.

Finally, in Table 7 we examine the time pattern of the effect of unemployment on employment and earnings in greater depth by including the unemployment rate at the boom's beginning -- the trough unemployment -- to the regressions for earnings and employment. Panel A shows the effect of area unemployment on employment, including the trough unemployment rate. Panel B shows the effect of area unemployment on earnings, including the trough unemployment rate. The trough unemployment rate enters most of the regressions with a substantial effect that magnifies the estimated impact of a tight market on youth employment and earnings and increases the differential effect of the labor market on youths as opposed to adults. At the same level of unemployment, a higher trough unemployment rate implies lower employment and earnings for youths; whereas it has only a modest effect for adults. One interpretation is that this is a kind of hysterisis, where the past has an independent effect on young workers, perhaps because it impacts the school-to-work transition. The wages and employment of youths may be determined by a dynamic adjustment process, with some lags, so that focusing solely on the current years' area unemployment as the key independent variable in the analysis is incorrect. Perhaps a Phillips curve type specification is more appropriate than the standard wage curve (Blanchard and Katz, 1999).

To examine the pattern of change in employment and wages across areas with different unemployment histories, we have tabulated in Table 8 the outcome variables for less educated men in the three types of areas that we specified earlier: continuous full employment areas (jobless rates below 4 percent in all years); steady high unemployment (jobless rates that exceed 7 percent in all years), and areas of rapid improvement where jobless rates fell by at least 5 percentage points. On the employment side, what is striking is the sizeable increase in employment for young workers relative to older workers in the tightest labor markets and labor markets with the biggest declines in unemployment. The data for all youths show roughly similar gains in employment across the areas in percentage points (from different starting points). From 1992 to 1998, the gains are 6 points in the continuous full employment areas, 4 points in the high unemployment areas, and 7 points in the rapidly improving areas. All men also have roughly similar gains in employment, but these are relatively modest. By 1998 the young less educated in the continuous full employment areas have rates of employment that actually exceed the employment rates for the older less educated men in the continuous high unemployment areas. All youths in these areas have roughly 80 percent employment rates! The increases in employment rates for less educated young African American men, which are largest in the continuous full employment local labor markets, close a substantial portion of the gap between them and similarly educated young white men. The implication is that a long extended boom can go a long way to resolving the African American youth employment problem.

The pattern of change in the earnings across areas tells a similar story: larger gains for the young less educated men than for older less educated men, though here young African American less educated men do no better than other less educated young men. One possible reason for the absence of any particular wage effect in the continuous high employment areas is that initially in 1992 the wages of young less educated are reasonably close to that of all less educated youth (1.42 vs 1.48 for a 6 ln point difference). This may in part be due to the minimum wage, which tends to compress wages at the bottom of the earnings distribution.

All told, table 8 suggests that the economic boom of the 1990s substantially improved the job market for less educated young men, including young African Americans, and that continuous full employment has the potential for creating full employment and rising wages for these workers. By contrast, the gains for all less educated men are more modest.

Is the Wage Gain Due to Full Employment or the Minimum Wage?

In 1996, the federal minimum wage increased from $4.25 to $4.75. In 1997, it increased from $4.75 to $5.15. As these changes undoubtedly affected the wages of less educated workers, they are a confounding factor in the estimates of the effect of area unemployment on earnings. One possibility is that at any given unemployment rate, earnings in areas where the minimum wage had greater impact will be higher for young less educated men than in areas where the minimum wage had a smaller impact, and correspondingly employment may less. This will bias our estimates of area effects if there is a correlation between the minimum wage and the level or change in area unemployment. One possibility is that the minimum wage raised wages in areas with high unemployment or areas where unemployment fell modestly, which would bias downward our estimate of the impact of area conditions on unemployment. But if the minimum wage induced increases in wages lowered employment, our estimates of the effect of area unemployment on employment would be biased upward. We attribute too much of the employment gains of less-educated in areas of low or declining unemployment to the economic expansion, by ignoring the fact that in those areas the minimum was not as binding as in areas with high unemployment or more modestly declining unemployment.

Table 9 examines whether the federal minimum wage hikes in 1996 and 1997 bias our estimates of the relationship between area unemployment and the employment and earnings of men. To test for this possibility, we sorted the CPS sample into two groups. The first are respondents that live in states where the federal minimum wage hikes of 1996 and 1997 were binding. These are states in which the federal minimum wage exceeded the state's minimum wage. The second group is comprised of respondents that live in states where the federal minimum wage hikes were not binding. The federal increases remained at or below the state minimum wage. Table A4 displays the federal and state minimum wages and the ratios used to create the groups.

To model the impact, we added two new variables to our earlier models: a dummy variable that equals 1 if the respondent lives in a state where the hikes were binding, and 0 if they were not binding; and interaction between the binding dummy variable and the area unemployment rate. It is the coefficient on the interaction term that is most relevant to our analysis. The evidence in Table 9 suggests that the minimum wage hikes of 1996 and 1997 do not bias our results. The interaction terms are basically zero in both the employment and earnings equations. The coefficient on the binding dummy is nonzero, but generally statistically insignificant, with no distinct pattern.[3]

The Relation Between Outcomes and Crime

We examine the relation between crime and labor market conditions and outcomes in two ways. First, in Table 10 we estimate a standard supply of crime equation in which we relate the crime per youth in a given state to unemployment and a measure of the potential disincentive effect of criminal punishment or risk of getting caught and penalized severely. We define our measure as incarceration/crime. In these regressions we include state dummy variables so that the coefficients are fixed effect estimates that show how changes in crime rates respond to changes in economic conditions or to incarcerations per crime. Column A records the results of regressing the crime rate/number of men aged 16-24 on area unemployment rate, several demographic controls, and dummy variables for year and state. Consistent with the results of Gould, Weinberg and Mustard, we find that changes in unemployment rates affect crime rates at the state level, though the effects are not large relative to the crime rate. Column B records the results with the inclusion of a measure of the potential punishment for crime: incarcerations per crime. Here, too unemployment affects crime. A one percentage point increase in unemployment raises crime per youth by 1.5 percent [0.011 (coefficient) divided by 0.698 (mean crime per youth in our sample)]. This suggests that a drop in U.S. unemployment of 2.6 percentage points (Table A1), as occurred between 1992 and 1997 would have reduced crime per youth by 3.9 percent (-2.6 multiplied by 1.5). Incarceration per crime has a larger and more statistically significant impact on the rate of crime. This is consistent with other studies that find stronger relations between criminal penalties and crime than between labor market factors and crime (Freeman, 1995). While there is some potential ratio bias to this estimate (the number of crimes is on the right side of the equation and on the bottom of the left side), Levitt (1998) has found that any such bias is modest, and we ignore it. Between 1992 and 1997 the incarceration/crime ratio rose by 3.3 percentage points from 5.83 to 9.13 (Table A1), so that the coefficient suggests that increased penalization of criminals reduced crime per youth by 3.7 percent (3.3 multiplied by –1.130).

But incarceration does not only affect the rate of criminal activity. As noted earlier, mass incarceration reduces the labor supply in some communities and probably affects the human capital and employment or earnings of persons once they are released from prison or jail and return to their home community. As a first step toward seeing the relationship between incarceration and the outcomes for youths, we re-estimated the employment and earnings equations in tables 5 and 6 by replacing the crimes per young man variable with incarcerations per young man. As the unemployment rate coefficients are unaffected by this, we report in Table 11 simply the coefficient on incarcerations/crime. It is strong and negative in the fixed effects regressions in columns B though not in the cross-section calculations in columns A for youths and for adults. The coefficients are especially large in the earnings equations for African American young and all men. Areas with the most rapidly rising rates of incarceration are areas in which youths, particularly, African American youths have had the worst earnings and employment experience, and where men aged 25-64 have also done poorly. Whether this association is due to the depressing effect of criminal records on labor market outcomes cannot be ascertained from the aggregate data.

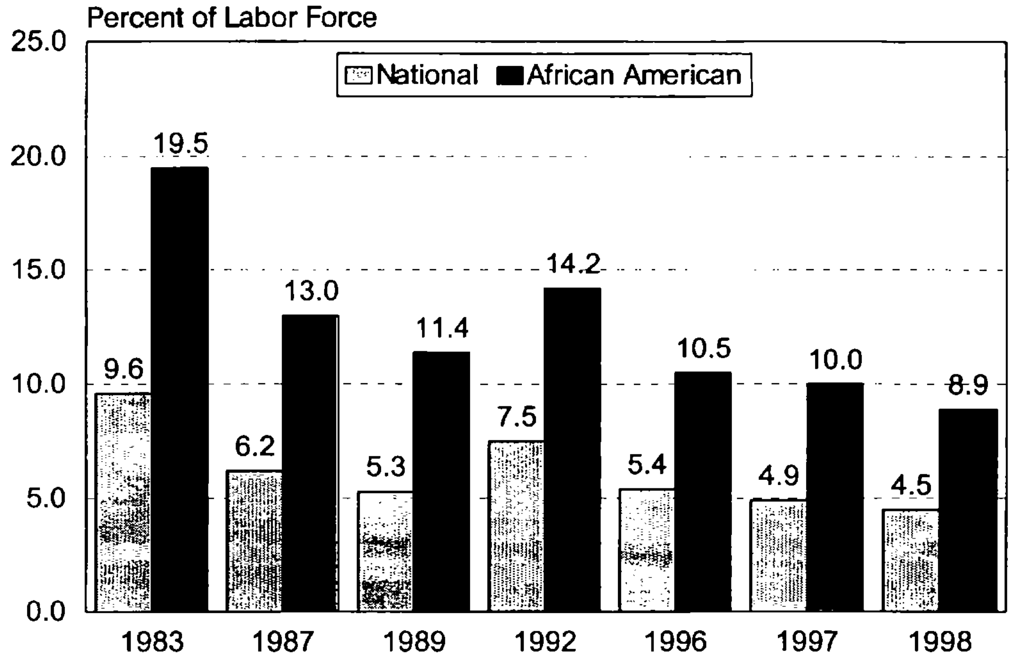
Conclusion

The US economy has experienced nine post-World War II expansions.4 The current expansion, which started in March 1991, and continues as of this writing, March 1999, has shattered the length of the previous longest peace-time boom from November 1982 to July 1990 expansion. The national unemployment rate started at 6.8 percent and currently sits at 4.3 percent. The unemployment rates in many metropolitan areas sit well below 4 percent. In 1998, 44 percent of metropolitan unemployment rates were below four percent, implying that roughly half of the US was enjoying extremely tight labor markets.

The NAIRU has seemingly shifted, as low rates of unemployment have not generated the same increases in wages as in previous economic booms. If the boom of the late 1990's was insufficient to improve substantially the position of young non-college-educated workers, it is difficult to imagine that any expansion could do so, and thus would dash any hope that economic growth per se could raise their pay and income. Our analysis has shown that the 1990s boom has substantially improved the labor market outcomes of young non-college-educated men; and helped the young African American men who are the most disadvantaged and socially troubled group in the U.S.. Young men in tight labor markets in the 1990s experienced a noticeable boost in employment and earnings, while adult men had no such gains. Earnings of adults barely changed even in metropolitan areas with unemployment rates below 4 percent, while those of youths, including disadvantaged African American youths improved. Youths do particularly well in areas that started the boom at lower jobless rates, suggesting that minimizing the impact of recessions allows youths to make real gains instead of making up ground lost during the recession. Further, our results demonstrate that crime and labor market conditions and outcomes are closely linked. Crime rates have fallen most rapidly in states where unemployment has fallen most; while conditional on area unemployment youths in low crime states have higher earnings and employment. The extent to which these associations reflect the effects of area economic conditions on crime versus the effect of crime on youth labor market outcomes is difficult to assess. However, there is an adverse relation between incarcerations per youth and labor market outcomes, which may be attributed to the link between past criminal activity and outcomes.

Figure 1

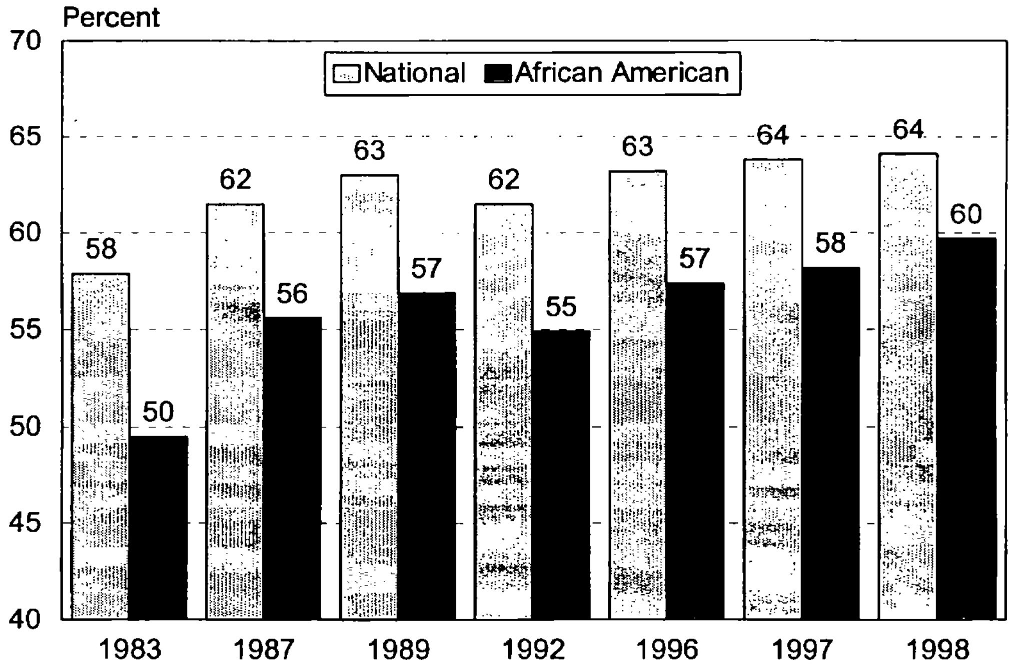
U.S. and African American Unemployment Rates



Source: Bureau of Labor Statistics.

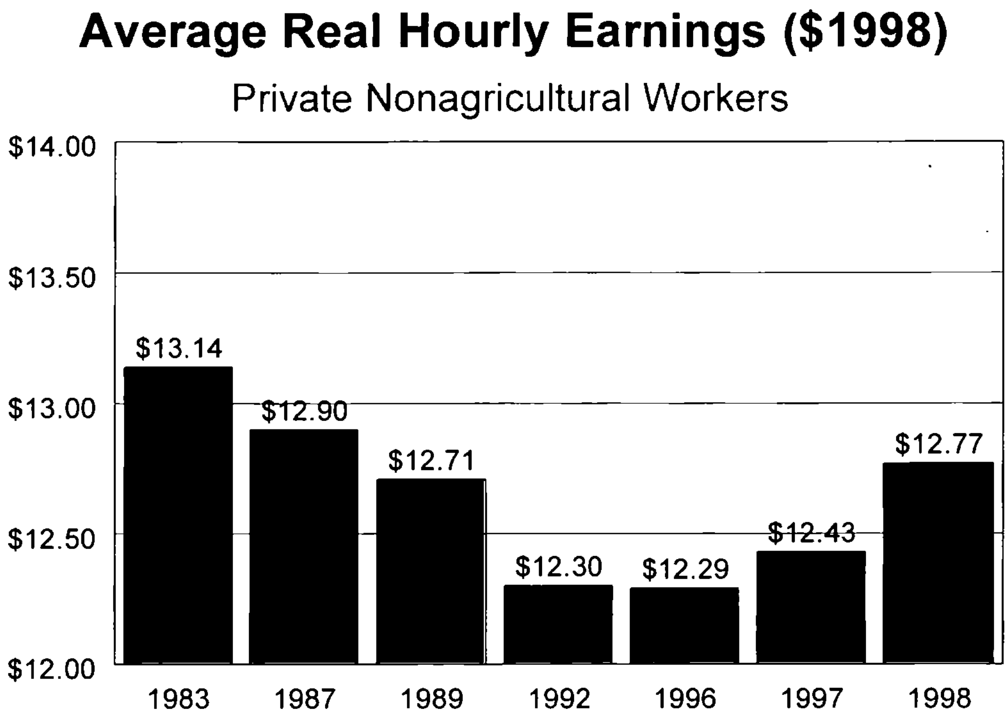
Figure 2:

U.S. and African American Employment Population Ratios



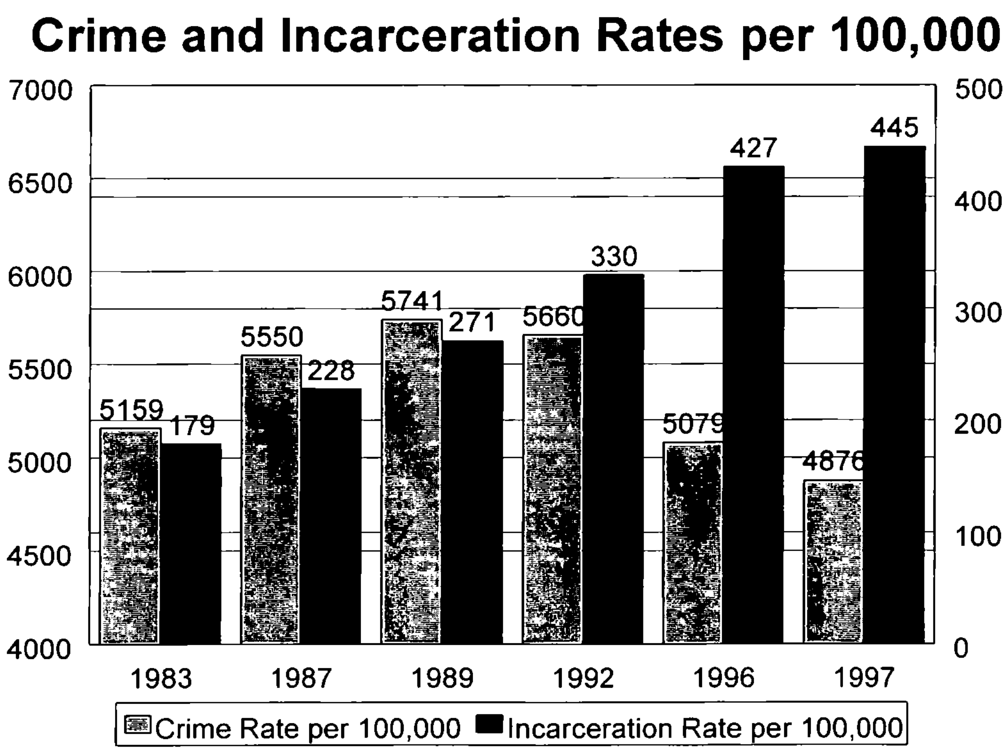
Source: Bureau of Labor Statistics.

Figure 3:



Source. Bureau of Labor Statistics.

Figure 4:



Source: Selected Volumes of the Uniform Crime Reports.

Figure 5:

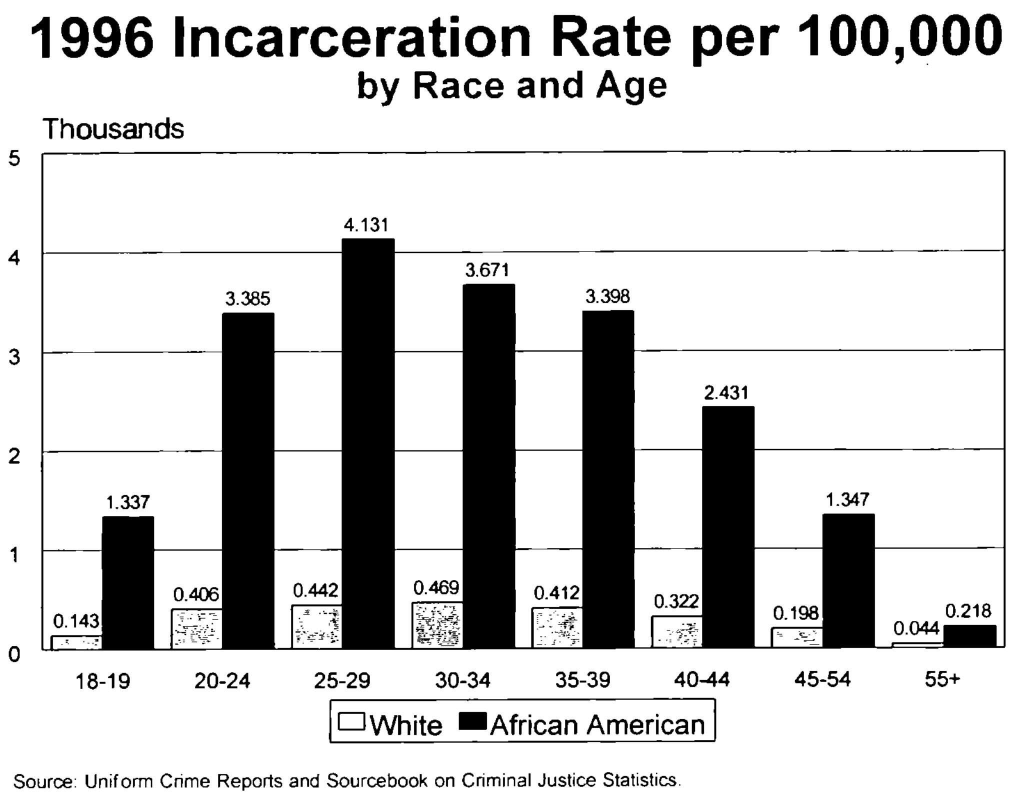


Figure 6:

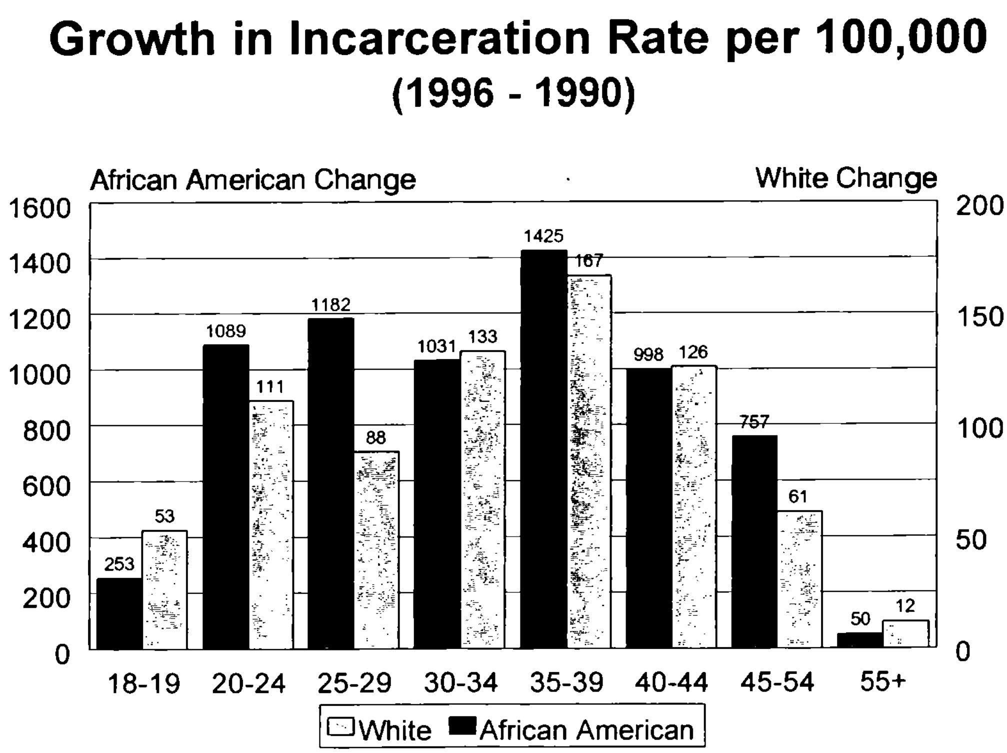


Figure 7:

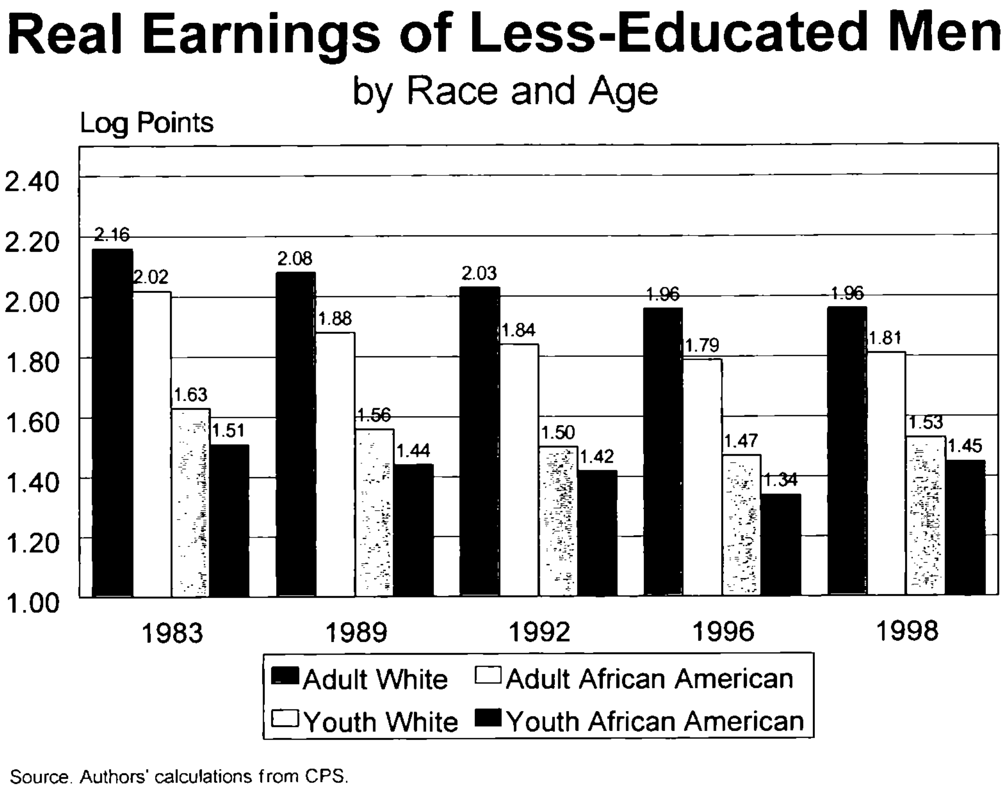


Figure 8:

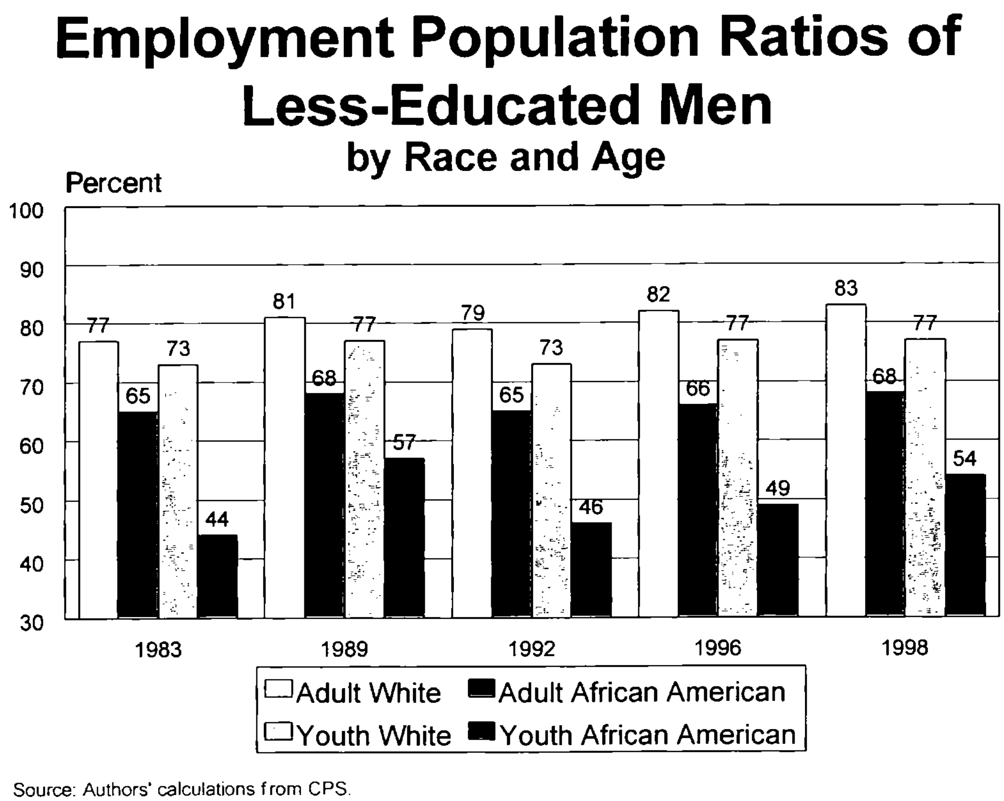
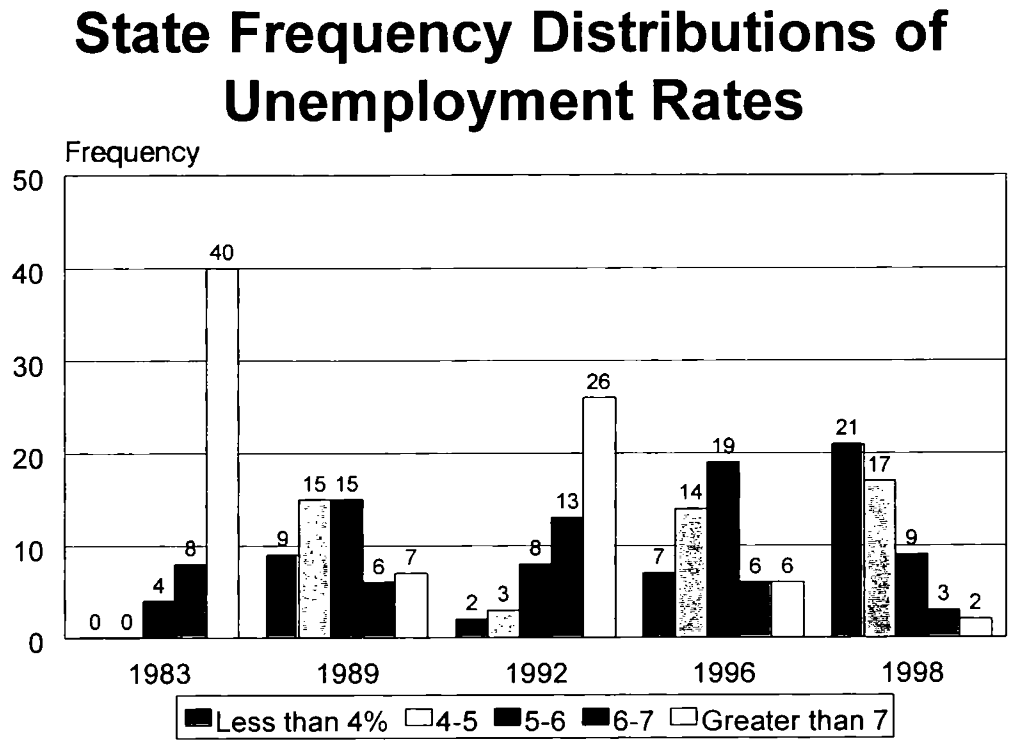
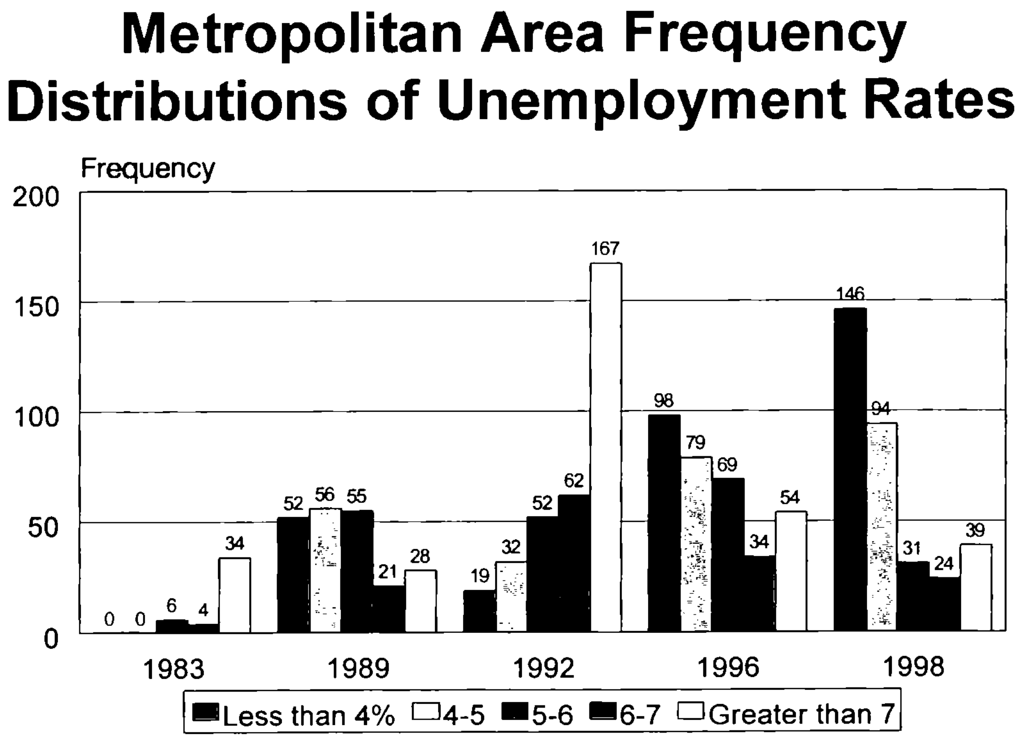


Figure 9:



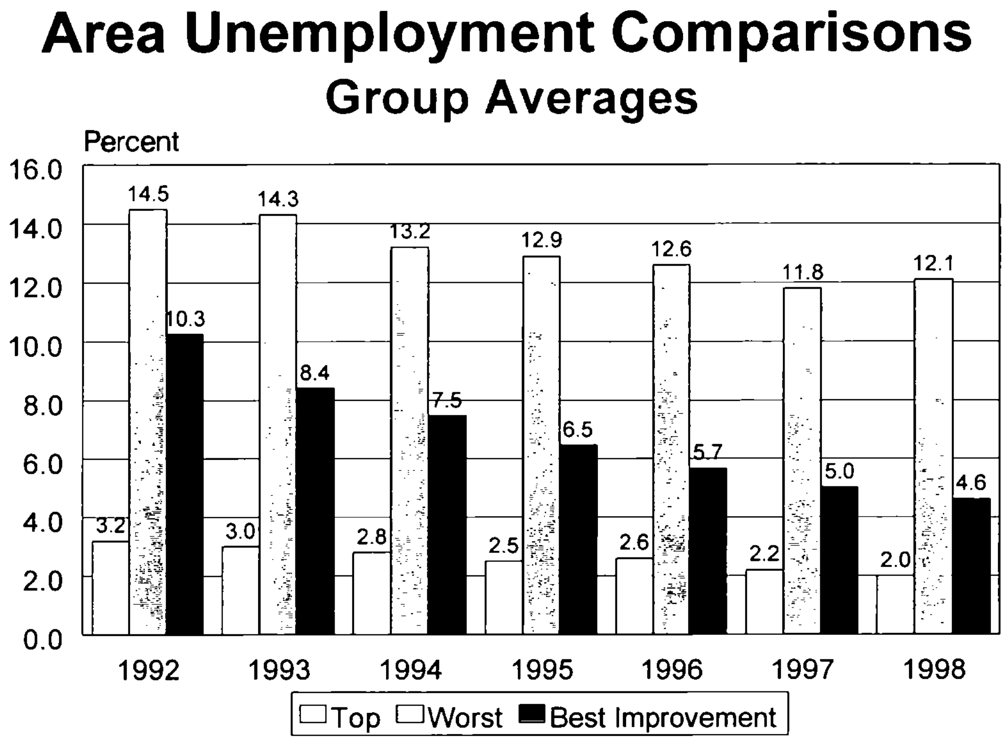
Source: Authors' tabulations from BLS.

Figure 10:



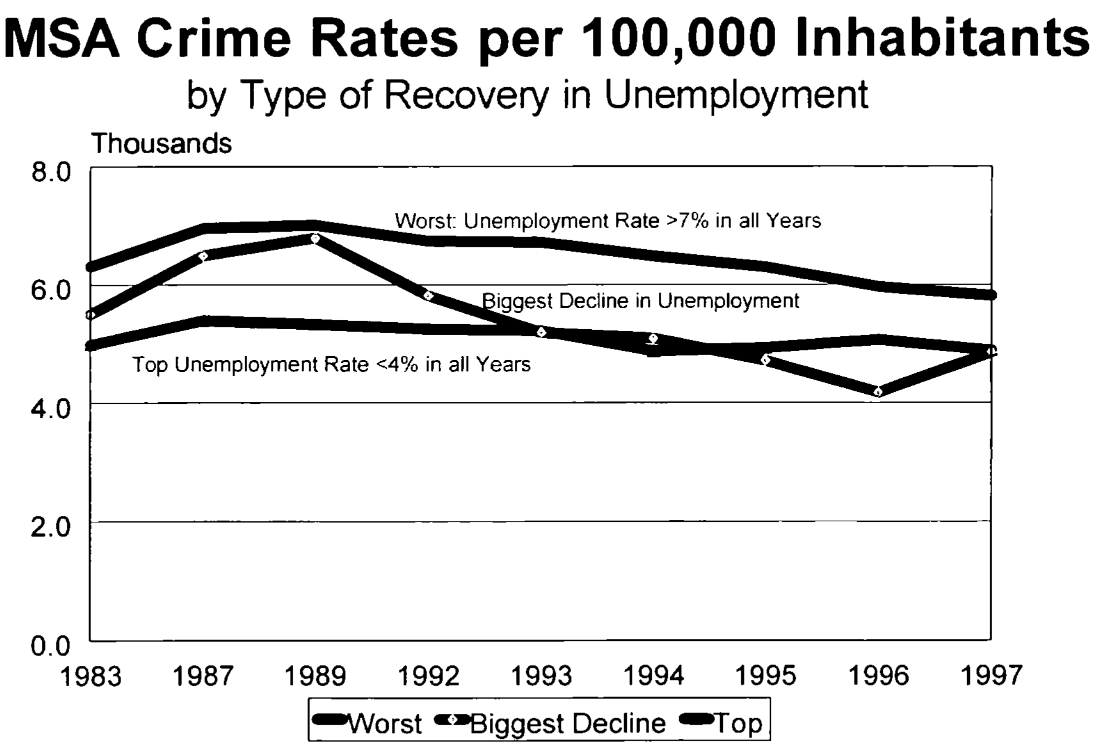
Source: Authors' tabulations from BLS

Figure 11:



Source: Bureau of Labor Statistics

Figure 12:



Source: Authors' tabulations from assorted years of Crime in the United States.

Table 1: State and Metropolitan Frequency Distributions of Unemployment Rates

Panel A: Movement of Metropolitan Area Unemployment Rates during Economic Expansions

	1989 Unemployment Rate					
1983 Rate	<4%	4-5	5-6	6-7	>7	Total
Less than 4	0	0	0	0	0	0
4-5	0	0	0	0	0	0
5-6	2	1	3	0	0	6
6-7	2	1	1	0	0	4
Greater than 7	8	14	9	1	2	34
Total	12	16	13	1	2	44
	1996 Unemployment Rate					
1992 Rate	<4%	4-5	5-6	6-7	>7	Total
Less than 4	16	0	2	0	1	19
4-5	27	4	1	0	0	32
5-6	34	14	4	0	0	52
6-7	12	37	7	5	1	62
Greater than 7	9	23	54	29	52	167
Total	98	78	68	34	54	332
	1998 Unemployment Rate					
1992 Rate	<4%	4-5	5-6	6-7	>7	Total
Less than 4	17	1	0	0	1	19
4-5	30	2	0	0	0	32
5-6	42	10	0	0	0	52
6-7	29	28	5	0	0	62
Greater than 7	28	52	25	24	38	167
Total	146	93	30	24	39	332

Notes: Authors' tabulations from data taken from various editions of the Bureau of Labor Statistics' Employment and Earnings and Geographic Profile of Employment and Unemployment. For 1983, Metropolitan denotes standard metropolitan statistical areas (SMSAs). In all other years, Metropolitan corresponds to metropolitan statistical areas (MSAs), primary metropolitan statistical areas, and consolidated metropolitan statistical areas.

Table 1 cont: State and Metropolitan Frequency Distributions of Unemployment Rates

Panel B: Metropolitan Area Transition Probabilities

	1996 Unemployment Rate					
1992 Rate	<4%	4-5	5-6	6-7	>7	Total
<4%	0.84	0.00	0.11	0.00	0.05	1.00
4-5	0.84	0.13	0.03	0.00	0.00	1.00
5-6	0.65	0.27	0.08	0.00	0.00	1.00
6-7	0.19	0.60	0.11	0.08	0.02	1.00
>7	0.05	0.14	0.32	0.17	0.31	1.00
Total	0.30	0.23	0.20	0.10	0.16	1.00
	1998 Unemployment Rate					
1992 Rate	<4%	4-5	5-6	6-7	>7	Total
<4%	0.89	0.05	0.00	0.00	0.05	1.00
4-5	0.94	0.06	0.00	0.00	0.00	1.00
5-6	0.81	0.19	0.00	0.00	0.00	1.00
6-7	0.47	0.45	0.08	0.00	0.00	1.00
>7	0.17	0.31	0.15	0.14	0.23	1.00
Total	0.44	0.28	0.09	0.07	0.12	1.00

Notes: Authors' tabulations from data taken from various editions of the Bureau of Labor Statistics' Employment and Earnings and Geographic Profile of Employment and Unemployment. Each entry represents the probability of 1996 (1998) unemployment conditional on 1992 Unemployment.

Table 2: The Top Metropolitan Areas During the 1990s Expansion
(Unemployment has remained Less than 4% in every year)

Area	1992	1993	1994	1995	1996	1997	1998
Bryan, TX	2.9	2.7	2.7	3.0	2.5	2.2	1.8
Columbia, MO	2.5	3.2	2.0	1.9	1.7	1.6	1.7
Des Moines, IA	3.7	3.4	2.8	2.6	2.8	2.4	2.1
Fargo, ND-MN	3.6	3.1	2.7	2.6	2.5	1.8	1.5
Fayetteville, AR	3.7	2.9	2.5	2.4	2.9	3.1	3.4
Iowa City, IA	3.3	2.7	2.6	2.7	2.9	2.4	2.1
Lafayette, IN	3.8	3.4	3.5	3.1	2.8	2.4	2.3
Lincoln, NE	2.7	2.3	2.4	2.3	2.6	1.8	1.6
Madison, WI	2.2	2.2	2.3	1.8	1.7	1.7	1.6
Omaha, NE-IA	3.6	3.1	3.2	2.8	3.0	2.5	2.1
Raleigh-Durham-Chapel Hill, NC	3.8	3.1	2.7	2.6	2.4	2.0	1.9
Rapid City, SD	3.2	3.8	3.4	3.0	3.3	2.7	2.7
Rochester, MN	3.0	3.3	3.5	2.9	3.0	2.1	1.8
Sioux Falls, SD	2.4	2.5	2.4	2.0	2.1	1.8	1.7
Average	3.2	3.0	2.8	2.5	2.6	2.2	2.0

Source: Bureau of Labor Statistics.

Table 3: The Worst Metropolitan Areas During the 1990s Expansion
(Unemployment has remained above 7% in every year)

Area	1992	1993	1994	1995	1996	1997	1998
Atlantic-Cape May, NJ	11.1	10.4	9.9	9.6	9.4	8.6	9.5
Bakersfield, CA	15.5	15.8	14.7	13.8	12.7	11.8	12.6
Beaumont, TX	9.3	11.4	10.1	9.8	9.1	8.0	7.2
Brownsville, TX	14.7	13.5	12.8	12.6	12.6	12.5	12.7
Chico-Paradise, CA	11.7	11.9	10.2	10.0	9.0	8.7	9.2
Cumberland, MD-WV	12.4	10.6	8.8	8.6	8.0	7.9	8.0
El Paso, TX	11.7	10.8	10.4	10.5	11.6	11.1	10.0
Fort Pierce, FL	13.9	11.9	12.4	10.7	10.2	9.2	8.3
Fresno, CA	15.9	15.5	14.0	14.3	13.2	13.5	14.8
Jersey City, NJ	11.2	10.0	9.3	9.3	9.2	8.0	8.0
Laredo, TX	11.0	10.5	9.6	15.4	12.7	10.5	9.5
Las Cruces, NM	7.8	8.5	8.6	8.6	10.2	8.4	9.7
McAllen, TX	22.3	20.6	19.5	19.8	18.9	18.1	17.5
Merced, CA	16.5	17.1	15.6	16.9	16.2	15.2	17.1
Modesto, CA	16.5	16.7	15.7	15.3	14.1	13.1	13.4
New Bedford, MA	12.7	10.6	10.3	9.8	8.5	7.5	7.3
New York, NY	10.2	9.6	8.1	7.6	8.0	8.4	7.6
Pine Bluff, AR	11.4	9.5	8.8	7.6	7.7	7.5	8.0
Redding, CA	13.2	12.6	11.9	11.3	9.9	9.1	10.0
Salinas, CA	12.4	12.9	12.1	12.5	11.1	10.7	12.2
Santa Cruz, CA	9.8	10.4	9.7	9.2	8.3	7.6	7.9
Stockton-Lodi, CA	14.0	14.0	12.6	12.3	11.2	10.7	11.5
Texarkana, TX-AR	9.0	8.6	9.2	7.9	7.4	7.4	7.5
Vineland, NJ	12.1	11.3	10.5	9.7	9.9	8.9	10.0
Visalia, CA	16.6	17.9	16.0	16.6	15.9	15.3	16.1
Yakima, WA	13.8	14.6	11.8	12.7	13.6	10.2	10.6
Yuba City, CA	18.2	18.6	16.2	16.3	15.1	14.4	16.7
Yuma, AZ	26.5	27.6	31.5	28.2	30.5	26.7	25.3
Average	14.5	14.3	13.2	12.9	12.6	11.8	12.1

Source: Bureau of Labor Statistics.

Table 4: The Metropolitan Areas with the Greatest Improvement During 1990s Expansion
(Unemployment fell by at least 5 Percentage Points)

	Full-Period	Annual Changes					
Area	1998-92	1993-92	1994-93	1995-94	1996-95	1997-96	1998-97
Brockton, MA	-6.84	-2.71	-1.47	-0.79	-0.76	-0.52	-0.60
Lowell, MA	-6.62	-1.84	-1.49	-1.12	-1.45	-0.22	-0.49
Pittsfield, MA	-6.20	-2.27	-0.46	-1.51	-1.45	-0.18	-0.32
Houma, LA	-5.67	-1.79	-0.33	-1.07	-0.82	-1.16	-0.49
Fort Pierce, FL	-5.63	-2.03	0.48	-1.68	-0.44	-1.01	-0.95
Flint, MI	-5.62	-2.38	-1.62	-1.22	-0.50	-0.89	0.99
Jackson, MI	-5.62	-2.06	-1.18	-0.92	-0.36	-0.61	-0.49
Detroit, MI	-5.46	-1.88	-1.54	-0.75	-0.54	-0.68	-0.06
Naples, FL	-5.38	-1.12	-0.21	-1.19	-1.17	-0.60	-1.09
New Bedford, MA	-5.36	-2.04	-0.32	-0.52	-1.24	-0.99	-0.24
Lakeland, FL	-5.34	-1.14	-1.04	-1.50	-0.56	-0.23	-0.88
Worcester, MA	-5.30	-2.11	-1.47	-0.28	-0.93	-0.37	-0.13
Lawrence, MA	-5.20	-0.83	-1.45	-1.32	-0.54	-0.63	-0.42
Fitchburg, MA	-5.18	-2.14	-0.45	-0.44	-0.85	-0.43	-0.86
Manchester, NH	-5.11	-1.38	-1.54	-0.72	-0.30	-1.09	-0.08
Average	-5.63	-1.85	-0.94	-1.00	-0.79	-0.64	-0.41

Source: Bureau of Labor Statistics.

Table 5: The Effect of Area Unemployment Rates on the Employment of Men

	All Youths				All Men				African American Youths				African American Men			
	A		B		A		B		A		B		A		B	
Item	Coef.	dP/dX	Coef.	dP/dX	Coef.	dP/dX	Coef.	dP/dX	Coef.	dP/dX	Coef.	dP/dX	Coef.	dP/dX	Coef.	dP/dX
Unemployment Rate	-0.078	-0.015	-0.119	-0.023	-0.058	-0.009	-0.074	-0.012	-0.144	-0.035	-0.124	-0.030	-0.081	-0.017	-0.046	-0.010
	(0.007)	(0.001)	(0.015)	(0.003)	(0.004)	(0.001)	(0.008)	(0.001)	(0.020)	(0.005)	(0.039)	(0.009)	(0.010)	(0.002)	(0.019)	(0.004)
African American	-1.028	-0.194	-1.061	-0.201	-0.743	-0.120	-0.779	-0.126								
	(0.037)	(0.007)	(0.041)	(0.008)	(0.020)	(0.003)	(0.022)	(0.004)								
Crime per Youth	0.081	0.015	-0.284	-0.054	-0.018	-0.003	-0.447	-0.073	0.269	0.066	-0.466	-0.114	0.013	0.003	-0.768	-0.164
	(0.072)	(0.014)	(0.190)	(0.036)	(0.036)	(0.006)	(0.093)	(0.015)	(0.146)	(0.036)	(0.338)	(0.083)	(0.068)	(0.015)	(0.155)	(0.033)
Log Likelihood	-14369		-14094		-56152		-55581		-2586		-2406		-9735		-9406	
Less than 4%	0.521	0.099	0.425	0.080	0.443	0.072	0.360	0.058	0.839	0.205	0.133	0.133	0.529	0.112	0.077	0.077
	(0.050)	(0.010)	(0.084)	(0.016)	(0.026)	(0.004)	(0.042)	(0.007)	(0.115)	(0.028)	(0.051)	(0.051)	(0.057)	(0.012)	(0.022)	(0.022)
4-5	0.436	0.083	0.397	0.075	0.304	0.049	0.243	0.039	0.564	0.138	0.092	0.092	0.315	0.067	0.027	0.027
	(0.049)	(0.009)	(0.070)	(0.013)	(0.025)	(0.004)	(0.034)	(0.006)	(0.115)	(0.028)	(0.041)	(0.041)	(0.061)	(0.013)	(0.018)	(0.018)
5-6	0.268	0.051	0.280	0.053	0.235	0.038	0.199	0.032	0.321	0.078	0.068	0.068	0.281	0.060	0.034	0.034
	(0.044)	(0.008)	(0.059)	(0.011)	(0.023)	(0.004)	(0.029)	(0.005)	(0.099)	(0.024)	(0.033)	(0.033)	(0.051)	(0.011)	(0.014)	(0.014)
6-7	0.223	0.042	0.172	0.033	0.171	0.028	0.123	0.020	0.290	0.071	0.030	0.030	0.336	0.072	0.048	0.048
	(0.050)	(0.009)	(0.065)	(0.012)	(0.026)	(0.004)	(0.033)	(0.005)	(0.117)	(0.028)	(0.038)	(0.038)	(0.063)	(0.013)	(0.017)	(0.017)
African American	-1.016	-0.192	-1.058	-0.200	-0.741	-0.120	-0.779	-0.126								
	(0.037)	(0.007)	(0.041)	(0.008)	(0.020)	(0.003)	(0.022)	(0.004)								
Crime per Youth	0.097	0.018	-0.359	-0.068	0.000	0.000	-0.464	-0.075	0.231	0.056	-0.137	-0.137	-0.016	-0.003	-0.170	-0.170
	(0.073)	0.014	(0.192)	0.036	(0.037)	0.006	(0.093)	0.015	(0.149)	(0.036)	(0.083)	(0.083)	(0.070)	0.015	(0.033)	(0.033)
Log Likelihood	-14368		-14107		-56120		-55588		-2583		-2407		-9725		-9401	

Notes: Calculated from the Current Population Survey Annual Merged Outgoing Rotation Group files, 1987, 1989, 1992 and 1996. The entries are logit coefficients, followed by the probability effect (logit coefficients multiplied by p*(1-p), where p is the share of the sample that are employed). All logit models include year dummy variables, age, age squared, years of schooling dummy variables, and a race dummy variable. Standard errors are in parentheses. Column A excludes MSA dummy variables. Column B includes MSA dummy variables. We also estimated models where we exclude crimes per youth and include the 1998 cross section. We are forced to do this because the 1998 crime rates are not available. The coefficients from the linear specifications that include the MSA dummy variables are -0.023 (0.003) for all youth, -0.011 (0.001) for all men, -0.027 (0.008) for African American youth and -0.010 (0.004) for African American men. Standard errors are in parentheses.

Table 6: Effect of Area Unemployment Rates on the Earnings of Men

Item	All Youths A	All Youths B	All Men A	All Men B	African American Youths A	African American Youths B	All African American Men A	All African American Men B
Unemployment Rate	-0.018	-0.023	-0.003	-0.001	-0.020	-0.019	0.006	-0.001
	(0.001)	(0.003)	(0.001)	(0.002)	(0.004)	(0.008)	(0.003)	(0.005)
African American	-0.136	-0.146	-0.184	-0.195				
	(0.008)	(0.009)	(0.005)	(0.005)				
Crime per Youth	-0.011	-0.098	-0.045	-0.070	0.082	-0.148	0.012	-0.056
	(0.013)	(0.032)	(0.008)	(0.020)	(0.029)	(0.067)	(0.017)	(0.040)
R^2	0.202	0.198	0.145	0.144	0.138	0.111	0.088	0.085
Less than 4%	0.125	0.121	-0.005	0.018	0.110	0.059	-0.032	0.001
	(0.009)	(0.014)	(0.006)	(0.009)	(0.025)	(0.045)	(0.015)	(0.026)
4-5	0.068	0.081	-0.010	0.010	0.071	0.051	-0.026	0.003
	(0.009)	(0.012)	(0.006)	(0.007)	(0.026)	(0.037)	(0.016)	(0.021)
5-6	0.049	0.074	-0.020	0.010	0.046	0.041	-0.061	-0.008
	(0.008)	(0.011)	(0.005)	(0.006)	(0.023)	(0.031)	(0.014)	(0.018)
6-7	0.010	0.038	-0.027	0.006	0.016	0.046	-0.038	0.031
	(0.009)	(0.012)	(0.006)	(0.007)	(0.027)	(0.035)	(0.016)	(0.020)
African American	-0.136	-0.146	-0.183	-0.195				
	(0.008)	(0.009)	(0.005)	(0.005)				
Crime per Youth	0.000	-0.099	-0.051	-0.067	0.078	-0.165	0.014	-0.059
	(0.013)	(0.032)	(0.008)	(0.020)	(0.029)	(0.066)	(0.017)	(0.039)
R^2	0.204	0.200	0.145	0.144	0.139	0.106	0.090	0.085
Sample Size	18607	18607	73294	73294	2088	2088	9499	9499

Notes: Calculated from the Current Population Survey Annual Merged Outgoing Rotation Group files, 1987, 1989, 1992 and 1996. All regressions include year dummy variables, age, age squared, years of schooling dummy variables, and a race dummy variable. Standard errors are in parentheses. Column A excludes MSA dummy variables. Column B includes MSA dummy variables. We also estimated models where we exclude crimes per youth and include the 1998 cross section. We are forced to do this because the 1998 crime rates are not available. The coefficients from the linear specifications that include the MSA dummy variables are -0.024 (0.002) for all youth, -0.002 (0.002) for all men, -0.031 (0.007) for African American youth, and -0.004 (0.004) for African American men. Standard errors are in parentheses.

Table 7: The Effect of Current and Past Unemployment on Earnings and Employment

Panel A: Employment

	Young Adults				All Men				Young African American Men				African American Men			
	A		B		A		B		A		B		A		B	
Item	Coef.	DP/dX	Coef.	dP/dX	Coef.	dP/dX	Coef.	dP/dX	Coef.	dP/dX	Coef.	dP/dX	Coef.	dP/dX	Coef.	dP/dX
Unemployment Rate	-0.041	-0.007	-0.047	-0.008	0.007	0.001	-0.092	-0.014	-0.130	-0.029	-0.069	-0.016	-0.004	-0.001	-0.103	-0.021
	(0.022)	(0.004)	(0.046)	(0.008)	(0.011)	(0.002)	(0.023)	(0.003)	(0.055)	(0.013)	(0.097)	(0.022)	(0.028)	(0.006)	(0.053)	(0.011)
Trough Unemployment Rate	-0.045	-0.007	-0.096	-0.016	-0.051	-0.008	0.013	0.002	-0.070	-0.016	-0.154	-0.035	-0.080	-0.016	0.046	0.009
	(0.018)	(0.003)	(0.040)	(0.007)	(0.010)	(0.001)	(0.019)	(0.003)	(0.040)	(0.009)	(0.083)	(0.019)	(0.021)	(0.004)	(0.047)	(0.009)
African American	-0.980	-0.164	-1.008	-0.168	-0.778	-0.116	-0.781	-0.117								
	(0.065)	(0.011)	(0.071)	(0.012)	(0.034)	(0.005)	(0.036)	(0.005)								
Crime per Youth	-0.044	-0.007	-0.437	-0.073	-0.022	-0.003	-0.605	-0.091	0.123	0.028	-0.621	-0.141	-0.141	-0.029	-0.816	-0.166
	(0.133)	(0.022)	(0.290)	(0.048)	(0.061)	(0.009)	(0.140)	(0.021)	(0.234)	(0.053)	(0.462)	(0.105)	(0.097)	(0.020)	(0.195)	(0.040)
Log Likelihood	-4332		-4179		-19119		-18858		-932		-830		-3827		-3663	

Notes: Calculated from the Current Population Survey Annual Merged Outgoing Rotation Group files, 1989 and 1996. The entries are logit coefficients, followed by the probability effect (logit coefficients multiplied by p*(1-p), where p is the share of the sample that are employed). All logit models include variables for age, age squared, years of schooling, and race. Unemployment rate refers to the 1996 and 1989 rates, while trough unemployment rate refers to the 1983 and 1992 rates. Column A excludes MSA dummy variables. Column B includes MSA dummy variables. Standard errors are in parentheses.

Panel B: Earnings	Young Adults		All Men		Young African American Men		African American Men	
Item	A	B	A	B	A	B	A	B
Unemployment rate	-0.011	-0.021	-0.021	-0.011	-0.012	-0.020	-0.023	-0.016
	(0.004)	(0.007)	(0.002)	(0.005)	(0.011)	(0.020)	(0.007)	(0.013)
Trough Unemployment Rate	-0.011	-0.032	0.011	-0.007	-0.003	-0.017	0.020	0.003
	(0.003)	(0.006)	(0.002)	(0.004)	(0.008)	(0.017)	(0.005)	(0.011)
African American	-0.154	-0.163	-0.162	-0.172				
	(0.013)	(0.014)	(0.008)	(0.008)				
Crime per Youth	-0.028	-0.016	-0.055	-0.032	0.055	-0.012	0.037	0.016
	(0.022)	(0.047)	(0.014)	(0.030)	(0.038)	(0.074)	(0.025)	(0.048)
R^2	0.210	0.188	0.173	0.168	0.209	0.189	0.123	0.117
Sample Size	5796	5796	22562	22562	764	764	3388	3388

Notes: Calculated from the Current Population Survey annual merged files, 1989 and 1996. All regressions include variables for age, age squared, years of schooling, and race. Unemployment rate refers to the 1996 and 1989 rates, while trough unemployment rate refers to the 1983 and 1992 rates. Column A excludes MSA dummy variables. Column B includes MSA dummy variables. Standard errors are in parentheses.

Table 8: Mean Employment Rates and Log Hourly Earnings by Type of Expansion

	Jobless Rate <4%		Jobless Rate above 7%		Decline > 5 Points	
All Youth	Employment	LnWage	Employment	LnWage	Employment	LnWage
1992	0.74	1.48	0.57	1.49	0.65	1.50
1998	0.80	1.58	0.61	1.46	0.72	1.59
Change	0.06	0.10	0.04	-0.03	0.07	0.09
All Men						
1992	0.83	1.97	0.71	1.98	0.75	2.11
1998	0.85	1.99	0.76	1.86	0.80	2.07
Change	0.02	0.02	0.05	-0.12	0.05	-0.04
African American Youths						
1992	0.52	1.42	0.36	1.58	0.42	1.38
1998	0.64	1.53	0.53	1.53	0.51	1.53
Change	0.12	0.11	0.17	-0.06	0.05	0.15
All African American Men						
1992	0.72	1.75	0.66	1.90	0.61	2.02
1998	0.72	1.82	0.64	1.85	0.61	1.96
Change	0.00	0.07	-0.02	-0.05	0.00	-0.07

Notes:
Jobless Rate <4%: Sample of respondents who reside in metropolitan areas in which the unemployment rate was below 4% in every year from 1992 to 1998.
Jobless Rate above 7%: Sample of respondents who reside in metropolitan areas in which the unemployment rate exceeded 7% in every year from 1992 to 1998.
Decline >5 Points: Sample of respondents who resided in metropolitan areas in which the unemployment rate fell by at least 5 percentage points from 1992 to 1998.

Table 9: Do the Minimum Wage Hikes of the 1990s Contribute to Gains?

Panel A: Employment	Young Adults		Adult Men		African American Young Men		All African American Men	
Logit Coefficients	A	B	A	B	A	B	A	B
Binding	0.191	-0.099	0.217	0.185	0.249	0.435	0.046	0.212
	(0.072)	(0.164)	(0.036)	(0.080)	(0.193)	(0.384)	(0.094)	(0.188)
Binding*Unemployment Rate	-0.043	0.023	-0.035	-0.014	-0.046	0.017	-0.002	0.013
	(0.011)	(0.020)	(0.006)	(0.010)	(0.033)	(0.047)	(0.016)	(0.023)
Unemployment Rate	-0.056	-0.134	-0.038	-0.066	-0.106	-0.121	-0.076	-0.054
	(0.008)	(0.016)	(0.004)	(0.008)	(0.025)	(0.044)	(0.012)	(0.021)
African American	-1.011	-1.047	-0.762	-0.803				
	(0.035)	(0.038)	(0.019)	(0.020)				
Log Likelihood	-16274	-15995	-66544	-65955	-2997	-2809	-11724	-11377
Sample Size	33110		150923		4937		20415	
DP/dx (Partial Derivatives)								
Binding	0.035	-0.018	0.034	0.029	0.060	0.104	0.010	0.045
	(0.013)	(0.030)	(0.006)	(0.013)	(0.046)	(0.092)	(0.020)	(0.040)
Binding*Unemployment Rate	-0.008	0.004	-0.005	-0.002	-0.011	0.004	0.000	0.003
	(0.002)	(0.004)	(0.001)	(0.002)	(0.008)	(0.011)	(0.003)	(0.005)
Unemployment Rate	-0.010	-0.024	-0.006	-0.010	-0.025	-0.029	-0.016	-0.011
	(0.001)	(0.003)	(0.001)	(0.001)	(0.006)	(0.011)	(0.002)	(0.004)
African American	-0.184	-0.191	-0.120	-0.127				
	(0.006)	(0.007)	(0.003)	(0.003)				
Dep. Var. Mean								
Binding	0.75		0.80		0.58		0.70	
Non-Binding	0.77		0.80		0.61		0.70	

Panel B: Earnings	Young Adults		Adult Men		African American Young Men		All African American Men	
Item	A	B	A	B	A	B	A	B
Binding	0.002	-0.013	0.018	0.033	-0.091	-0.215	-0.116	-0.039
	(0.012)	(0.027)	(0.008)	(0.016)	(0.039)	(0.083)	(0.024)	(0.044)
Binding*Unemployment Rate	-0.005	0.002	0.001	0.001	0.017	0.016	0.028	0.008
	(0.002)	(0.003)	(0.001)	(0.002)	(0.007)	(0.010)	(0.004)	(0.006)
Unemployment Rate	-0.015	-0.025	-0.006	-0.002	-0.026	-0.040	-0.011	-0.008
	(0.001)	(0.003)	(0.001)	(0.002)	(0.005)	(0.009)	(0.003)	(0.005)
African American	-0.131	-0.142	-0.184	-0.194				
	(0.007)	(0.008)	(0.004)	(0.005)				
R2	0.196	0.193	0.149	0.148	0.134	0.105	0.092	0.087
Dep. Var. Mean								
Binding	1.51		2.03		1.43		1.89	
Non-Binding	1.54		1.99		1.43		1.84	
Sample Size	21677	21677	86813	86813	2438	2438	11259	11259

Notes: For detailed descriptions of specifications see Tables 5 and 6. These models sort the respondents by whether they resided in a state where the federal minimum wage increase exceeds the state's minimum wage. We create a dummy variable (Binding) that equals 1 if the ratio of the state's minimum wage to the federal minimum wage is less than 1.0 in 1997 and 1998, or less than 1.0 in either year. The dummy variable equals 0 if the ratio is greater than or equal to 1.0 in 1997 and 1998.

Table 10: The Determinants of Crime per Youth

Panel A: Linear Specification Item	A	B	C
Unemployment Rate	0.015		0.011
	(0.006)		(0.005)
Incarceration per Youth/Crime per Youth		-1.178	-1.130
		(0.055)	(0.051)
R^2	0.93	0.95	0.95
Sample Size	255	255	255

Panel B: Dummy Variable Specification Item	A	B
Less than 4%	-0.063	-0.101
	(0.021)	(0.038)
4-5	-0.021	-0.056
	(0.018)	(0.034)
5-6	-0.010	-0.041
	(0.020)	(0.033)
6-7	0.002	-0.019
	(0.017)	(0.025)
Incarceration per Youth/Crime per Youth	...	-1.096
		(0.143)
R^2	0.93	0.92
Sample Size	255	255

Notes: Calculated using data from the Uniform Crime Reports: 1996. Release Date Sunday, September 28, 1997, and the volumes from 1992, 1989, 1987, and 1983, Table 6.22 in the Sourcebook of Criminal Justice Statistic: 1996, and the Web site "Bureau of Justice Statistics Prisoners in 1996" http://www.ojp.usdoj.gov/bjs/abstract/p96.htm. Crime per youth is the ratio of the crime index to the number of men ages 16 to 24. Incarceration per youth/Crime per youth is the ratio of incarceration per men ages 16 to 24 to the crime per men ages 16 to 24. Also included are demographic controls for age, race, and gender. The regressions also include year and state dummy variables. In both Panels the standard errors have been corrected for potential interdependence of observations within each state.

Table 11: Incarceration's Impact on Employment and Earnings

Panel A: Employment	Youth				Adults				Youth				Adults			
Coefficients	A		B		A		B		A		B		A		B	
Incarceration per Youth	1.247	0.236	-0.836	-0.158	-0.056	-0.009	-1.628	-0.264	0.729	0.178	-3.596	-0.879	-1.028	-0.218	-3.441	-0.730
	(0.741)	(0.140)	(1.069)	(0.202)	(0.345)	(0.056)	(0.516)	(0.084)	(0.968)	(0.236)	(1.548)	(0.378)	(0.412)	(0.087)	(0.723)	(0.153)
Log Likelihood	-14368		-14095		-56152		-55588		-2587		-2404		-9731		-9407	

	Youth		Adults		African American Youth		African American Adults	
Panel B: Earnings	A	B	A	B	A	B	A	B
Incarceration per Youth	-0.169	-0.781	-0.304	-0.618	0.369	-0.618	0.301	-0.221
	(0.132)	(0.188)	(0.078)	(0.114)	(0.190)	(0.313)	(0.110)	(0.186)

Notes: Panel A: The entries are logit coefficients, followed by the probability effect (logit coefficients multiplied by p*(1-p), where p is the share of the sample that are employed). Panel B: Entries in first row are coefficients and standard errors from regressions of log earnings on incarceration per young men. Also included is the area unemployment rate, age, age squared, years of schooling, race, and year. Specification A excludes MSA dummy variables. Specification B includes MSA dummy variables. Standard errors are in parentheses.

Table A1: Selected Aggregate Summary Statistics of the U.S. Economy

Panel A:

Year	Nominal Hourly Earnings	Real Hourly Earnings (July $1998)	Crime Rate per 100,000	Incarceration Rate per 100,000
1983	8.02	13.14	5,159	179
1987	8.98	12.90	5,550	228
1989	9.66	12.71	5,741	271
1992	10.57	12.30	5,660	330
1996	11.82	12.29	5,079	427
1997	12.26	12.43	4,876	445
1998	12.77	12.77	na	na

Panel B:

	Unemployment Rate		Employment-Population Ratio	
Year	National	African American	National	African American
1983	9.6	19.5	57.9	49.5
1987	6.2	13.0	61.5	55.6
1989	5.3	11.4	63.0	56.9
1992	7.5	14.2	61.5	54.9
1996	5.4	10.5	63.2	57.4
1997	4.9	10.0	63.8	58.2
1998	4.5	8.9	64.1	59.7

Sources and Definitions: Average Nominal Hourly Earnings come from the Economic Report of the President: February 1998, U.S. Government Printing Office, Washington, D.C. To create average Real Hourly Earnings we deflate Nominal Hourly Earnings using the CPI-U-X1, also from the Economic Report of the President: February 1998. The monthly values are seasonally adjusted. Crime Rate per 100,000 inhabitants comes from the Uniform Crime Reports: 1996. Release Date Sunday, September 28, 1997, and the volumes from 1992, 1989, 1987, and 1983. The 1997 value is computed by using the 4 percent decline from 1996 reported in the Uniform Crime Reports: 1997 Preliminary Annual Release. Release Date May 17, 1998. The incarceration Rate per 100,000 inhabitants for 1983, 1987, 1989 and 1992 come from Table 6.22 in the Sourcebook of Criminal Justice Statistic: 1996. The data for 1997 come from the Web site titled "Bureau of Justice Statistics Prisoners in 1997" <http://www.ojp.usdoj.gov/bjs/abstract/p96.htm. The "na" indicates not available. The unemployment rates and employment population ratios for the 1980's, 1992, 1996, and 1997 come from the Economic Report of the President 1998. The unemployment rates and employment population ratios for 1998 come from "Selective Access" <http://www.bls.gov.

Table A1 cont.: Selected Aggregate Summary Statistics of the U.S. Economy

Panel C: U.S. Incarceration Rates per 100,000 by Race and Age, 1990 and 1996

	White			African American		
	1990	1996	1996-1990	1990	1996	1996-1990
Total	139	193	54	1,067	1,571	504
18-19	90	143	53	1,084	1,337	253
20-24	295	406	111	2,296	3,385	1,089
25-29	354	442	88	2,949	4,131	1,182
30-34	336	469	133	2,640	3,671	1,031
35-39	245	412	167	1,973	3,398	1,425
40-44	196	322	126	1,433	2,431	998
45-54	137	198	61	590	1,347	757
55+	32	44	12	168	218	50

Source: Table 14: Number of sentenced prisoners under State or Federal jurisdiction per 100,000 residents, by sex, race, Hispanic origin, and age, 1996. Prisoners in 1997, U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Statistics, Bulletin, August 1998, NCJ 170014.

Table A2: Earnings and Employment Statistics for Less-Educated Men
in the Current Population Survey, Selected Years

Log Hourly Earnings

	Adults 25-64			Youth 16-24		
Year	Total	White	African American	Total	White	African American
1983	2.13	2.16	2.02	1.62	1.63	1.51
1987	2.06	2.09	1.93	1.55	1.57	1.44
1989	2.06	2.08	1.88	1.55	1.56	1.44
1992	2.00	2.03	1.84	1.49	1.50	1.42
1996	1.93	1.96	1.79	1.46	1.49	1.34
1998	1.94	1.96	1.81	1.52	1.53	1.45

Employment-Population Ratios

	Adults 25-64			Youth 16-24		
Year	Total	White	African American	Total	White	African American
1983	0.75	0.77	0.65	0.68	0.73	0.44
1987	0.79	0.81	0.70	0.75	0.77	0.60
1989	0.79	0.81	0.68	0.74	0.76	0.57
1992	0.77	0.79	0.65	0.68	0.73	0.46
1996	0.80	0.82	0.66	0.72	0.77	0.49
1998	0.81	0.83	0.68	0.74	0.77	0.54

Notes: Calculated from the Current Population Survey annual merged files, 1983, 1987, 1989, 1992, and 1996. The values for 1998 come from the outgoing rotation group interviews from January to July. The statistics for the 1983, 1987, 1989 and 1992 cross sections are based on the ESR variable in the public use CPS annual merged file. All respondents whose major activity is in school were dropped. Youths are 16 to 24 year old African American and white men only who have completed no more than 12 years of schooling or received no more than a high school diploma or GED. Adults are 25 to 64 year old African American and white men. The unemployment rate is the ratio of the number of people looking for work to the sum of the number looking for work, the number working, and the number with a job but not working. The statistics for 1996 and 1998 are based on a new variable called the monthly labor force recode (MLR) and a school enrollment variable. The ESR variable classified respondents on layoff as employed and those enrolled in school as being out of the labor force. The enrollment question is given only to 16 to 24 year old respondents. The new MLR variable classifies on layoff as unemployed and does not contain information about school enrollment. To maintain as much continuity with previous surveys, we classified respondents on layoff as employed and used the school enrollment information to determine whether the respondents major activity was attending high school or college. If true, then the respondents were excluded from our sample.

Table A3: State and Metropolitan Frequency Distributions of Unemployment Rates

State	1983	1987	1989	1992	1996	1998
Less than 4	0	7	9	2	7	21
4-5	0	9	15	3	14	17
5-6	4	8	15	8	19	9
6-7	8	10	6	13	6	3
Greater than 7	40	18	7	26	6	2
Metropolitan	**1983**	**1987**	**1989**	**1992**	**1996**	**1998**
Less than 4	0	39	52	19	98	146
4-5	0	37	56	32	79	94
5-6	6	46	55	52	69	31
6-7	4	37	21	62	34	24
Greater than 7	34	53	28	167	54	39

Notes: Authors' tabulations from data taken from various editions of the Bureau of Labor Statistics' Employment and Earnings and Geographic Profile of Employment and Unemployment. For the 1983 published data, Metropolitan denotes standard metropolitan statistical areas (SMSAs) and we are only able to identify 44 areas. In all other years, Metropolitan corresponds to metropolitan statistical areas (MSAs), primary metropolitan statistical areas, and consolidated metropolitan statistical areas. For the 1987, 1989 and 1992 published data 212 areas can be identified. For the 1996 and 1998 published data, 334 areas are identifiable.

Table A4: Federal and State Minimum Wages

	1996		1997		1998		State-Federal Ratio		
	Federal	State	Federal	State	Federal	State	1996	1997	1998
Alabama	4.25	.	4.75	.	5.15	.	.	.	.
Alaska	4.25	4.75	4.75	5.25	5.15	5.65	1.12	1.11	1.10
Arizona	4.25	.	4.75	.	5.15	.	.	.	.
Arkansas	4.25	4.25	4.75	4.25	5.15	5.15	1.00	0.89	1.00
California	4.25	4.25	4.75	4.75	5.15	5.15	1.00	1.00	1.00
Colorado	4.25	3.00	4.75	4.75	5.15	5.15	**0.71**	1.00	1.00
Connecticut	4.25	4.27	4.75	4.77	5.15	5.18	1.00	1.00	1.01
Delaware	4.25	4.65	4.75	5.00	5.15	5.15	1.09	1.05	1.00
Florida	4.25	.	4.75	.	5.15	.	.	.	.
Georgia	4.25	3.25	4.75	3.25	5.15	3.25	**0.76**	**0.68**	**0.63**
Hawaii	4.25	5.25	4.75	5.25	5.15	5.25	1.24	1.11	1.02
Idaho	4.25	4.25	4.75	4.25	5.15	5.15	1.00	**0.89**	1.00
Illinois	4.25	4.25	4.75	4.75	5.15	5.15	1.00	1.00	1.00
Indiana	4.25	3.35	4.75	3.35	5.15	3.35	**0.79**	**0.71**	**0.65**
Iowa	4.25	4.65	4.75	4.75	5.15	5.15	1.09	1.00	1.00
Kansas	4.25	2.65	4.75	2.65	5.15	2.65	**0.62**	**0.56**	**0.51**
Kentucky	4.25	4.25	4.75	4.25	5.15	4.25	1.00	**0.89**	**0.83**
Louisiana	4.25		4.75		5.15	.	.	.	.
Maine	4.25	4.25	4.75	4.75	5.15	5.15	1.00	1.00	1.00
Maryland	4.25	4.25	4.75	4.75	5.15	5.15	1.00	1.00	1.00
Massachusetts	4.25	4.25	4.75	5.25	5.15	5.25	1.00	1.11	1.02
Michigan	4.25	3.35	4.75	3.35	5.15	5.15	**0.79**	**0.71**	1.00
Minnesota	4.25	4.25	4.75	4.25	5.15	5.15	1.00	**0.89**	1.00
Mississippi	4.25		4.75		5.15	.	.	.	.
Missouri	4.25	4.25	4.75	4.75	5.15	5.15	1.00	1.00	1.00
Montana	4.25	4.25	4.75	4.75	5.15	5.15	1.00	1.00	1.00
Nebraska	4.25	4.25	4.75	4.25	5.15	5.15	1.00	**0.89**	1.00
Nevada	4.25	4.25	4.75	4.75	5.15	5.15	1.00	1.00	1.00
New Hampshire	4.25	4.25	4.75	4.75	5.15	5.15	1.00	1.00	1.00
New Jersey	4.25	5.05	4.75	5.05	5.15	5.05	1.19	1.06	**0.98**
New Mexico	4.25	4.25	4.75	4.25	5.15	4.25	1.00	**0.89**	**0.83**
New York	4.25	4.25	4.75	4.25	5.15	4.25	1.00	**0.89**	**0.83**
North Carolina	4.25	4.25	4.75	4.25	5.15	5.15	1.00	**0.89**	1.00
North Dakota	4.25	4.25	4.75	4.75	5.15	5.15	1.00	1.00	1.00
Ohio	4.25	4.25	4.75	4.25	5.15	4.25	1.00	**0.89**	**0.83**
Oklahoma	4.25	4.25	4.75	4.75	5.15	5.15	1.00	1.00	1.00
Oregon	4.25	4.75	4.75	5.50	5.15	6.00	1.12	1.16	1.17
Pennsylvania	4.25	4.25	4.75	4.75	5.15	5.15	1.00	1.00	1.00
Rhode Island	4.25	4.45	4.75	5.15	5.15	5.15	1.05	1.08	1.00
South Carolina	4.25	.	4.75	.	5.15	.	.	.	.
South Dakota	4.25	4.25	4.75	4.25	5.15	5.15	1.00	**0.89**	1.00
Tennessee	4.25	.	4.75	.	5.15	.	.	.	.
Texas	4.25	3.35	4.75	3.35	5.15	3.35	**0.79**	**0.71**	**0.65**
Utah	4.25	4.25	4.75	4.75	5.15	5.15	1.00	1.00	1.00
Vermont	4.25	4.75	4.75	5.00	5.15	5.25	1.12	1.05	1.02
Virginia	4.25	4.25	4.75	4.75	5.15	5.15	1.00	1.00	1.00
Washington	4.25	4.90	4.75	4.90	5.15	4.90	1.15	1.03	**0.95**
West Virginia	4.25	4.25	4.75	4.25	5.15	4.75	1.00	**0.89**	**0.92**
Wisconsin	4.25	4.25	4.75	4.25	5.15	5.15	1.00	**0.89**	1.00
Wyoming	4.25	1.60	4.75	1.60	5.15	1.60	**0.38**	**0.34**	**0.31**

Source: Book of States (98-99), Table 8.22.

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ENDNOTES

[1]Past studies have found that changes in unemployment have greater effects on young persons than on adults. Clark and Summers (1981) found this to be the case in their time series study of the dependence of youth joblessness and employment on adult unemployment; Freeman (1991) found this to be the case in his cross area study of youth employment and earnings in the 1980s. For a survey on estimates for the 1960's and 1970's, see DeFreitas (1986). For more recent work see DeFreitas (1991), Freeman and Holzer (1986), Myers (1989), Stratton (1993), and Farber (1998). Studies that use various waves of the displaced worker survey also speak to this issue (Kletzer, 1991, and Hipple, 1997).

[2] The removal of a substantial number of young men from the civilian population might increase employment rates and earnings for those who remain in the work force. But when the incarcerated leave prison and return to the labor market, their employability may be lower. Employers may choose some form of statistical discrimination against a group with high criminal activity.

[3]We also estimated models for the largest 30 metropolitan areas. We were concerned that their employment and wage relationships may be different since few of these areas showed up in our three-group taxamony. To test for differences, we estimated the equations used to generate the results in Tables 5 and 6, but added a dummy variable that denoted whether the individual resided in one of the top 30 metropolitan areas and an interaction between this variable and the area unemployment rate. The latter is our coefficient of concern. In none of the regressions was the interation's coefficient statistically significant. Further, the coefficient ranges from .0002 to .004 for all youth, all men and African American men. The coefficient equals .015 for African American youth, but the standard error is also .015.

[4] The longest expansion which was from February 1961 to December 1969 lasted 106 months during the Vietnam war. If we restrict the analysis to peacetime expansions then the 92 month expansion from November 1982 to July 1990 is the longest on record. During that expansion, the unemployment rate fell from 10.8 percent to 5.5 percent. At that time, many policy makers and researchers felt that the 1980s expansion provided the most optimistic view of macroeconomic growth's ability to vastly improve the labor market outcomes of non-college educated and less-skilled workers, especially African Americans.

Village Foundation

Founded in 1997 as an outgrowth c
W.K. Kellogg Foundation's Africa
American Men and Boys Initiative,
Village Foundation was established
create and support programs and ser
that build a social infrastructure addr
the complex problems faced by Afri
American young men and boys in to
society. The Village Foundation find
funds specific, innovative programs
provides on-going, direct interventic
help African-American men and b
achieve and utilize leadership skill
academic and practical preparation, .
heightened sense of social awarene

- Corporate
- Pathways
- Sirius B

VILLAGE FOUNDATION
The American Futures Institute

VILLAGE FOUNDATION
Institute for Economic Empowerment & Entrepreneurship

VILLAGE FOUNDATION
Media Center

VILLAGE FOUNDATION
National African-American Male Collaboration

VILLAGE FOUNDATION
Race and Cultural Relations Dialogue

VILLAGE FOUNDATION
Technology Project

The Good News About Black America

It's the best time ever to be black in America. Crime is down; jobs and income are up. White kids choose African-Americans as their heroes. But not everyone's celebrating. **By Ellis Cose**

IT WAS A STUNNING VISION OF RACIAL EQUALITY, MANIfested in a simple yet stirring mantra: "I have a dream." Though Martin Luther King Jr.'s cherished utopia has not arrived, it seems considerably less remote than it did in August 1963 when, from the Washington Mall, King challenged America to make his dream come true. African- Americans are no longer relegated, as he lamented, to "a lonely island of poverty" in the midst of plenty. By a wide array of measures, now is a great time—the best time ever—to be black in America.

get study – do 'pgs'

Black employment and home ownership are up. Murders and other violent crimes are down. Reading and math proficiency are climbing. Out-of-wedlock births are at their lowest rate in four decades. Fewer blacks are on welfare than at any point in recent memory. More are in college than at any point in history. And the percentage of black families living below the poverty line is the lowest it has been since the Census Bureau began keeping separate black poverty statistics in 1967. Even for some of the most persistently unfortunate—uneducated black men between 16 and 24—jobs are opening up, according to a just-released study of hard-luck cases in 322 urban areas by researchers at Harvard University and the College of William and Mary.

More and more blacks have entered the realm of the privileged and have offices in (or tantalizingly near to) the corridors of corporate and political power. Some control multimillion-dollar budgets and reside in luxurious gated communities. They are, by any criteria, living large—walking testaments to the transformative power, to the possibility, of America.

"I really think there is a new phenomenon out there," says Eddie Williams, head of the Joint Center for Political and Economic Studies, the nation's premier think tank on blacks and politics. According to the center, the number of black elected officials has nearly sextupled since 1970, and now stands at roughly 9,000. In a poll late last year by the Joint Center, blacks were more likely than whites—for the first time in the history of this survey—to say they were better off financially than in the previous year (51 percent compared with 31.5 percent). A new NEWSWEEK Poll confirms that the finding is not a fluke. Seventy-one percent of blacks (compared with 59 percent of whites) told NEWSWEEK's pollsters that they expected their family incomes to rise during the next 10 years. Fifty-seven percent of blacks (compared with 48 percent of whites) foresaw better job opportunities ahead. As Los Angeles gangbanger turned music entrepreneur Darrin Butler, 28, sums it up, "From where I'm sitting, everything is looking bright."

This sunniness is reflected in the coun-

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Homegrown Success

The black middle class is booming (left). At the Piney Woods school, working with livestock builds self-esteem. Says president Beady: 'This is the kind of environment where they can realize their potential.'

…ry's popular imagination, which freely celebrates the appeal and accomplishments of African-Americans. Michael Jordan, Lauryn Hill, Colin Powell—pick your icon; if you are touched at all by American culture your idol is likely to be black. There have always been black successes and superstar achievers, but never before has black been quite so beautiful to so many admirers of every hue. "When did you ever think you would see black men as the heroes of white children?" asks Bobby William Austin, head of the Village Foundation, an Alexandria, Va.-based nonprofit that runs programs for young black men.

Today's upswing in black fortune is unfolding in a singular context, against the backdrop of a superheated economy that has been booming since April 1991. That expansion, the longest ever in a time of peace, has been a boon to Americans of every race. It would be a mistake, however, to credit the economy alone for the sense of hope sprouting in many black communities. Even as the strong economy has made bigger dreams possible, a strong resurgence of black self-confidence and self-determination has made their realization more probable. Indeed, blacks polled by NEWSWEEK credited black churches (46 percent) and black self-help (41 percent) for the upturn in black conditions. It would also be a mistake to assume that today's good times have brought good tidings to all blacks. They have not. More black men than ever languish in prisons. Black academic achievement stills lags that of whites. And suicides among young black men have risen sharply, reflecting a deep "sense of hopelessness," says Jewelle Taylor Gibbs, a psychologist and University of California, Berkeley, professor. And fear is pervasive that an economic downturn—or the legal-political assault on affirmative action—could wipe out blacks' tenuous gains.

Nonetheless, for a community yet haunted by the memory of Jim Crow, this is a remarkable moment. One of the most dramatic signs of progress is the explosion of productive activity as once desolate innercity neighborhoods, such as Chicago's North Lawndale, come to life. In 1966, this area on Chicago's West Side was so blighted that Martin Luther King rented an apartment there to call attention to it. Then things got worse. The area was largely incinerated by the riots that broke out in the wake of King's assassination in 1968. More than half of the population moved out between 1960 and 1990. Now new construction is shooting up. Homes are selling for as much as $275,000 apiece. And the young black professionals flocking back to buy them talk of renaissance and hope reborn.

"People wrote this area off. They didn't believe middle-class African-Americans would come back here. Now we're making this neighborhood work," says Demetrius Barbee. For Barbee, a Blockbuster executive, and her husband, Gerald, a medical-equipment technician, trading in a fancy North Lake Shore Drive address for a North Lawndale dream house was not

What do they do?

LEFT: JOHN BENTHAM, COURTESY THE SHARK BAR, NEW YORK CITY; ANN STATES—SABA

newmarket.

merely a matter of getting good quality for a good price. It was an investment of hope in the very idea of a community coming back from the dead.

Homan Square, the development where the Barbees now live, resulted from a serendipitous confluence of events. Sears, having moved its onetime world headquarters out of the area, had plenty of well-maintained land it was willing to donate to the project. Mayor Richard M. Daley was eager to facilitate—providing, among other assistance, grants to first-time homeowners. And an important developer, the Shaw Co., saw the value of the enterprise. The Homan Square experiment in urban reclamation has covered six city blocks with 299 units of housing, 133 of them owner-occupied single-family homes. It has also spawned a health clinic, several new businesses and numerous other construction projects. Perhaps most important, it has inspired other developers. Just southeast of Homan Square sits a new shopping center anchored by a Dominick's supermarket and a 10-screen Cineplex Odeon Theater. A few blocks away, another town-house development has gone up. Central City Productions, a local black-owned entertainment company, plans to build a $150 million, 337,000-square-foot television-studio complex. And other projects are pending.

Though few urban ghettos have seen a turnaround as promising as North Lawndale's, withered communities elsewhere are rebounding as well. In the Elmhurst area of Oakland, Calif., new buildings are rising from the rubble. Unlike in Chicago, where a major company took the lead, this turnaround effort—like others in New York, Chattanooga, Tenn., Savannah, Ga., and elsewhere—is community based. In the past year alone Allen Temple Baptist Church has generated more than $20 million worth of new construction projects. The church plans to open a 60,500-square-foot Family Living Center this summer (with activities for everyone from children to senior citizens) and has broken ground for a 24-unit complex for AIDS/HIV patients.

"This is a congregation that long ago decided to take matters into its own hands," says Doris Britt, a church member and director of admissions at UC Berkeley's School of Social Welfare. Longtime congregant Joe Villa traces the can-do attitude to the late '70s. As white homeowners and white-owned businesses and banks took flight, the church kept the faith. Determined to provide a place for community residents to bank, "we contacted the National Credit Union Administration and

Ellis Cose writes that while America embraces equality, the struggle still continues. Join him for a live discussion at noon EDT, Wednesday, June 2, at www.newsweek.com.

Moving Forward, But Still Behind

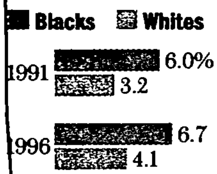
These statistics show that African Americans have made progress on many fronts: in education, health and finance. But they also indicate that blacks still lag white Americans in many important ways. A look at the gap between the races:

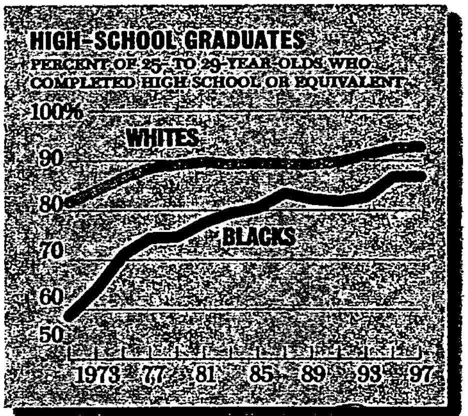
Rubble and rejuvenat... 1973 (left) a...

Education: Getting a Better Grade

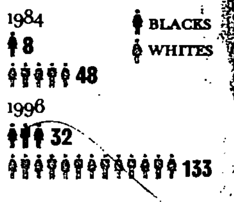
Socioeconomic factors put blacks at greater risk for failure, but they're gaining ground.

DROPOUT RATES
PERCENT OF 10TH–12TH GRADERS, AGE 15–24





ADVANCED-PLACEMENT TEST TAKERS
PER 1,000 12TH GRADERS



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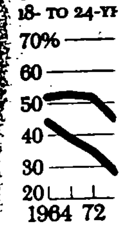
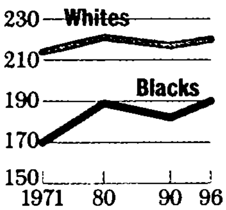
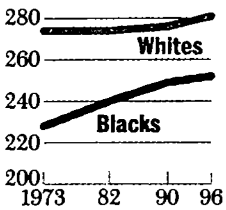
18- TO 24-Y...



STANDARDIZED-TESTING PROFICIENCY*





COLLEGE ATTENDANCE
PERCENT OF 25- TO 29-YEAR-OLDS WHO COMPLETED HIGH SCHOOL AND FOUR OR MORE YEARS OF COLLEGE

MALE	1981	1991	1997
Blacks	15.4%	13.7%	13.7%
Whites	28.4	29.7	34.1
FEMALE			
Blacks	14.5	13.1	18.5
Whites	24.2	29.8	36.2

BY THE N...
50%
or more t...
87%
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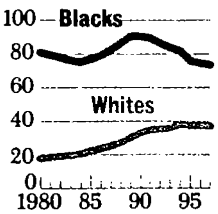
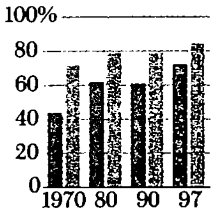
Health and Home: An Improving Picture

With better medical care, blacks are living longer and having healthier children.

BIRTHRATES
PER 1,000 UNMARRIED WOMEN



PRENATAL CARE
PERCENT OF MOTHERS RECEIVING TREAMENT

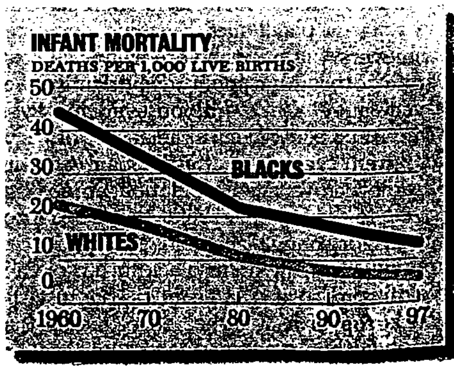


LIFE EXPECTANCY
AT BIRTH

MALE	1980	1986	1996
Blacks	63.8	64.8	66.1
Whites	70.7	71.9	73.8
FEMALE			
Blacks	72.5	73.4	74.2
Whites	78.1	78.8	79.6

TEEN ALCOHOL AND CIGARETTE USE
% OF 12TH GRADERS WHO IN THE LAST 30 DAYS ...

SMOKED CIGARETTES	1992	1995	1998
Blacks	8.7%	12.9%	14.9%
Whites	31.8	36.6	41.7
GOT DRUNK			
Blacks	11.0	13.2	13.8
Whites	34.7	36.4	39.3



NUCLEA...
PERCENT ...
UNDER 18
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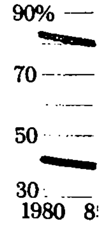

BY THE...
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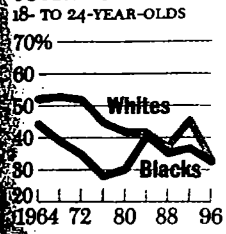
ELI REED—MAGNUM

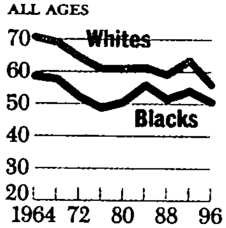
…ejuvenatio… 1973 (left) a vacant lot littered with the debris of a razed building in North Lawndale, Ill.; right, the same town today

…PLACE-
…TAKERS
GRADERS
BLACKS
WHITES
133
…MPLETED
…OF COLLEGE
1997
13.7%
34.1
18.5
36.…

…DAYS …
1998
14.9…
41.7
18.…
39.…

VOTER TURNOUT





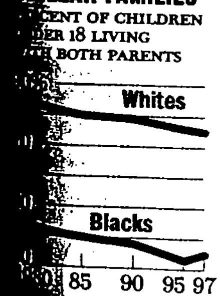
BY THE NUMBERS …

50% of black students have parents who help them with homework 3 or more times weekly. It's 35% for whites

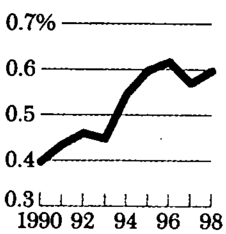
87% of black college grads had full-time jobs in 1997. Whites: 95%

78% of black high schoolers' mothers had attained at least a high-school diploma in 1997, up from 36% in 1972

…CLEAR FAMILIES



INTERMARRIAGE



…HE NUMBERS …

…% of AIDS deaths in 1996 were of African Americans, 4.5 percent …than whites (37.5)

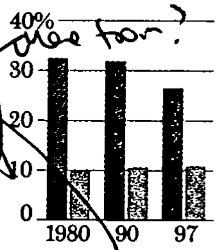
…% of African Americans had health insurance in 1997 (private or …mental). For whites: 85 percent.

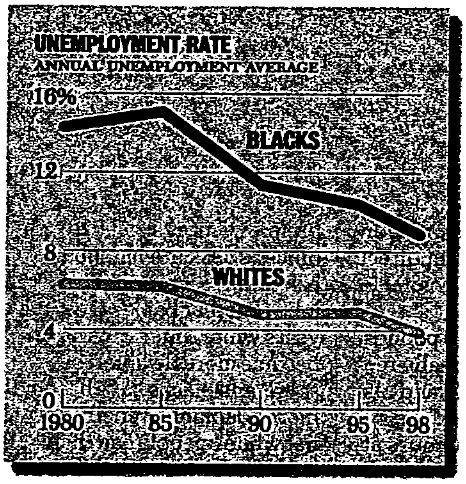
…5 per 100,000 blacks got cancer during '90–'95. For whites: 405.

Economics: Historic Highs, Comparative Gaps

Black income is at its highest rate and unemployment is at its lowest in a quarter century.

THE POOR



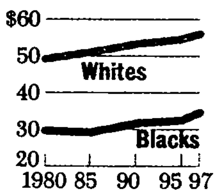


BY THE NUMBERS …

46% of blacks owned homes in 1998, up only 1 percent since 1983. Last year, 72 percent of whites owned homes.

56% of blacks who make $50,000 or more have a brokerage or mutual-fund account. Seventy-one percent of whites have one.

MEDIAN INCOME FOR A FAMILY OF FOUR



TYPES OF EMPLOYMENT, 1998

OCCUPATIONS	Blacks†	Whites
Farming, forestry, fishing	1%	3%
Service occupations	21	12
Operators, laborers	19	13
Technical, sales	29	29
Precision, craft	14	12
Managers, professional	20	31

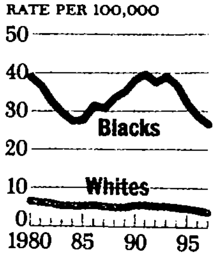
MEDIAN WEEKLY EARNINGS

FOR WORKERS 15 AND OLDER

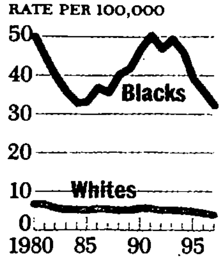
MALE	1990	1993	1997
Blacks	$303	$311	$348
Whites	499	469	502

FEMALE	1990	1993	1997
Blacks	196	203	250
Whites	243	240	265

HOMICIDE VICTIMS



OFFENDERS



*READING SCORES FOR 9-YEAR-OLDS, MATH SCORES FOR 13-YEAR-OLDS. †NUMBERS DON'T ADD TO 100 DUE TO ROUNDING. GRAPHIC BY DONGMIN SHIM AND GUILBERT GATES. SOURCES: NATIONAL CENTER FOR EDUCATION STATISTICS; U.S. BUREAU OF THE CENSUS; NATIONAL CENTER FOR HEALTH STATISTICS; MONITORING THE FUTURE STUDY, UNIVERSITY OF MICHIGAN; AMERICAN CANCER SOCIETY; BUREAU OF LABOR STATISTICS; BUREAU OF JUSTICE STATISTICS; THE ARIEL/SCHWAB BLACK INVESTOR SURVEY

'Change Has Taken Place'

These Chicago homesteaders see greater opportunity, less racism—and a newly thriving neighborhood

As a boy, Anthony Scott played 16-inch softball—the gloveless Chicago version of the game—on a bleak Sears, Roebuck parking lot. Today he's living on the same plot of ground. As he walks around Homan Square, a bold new development in a run-down part of Chicago's West Side, he welcomes outsiders who respect the neighborhood and confronts those who don't. Teenagers who sit high on the back of a park bench and not on the seat are told: "That's *not* how you sit on a bench." His reproach to a man drinking beer within sight of several children is polite but direct: "You must not have been here before."

At 6 feet 2 and 340 pounds, Scott tends to get equally respectful answers. He and his wife, Elaine—he's 35, she's 34—bought the first house at Homan Square in 1994, trading a suburban apartment for a three-story home flanked by grass, play areas and, today, hundreds of other middle-class African-American homesteaders. Scott is fully aware of the surrounding area's remaining problems, which include open-air drug markets; he just won't succumb to them. "This is our property," he says, "and it's our responsibility to take care of it."

The Scotts can afford to live in Homan Square (their $90,000 investment is now worth $145,000) because of their hard work and, Anthony says, increased chances for black Americans. "Today I have greater opportunities to work with my head instead of my hands," he says. "And my wife doesn't have to clean other people's houses the way her grandmother did." In 16 years Scott has advanced from the mailroom at Northern Trust, a premier Chicago bank, to an officer's desk in a big suburban branch. Elaine has a good job at another bank. "Over the years white Americans have become more flexible," he says, "and blacks have become more adaptable. Whether or not white opeople had their hand forced through things like affirmative action, we definitely took advantage. And here we are."

Outside the workplace, he occasionally hears racist insults. But today those are less frequent. When classmates of 8-year-old Stephen Scott ask him why the man he calls his grandfather is white—he's actually a beloved former teacher of Anthony's—the child has a ready answer: "Well, because he is."

One day last week a wealthy white man approached Scott at the bank. The man explained that his eyesight had slipped; he no longer could read. He handed Scott the checkbook to his bulging money-market fund—and his billfold. Scott disappeared to a teller window, then returned with the wallet and a wad of cash. The man took back his things, paying little attention, and thanked Scott. Twenty years ago, Scott says, that nonchalant exchange might not have happened: "Change has taken place across the board—not just one race, but every race." For Anthony Scott, a good job and a nice house are sources of pride. But he was also heartened that a rich white man would trust him with his wallet.

JOHN McCORMICK

ELI REED—MAGNUM

New Horizons

'Today I have greater opportunities to work with my head instead of my hands,' says Anthony Scott

figured out how to charter our own credit union," recalls Villa, who became its volunteer president. That credit union (which primarily serves church members) will be 20 years old next year and now holds more than $10 million in assets—making it the largest African-American church credit union in the country. Community-based activists are not only initiating urban-renewal projects, but driving down teenage births and crime all over America, contends Angela Blackwell, founder of Policy Link, an Oakland-based research and advocacy organization. "Poor people just got sick of it," she says. Others give more credit to government policies, including tough anticrime measures and welfare reform. Kerman Maddox, chairman of the political-science department at Los Angeles Southwest College, in South-Central L.A., says his female students are taking school more seriously and are less likely to have babies. "In the past, I'd say half my 18- to 22-year-old students had kids," says Maddox. "The number has dropped dramatically." He believes welfare-reform provisions "that no longer reward them for having more kids" are the principal reason.

Whatever the motivations (and they are necessarily multiple), more young people are moving to take control of their lives; and the result seems to be a better shot at success. As Shykiesha Walker, the 17-year-old president of the Young Girls Keeping it Real Club, in Watts, puts it, "We're just trying to keep ourselves out of trouble, achieve a higher goal in life."

Across the country, Piney Woods Life School, a private boarding academy in rural Mississippi, is stoking that hunger for success. Started at the turn of the century to educate children of Mississippi field hands, it has evolved into a haven for mistreated or troubled black kids from across America. Many come from backgrounds similar to Kenya-

See home page

tah's, a 16-year-old junior whose parents, both junkies, kicked her out of their Washington, D.C., home at the age of 4. She ended up with relatives, also addicts, and spent time living on the street. Serendipity and a recommendation from a friend of her aunt brought Kenyatah to Piney Woods, and she is grateful for the change. "Where I'm from, you don't learn anything [in school]," she says.

At Piney Woods academics are stressed, and self-pity is not an option. Over the last several years, ACT scores for Piney Woods seniors have risen from an average of 9.8 to an average of 18.1—compared with a national average of 22. "We've set a goal of having our young people exceed the national average on the ACT within the next three years," says school president Charles Beady Jr. Piney Woods graduates routinely go on to Ivy League colleges. Many also become ambassadors of deliverance, spreading the word that black children can triumph, no matter how or where their lives begin.

The significant reversal of black fortunes is a signal event, one that "must be acknowledged and celebrated," says Joe Hicks, executive director of the Los Angeles Human Relations Commission. Yet, for the most part, blacks are not celebrating it, which raises an inevitable question: if the news in black America is so good these days, why are people not dancing in the streets? Why are civil-rights leaders n proclaiming it from the rooftops? Why h the dialogue on racial relations not fund mentally changed to accentuate the pro ress instead of the lingering problems?

Ward Connerly, the controversial bla businessman and driving force behi Proposition 209, the ballot measure th eliminated affirmative action in Californ state government, thinks the reason has a l to do with the fossilized attitude of mar blacks—particularly those in the leadersh class. Even though society has transforme itself, says Connerly, many African-Amer cans are "locked into that mind-set of the '6 that society is racist ... We just can't let g

Feeling Better About the Future

In a special NEWSWEEK Poll, black Americans say their families' lives have improved in several key areas. They give a lot of credit for that progress to the black church. Though blacks see some serious problems yet to be resolved, they are even more positive about the future than white Americans:

PERSONALITIES

■ Do you personally admire these people?

	BLACKS	WHITES
Michael Jordan	83%	69%
Jesse Jackson	77	41
Will Smith	72	41
Colin Powell	68	72
Lauryn Hill	55	18

INCOME GAP

■ Do you think black Americans will ever be able to earn as much money as whites?

	BLACKS	WHITES
Yes	42%	71%
No	40	19

ELI REED—MAGNUM

The Rev. Jesse Jackson

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Lauryn Hill

PROBLEMS FOR BLACK FAMILIES

■ How much of a problem do you think each of the following is for black families today?

THOSE RESPONDING "BIG PROBLEM"

	BLACKS	WHITES
Too many teenage girls having children	78%	61%
Not enough jobs paying decent wages	68	48
Drugs and alcohol	66	50
People not following moral and religious values	63	50
People depending too much on welfare	63	53
Crime in their neighborhoods	60	60
Racism in society in general	56	31
Public schools not providing a good education	54	42
The gov't not spending enough on social programs	52	24
Too many parents never getting married	51	49
Racism in the workplace	46	25
Not enough successful blacks as role models	41	24

FAMILY SITUATION

■ Compared with five years ago, do you think the situation for you and your family is better, worse or about the same?

	BLACKS	WHITES
Better	48%	48%
About the same	40	39
Worse	8	13

LOOKING INTO THE FUTURE

■ Looking ahead 10 years from today, do you think each of the following will get better, get worse or stay about the same?

THOSE RESPONDING "BETTER"

	BLACKS	WHITES
Your family income	71%	59%
The quality of education in your local schools	64	55
Job opportunities for your family	57	48

IMPROVEMENTS

■ How much have the following improved conditions for black Americans?

BLACKS RESPONDING "A LOT"

Black churches	48%
Self-help by blacks	41
Clinton admin. policies	37
Community action	36
Affirmative action	32
Welfare-to-work laws	29
Other gov't programs	25
Economic conditions	24
A more colorblind society	20

WELFARE-TO-WORK

■ Do you think "welfare-to-work" laws have resulted in ...

BLACKS RESPONDING "YES"

More black self-reliance	63%
More jobs for blacks	57
More respect for blacks	46
More black poverty	36

QUALITY OF LIFE

■ Do you think the following are better, worse or the same as they were five years ago?

THOSE RESPONDING "BETTER"

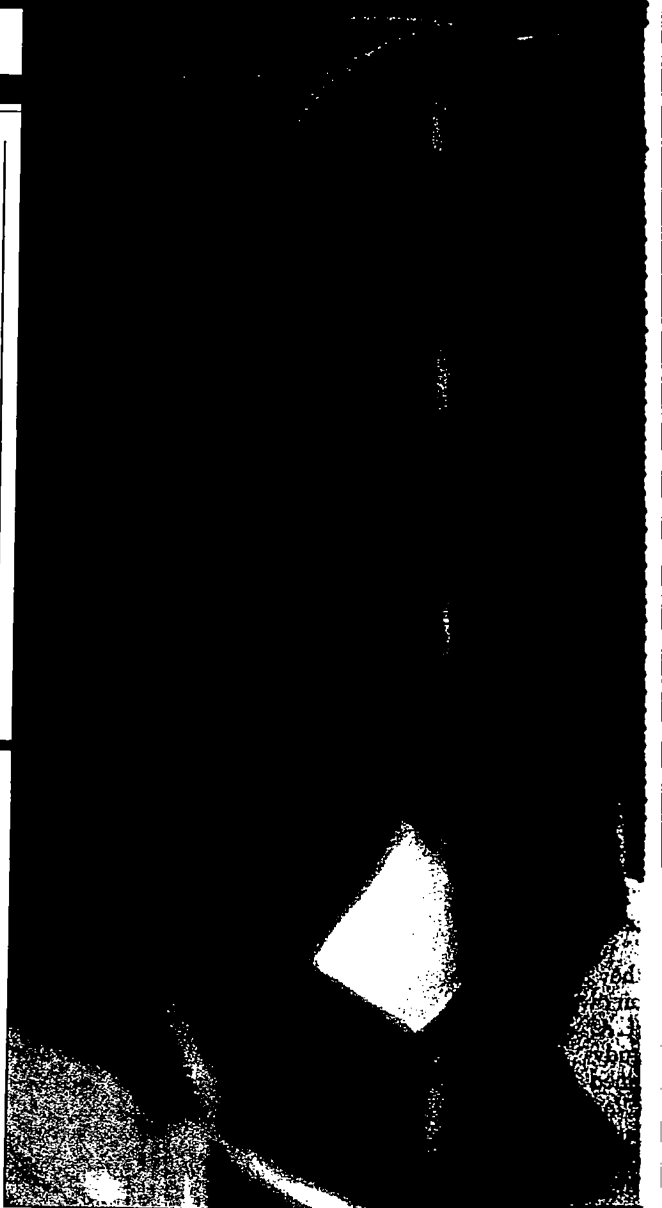
	BLACKS	WHITES
Family income	59%	53%
Job opportunities	45	40
Education quality	38	30

FOR THIS SPECIAL NEWSWEEK POLL, PRINCETON SURVEY RESEARCH ASSOCIATES CONDUCTED TELEPHONE INTERVIEWS WITH 751 ADULTS INCLUDING 304 AFRICAN-AMERICANS ON APRIL 16–19. THE MARGIN OF ERROR IS +/- 4 PERCENTAGE POINTS; +/- 5 FOR WHITES AND +/- 8 FOR BLACKS.

Our leaders ... can't let go. I won't say they have a vested interest in maintaining the status quo, although I think that's a possibility." Harvard sociologist Orlando Patterson agrees. In the aftermath of the civil-rights revolution, "blaming racism" made good politics and fashionable social science, he says. That era is ending, in Patterson's view, "but, tragically, Afro-American leaders now seem trapped by the fire they started."

In African-American leadership circles, Patterson's indictment strikes a nerve. It even evokes limited agreement. Yvonne Scruggs-Leftwich, executive director of the Black Leadership Forum, an umbrella group of civil-rights organizations, concedes, "We don't often enough acknowledge where there have been successes." Nonetheless, civil-rights leaders resent and reject the view that they are a bunch of self-serving doomsayers. "We *have* celebrated the economy, the reduction in unemployment, the reduction in teen-pregnancy rates," says Huge Price, head of the National Urban League.

The problem is that although certain blacks are thriving, others are not. Many of those "beneath the surface of socioeconomic viability," as sociologist Elijah Anderson describes them, are worse off than ever. Many blighted, black neighborhoods lack the equivalent of a Homan Square or an Allen Temple and are dying slow, painful deaths. And in that fact lies a leadership challenge and a philosophical dilemma. How can civil-rights leaders acknowledge the real and evident progress without encouraging complacency? How can they keep the pressure on to "move the glass from half-full to three-quarters full," in Price's words, if they give up the language of crisis and damnation? How do they avoid playing into the hands of those who would eliminate affirmative action, voting-rights enforcement and so many other things that are largely responsible for the



Trying to Close the Achievement Gap

Why, in this upper-middle-class Ohio high school, do blacks perform worse than whites?

IT'S NINTH-PERIOD-class change, and the halls of Shaker Heights High erupt in a rush of teen energy. As Abercrombie & Fitch preppies dish on the latest episode of "Party of Five," and hip-hoppers in Hilfiger khakis slap hands over new tracks from rapper Nas, a procession of black upperclassmen in shirts and ties cuts a conspicuous path through the halls. Crowds disperse for class, and the buttoned-down crew, leaders of the Minority Achievement Committee, head to the auditorium, where a group of black freshmen in T shirts and jeans sits quietly. Grade reports are out, and these kids have some explaining to do. Not to nagging parents or teachers, but to their own. "You think D's and F's are funny?" says one senior, to a grinning 15-year-old. "This is mediocre," says another, waving a card of C's before a squirming underclassman. "Mediocre doesn't cut it for a black man."

Motivation

'I work hard,' says Princeton-bound senior Candace Hamilton. 'I expect to do well.'

At least it *shouldn't* in Shaker Heights, Ohio. The affluent suburb of Cleveland has long been hailed as a model of successful integration. By and large, blacks and whites there are equally well off and live harmoniously side by side. The high school consistently ranks as one of the nation's best. There's just one nagging failure: the persistent achievement gap between black and white students. The brightest black students at Shaker are among the country's best, but a study released two years ago turned up a bleak reality. Though blacks make up half the high-school population, they regularly account for less than 10 percent of those at the top of the class and nearly 90 percent of the bottom. "We have been aware of and working on this for years," says school spokesperson Peggy Caldwell. "But seeing it in stark, raw numbers brought it home." Much is at stake. The achievement gap is a chronic national problem. If they can't beat it in Shaker, a town that has bucked so many negative racial trends, what community in America can?

The roots of the problem are varied, obscure—and a touchy subject. As in schools nationwide, teachers at Shaker may unwittingly set the bar lower for blacks. Black parents, who view a C as a lesser evil than scarier urban ills like drugs and gangs, might subconsciously make fewer academic demands. Kids, convinced they can't excel, often don't try. Their waning confidence seeps out in self-deprecating jokes. At an all-black lunch table in the school cafeteria, a student says with a laugh that the CP in College Prep—Shaker's lowest level of classes—must stand for "Colored People" because

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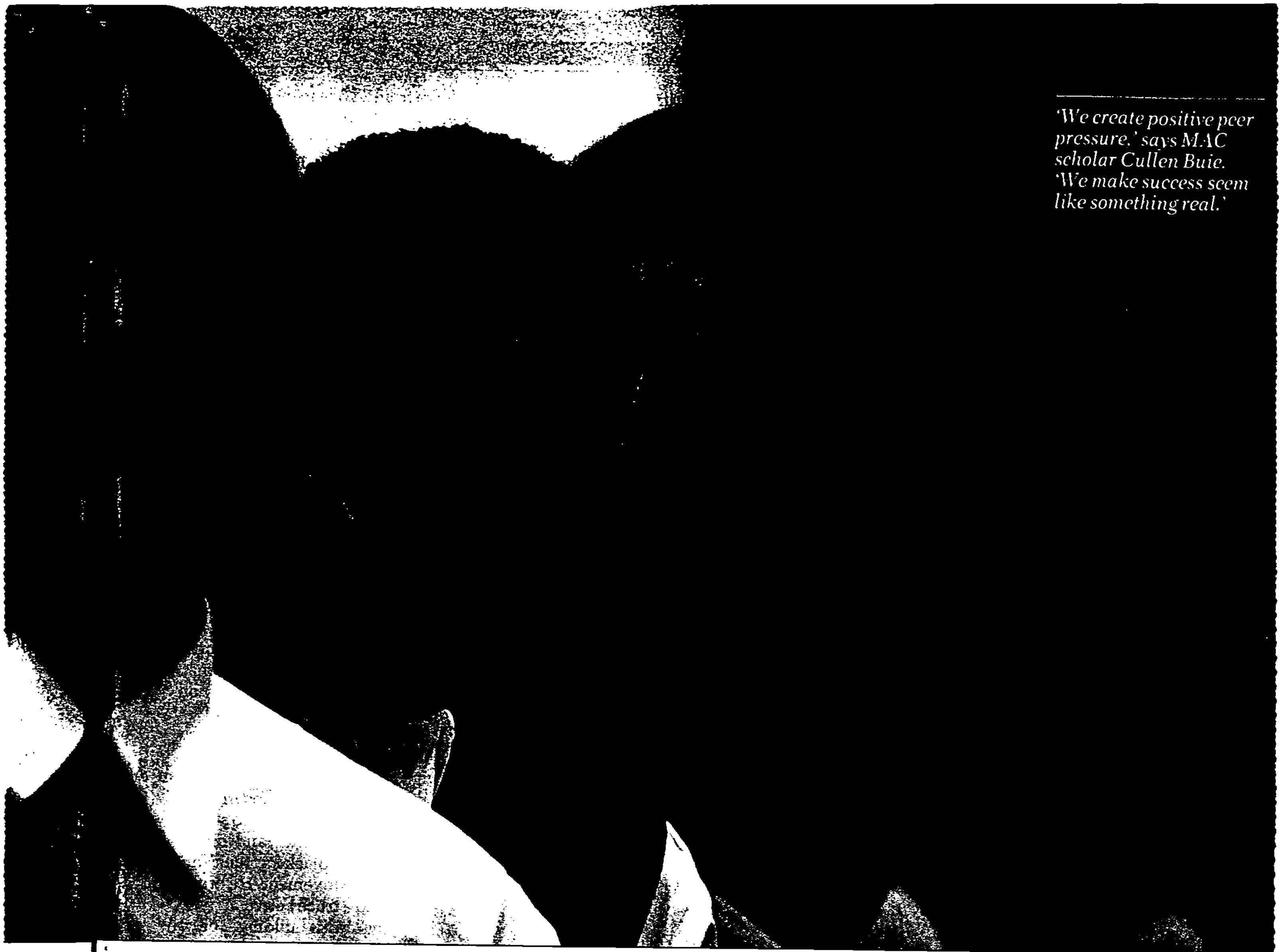

'We create positive peer pressure,' says MAC scholar Cullen Buie. 'We make success seem like something real.'

of the predominance of blacks in his classes.

Then there is peer pressure. Most teens at Shaker say they don't buy the old line that doing well means selling out to white culture. "What, only white people study?" says junior Justin Taylor. "That's just plain stupid and insulting." But if students don't catch flak for "acting white," they face mixed messages about what it means to "act black." Dr. Ronald Ferguson, a Harvard development specialist, conducted a survey of student attitudes at Shaker. When he asked what it takes to be popular, whites gave high marks to outgoing personality. Blacks gave higher marks to being tough. "That tough kid is going to be more standoffish toward authority figures," says Ferguson. "And that social requirement [works against] achievement."

The community is chipping away barriers to success. The Minority Achievement Committee was started in 1990 by high-achieving black males to show struggling freshmen that being smart is cool. Inductees are dubbed Potential Scholars. If they can hike their grades above a 2.8, as juniors they become MAC Scholars. Weekly meetings start with a firm handshake, followed by the MAC credo, "I pledge to uphold the name of the African-American man. I will do so by striving for academic excellence." "These guys have the grades, the respect *and* the girls," says Raji Bey, a senior who went through the program as a freshman. "Who wouldn't want to be like them?"

Parents, too, are circling the wagons. Rubin Harris, whose daughter Aida is a sophomore honors student, is cofounder of Caring Communities Organized for Education, formed in 1997 to boost black-student performance. The group holds town meetings, teacher workshops and parenting seminars to educate families about the achievement gap. "It's not that black parents aren't involved in their children's educations," says Harris. "They just need to be more effectively involved."

But high-school interventions may come too late. More than three quarters of students who fail at least one portion of the state proficiency test, taken before entering ninth grade, are black. The real time to address the achievement gap is in preschool, before it becomes entrenched. Shaker administrators are now experimenting with intensive summer tutoring, middle-school mentoring and all-day kindergarten to combat the problem earlier.

The high school takes success as it comes. At the MAC year-end awards ceremony, some of the same freshmen chided for their midterm grades were stepping up for a handshake from their proud senior brothers. Matthew Cox had a 1.1 GPA when he came to Shaker Heights High in September. Now it's a 2.4. "I'm feeling pretty good," says Cox, 14, an aspiring cartoonist who has his sights set on Kent State University. "But I know I can do even better." If Shaker can get enough kids to say the same thing, that's one more racial trend defied.

LYNETTE CLEMETSON

PHOTOS BY ELI REED—MAGNUM

black progress on display today? "To the extent you proclaim your success, other people forget about you," worries the Joint Center's Eddie Williams.

Then there is the fear—one deeply felt not only among the black leadership class but among much of the black general population—that the good times may be transient. What happens, skeptics ask, when the economy hits bottom? Or if the attacks on affirmative action ultimately eliminate opportunities, only recently won, in both the private and the public sectors?

In addition, there is this cold reality: for every upbeat statistic that engenders joy, there is a dismal number—or a skeptical reading—that invites alarm. And there are millions of personal experiences that conflict with the rosy statistics. In 1998, the jobless rate for blacks 20 to 24 years old was 16.8 percent, down from 24.5 percent in 1985; but that means little to Travon Netherly, a student at L.A. Southwest College. Recently, says Travon, four of his brothers applied for a job at an Orange County amusement park. Despite the help-wanted ad in the window, all were turned away. "My brothers were willing to take anything, even wear one of those Snoopy costumes," says Netherly, who bitterly adds, "It don't take skills to be Snoopy."

'Improvement Is a Myth'

One working family in South-Central L.A. says all the rosy national statistics won't feed their kids

MALIK BURNS, A student and activist in South-Central Los Angeles, does not buy all the rosy news about black America. "The truth is," he says, "this society doesn't want us to make it." Burns, 28, is a compact but forceful man, with shoulder-length braids and a diamond nose stud. In the small, spotless one-bedroom apartment he shares with his wife and three children, posters of Malcolm X share wall space with a pair of food stamps, reminders of the family's battles with dire poverty. There are times, he says, when he has skipped meals so that his children can eat. Burns jabs the air with a finger. "If a few blacks are succeeding, it's only because they ... have been let in through the cracks to pacify the rest of us. But if they haven't been able to help their own people, what good does it do?"

Seated beside him on a black velvet couch, Faith Burns, 34, is the soft-spoken half of the family. With Malik's help, she manages the apartment building, supporting a family of five on just $280 a week, before taxes. In Faith, resignation runs deep. "We're doing the best we can for the kids," she says. "But I don't think they'll have many opportunities. If they get a job, it will be a dead-end job."

The couple blames the enduring legacy of racism for their problems. Yet their story, like many, is more complicated than that. A high-school graduate, trained as a dermatology technician in the Navy, Malik could not land a job after his discharge. He blames a white senior officer for giving him a bad reference. Though he took spot factory jobs, he says, "I felt like a slave. I had assisted on surgeries back in the Navy. I had an education. I thought, I'm more than just an able body." When he got interviews for medical jobs, he says his appearance scared white employers. Even as his family struggled, he did not cut his hair. "We're told to conform in order to make the white man comfortable," he says. "I consider [my appearance] an African cultural thing."

The couple decided they would have to make their own way. Malik enrolled in L.A. Southwest College to study political science, and joined the New Black Panther Vanguard Movement. He brokered a truce between rival gangs in his building. The couple converted a storage area into a tutorial classroom, and launched a music and dance program for kids. Now, on a spring afternoon, children play in the concrete courtyard.

For all their work, the family remains below the poverty line, a counterpoint to the national statistics of black progress. "I wouldn't say things are positive right now," says Malik, "if the only way we can survive is to work two or three minimum-wage jobs—assuming you can get them." The legacy of inequality, he says, is not resolved by a momentary upturn in the economy. Rather, it is in the weave of the American tapestry. "It's a myth to think things are better for black families right now," he says. "In many ways, they are worse than ever."

ANA FIGUEROA

CARL POSEY

Treading Water

'The only way we survive is to work two or three minimum-wage jobs—assuming we can get them,' says Malik Burns

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CARL POSEY

Preaching Today

The church can be 'otherworldly,' says Oakland's J. Alfred Smith Sr. 'We're concerned with the nasty now and now.'

Eric Frierson, a 33-year-old data processor and Watts native, has equally pressing worries. Frierson did 11 years in Folsom penitentiary, but has managed to stay out of trouble for the past five years, and now volunteers for FACES, a community-outreach organization working in Watts's Imperial Courts housing projects. It is an area where buildings are pockmarked by bullet holes and bad company constantly beckons. "They told me I can't be around no ex-cons," says Frierson, but "everybody I know is an ex-con. All my brothers are ex-cons. Almost every black man you see is an ex-con. Who am I going to be with?"

Frierson's plaintive question reflects a sobering reality. An estimated 70 percent of the young black men of Watts—those between the ages of 16 and 25—are on "some kind of paper," meaning they're in jail, on parole or on probation. That specter of prison haunts countless other black communities across the nation. In some areas, prison time has become such a pervasive feature of life that it has totally undermined the hard-fought victory for black voting rights. One million four hundred thousand black men, or 13 percent of the total, are disenfranchised because of felony convictions, according to a recent report by Human Rights Watch and The Sentencing Project.

Some even question whether the much-vaunted black progress in education is as genuine as it seems. A study of higher education in 19 states done by The Southern Education Foundation shows that though the numbers of blacks in college overall are up, those of first-time, full-time freshmen are not. Numerous experts are also concerned about the impact of anti-affirmative-action measures. When California, Texas and Washington state eliminated affirmative action, all experienced huge drops in the numbers of blacks and Latinos admitted to their most selective state schools.

In earlier grades, the picture is also ambiguous. Twenty-six states have adopted exams high-school seniors must pass before they can graduate, according to a new study from the Applied Research Center, an Oakland-based research and advocacy group. "In virtually every state that has implemented high-school exit exams, a disproportionate number of those who have passed all other requirements but fail to graduate ... are students of color," charged the report. Exit exams "essentially punish poor students and those of color for attending substandard schools," concluded ARC. Less easily explained, this performance gap also persists in affluent and integrated communities, such as Shaker Heights, Ohio (story, page 36).

Welfare reform, likewise, does not bring exclusively good news. Clearly, it has taken recipients of all races (more than 2 million families) off the rolls, and given many a second shot at a productive life. Studies—and at this point there are no definitive ones—suggest that perhaps two thirds manage to get along reasonably well (often through a combination of part-time work, forays into the underground economy and help from their families). But many (probably most) don't find full-time permanent jobs. And it appears that whites do better than blacks. The racial difference "is consistent with what we know about employer preference," says Melvin Oliver of the Ford Foundation. There are other likely reasons, as well, including the fact that black women are less likely to live where jobs are located. But like virtually everything else involving race, the reality of welfare reform is too complex to capture with one hackneyed truism, or with one simple set of statistics. In Wisconsin, which has more experience with welfare reform than any other state in the nation, thanks to a series of initiatives that began under Republican Gov. Tommy Thompson, that complicated truth is reflected in the divergent experiences of Cassandra Tucker and Sheri Totton.

Tucker, 29, and the mother of six, became a welfare recipient after her divorce five years ago. She is now a foreman at Central Overhead Door, and she credits Wisconsin's tough-love welfare policy with getting her there. Where the old welfare policy encouraged dependency, the new one promotes independence. "You are special. You can do great things," one social worker told Tucker. She believed it and triumphed. After spending the summer of 1998 learning construction at a building-rehab site managed by the YWCA of Greater Milwaukee, she was hired for her present job.

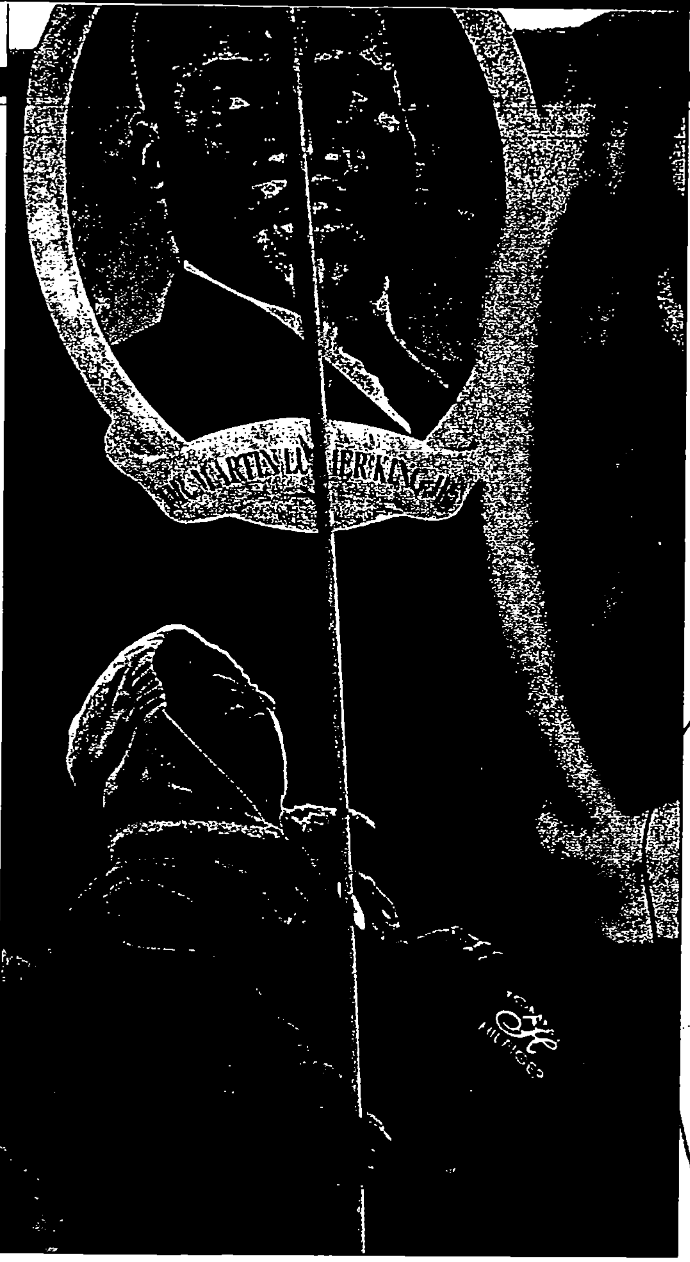
Where Tucker found empowerment in welfare reform, Totton—so far—has found only struggle. Totton, also 29, lost her housing because she could no longer pay the rent, and now lives with her three daughters in a family shelter one block west of the YWCA that turned Tucker's life around. After eight years on public aid, the best job she could

Still Dreaming

Black America may no longer be a 'lonely island of poverty,' but King's dream still waits

land was a part-time position at a local food bank. She's had a hard time juggling her job and school—neither of which she can afford to miss, since the penalty is a reduction in her welfare benefits. And it is far from clear that she will have the wherewithal any time soon to make the leap to self-sufficiency. "A lot of stuff is confusing," she sheepishly admits. What the two women's stories make clear is that it's ultimately impossible to say whether things are better or worse without asking, "better or worse *for whom?*" Similarly, one must also ask, "Compared with what?"

Black executives inevitably compare themselves with their white peers, notes Sharon Collins, a sociologist at the University of Illinois at Chicago. "And no matter how well the blacks are doing, they're not doing as well as their white counterparts." In fact, when blacks compare themselves with whites in virtually any arena, the picture is unsettling.



ANDREW CUTRARO—AFP

Black income, for instance, is at its highest level ever, and unemployment is lower than it has been in a quarter of a century. Yet black unemployment (at 8.9 percent) remains more than twice the rate for whites (3.9 percent). Among workers 20 to 24, the unemployment numbers are even more lopsided (16.8 percent for blacks, 6.5 percent for whites). Such high unemployment among blacks "in a virtually full-employment economy says there's still something wrong," observes Wade Henderson, executive director of the Leadership Conference on Civil Rights. Labor-force participation figures are equally dispiriting, particularly for black teens. Only 40 percent of black males between 16 and 19 are in the labor force, compared with 57 percent of their white counterparts. And though black median income (for a family of four) reached a record high of $34,644 in 1997, that was still $21,378 less than the average for whites.

It is not, however, just the difference in numbers that makes so many blacks loath to believe American society is serious about racial equality. There are also the continuing reminders of racism. Even for those blacks for whom now is the best of times, bigotry remains more than a memory. For those who get brutalized by cops or stopped for "Driving While Black" (incidents that dramatically erupted recently in New Jersey and New York), it's impossible to feel truly accepted in America, points out Mary Frances Berry, chair of the U.S. Civil Rights Commission. Or, as economist Glenn Loury puts it: "A lot of people are pissed off, and they're not all crazy."

That black schoolchildren are still wrestling with the ludicrous issue of whether academic achievement somehow makes them less black says volumes about the message of black-white difference that society continues to send. It is a message graphically underscored by the intense segregation that defines American living patterns. And it is continually bolstered by popular culture, particularly television, which keeps its dating shows racially segregated and its programming racially segmented. Hence, it's no wonder that blacks and whites generally watch totally different prime-time shows. And it's hardly surprising that even though the incidence of interracial marriages has grown greatly, marriages between blacks and whites are a fraction of those between whites and Hispanics or whites and Asians.

What all that says, in short, is that, for all the well-documented black success stories, and for all the heartwarming statistics, blacks remain, in substantial measure, a race apart in America: a race admired, even emulated, yet held at arm's length. It reflects a particular American schizophrenia. We embrace equality and yet struggle with it in reality. We have come so far, and yet we have not escaped the past.

In perhaps the most famous passage of his most famous book, "The Souls of Black Folk" (first published in 1903), the great sociologist and social activist W.E.B. Du Bois tried to explain what it meant to be a Negro in America. "One ever feels his twoness—an American, a Negro; two souls, two thoughts, two unreconciled strivings; two warring ideals in one dark body, whose dogged strength alone keeps it from being torn asunder." What he did not say, but could have, is that America also has its unreconciled strivings, an impulse toward acceptance coexisting with a tendency toward exclusion, a reverence for equality that coexists with stirrings of racism.

The good news on black America is too clear to deny. In the past few decades, blacks' fortunes and prospects have soared toward the heavens. Blacks have entered virtually every sector of American society and breathed life into Martin Luther King's extraordinary fantasy. It's too late to put the racial-justice genie back in the bottle. It's time to acknowledge what America and African-Americans together have accomplished and become. The bad news, however, is equally profound, and it can be summed up with two simple facts. Despite all the progress of the last several decades, we continue to talk about black America as a place and a people apart. And despite the lip service we pay to the concept of equality, we look with equanimity, even pride, upon a statistical profile of black Americans that, were it of whites, would be a source of horror and consternation. That is not likely to change soon; but until and unless it does, our great nation will never become the country of our finest dreams.

With ANA FIGUEROA, JOHN MCCORMICK, VERN SMITH *and* PAT WINGERT

The Good News About Black America

It's the best time ever to be black in America. Crime is down; jobs and income are up. White kids choose African-Americans as their heroes. But not everyone's celebrating. **By Ellis Cose**

IT WAS A STUNNING VISION OF RACIAL EQUALITY, MANIfested in a simple yet stirring mantra: "I have a dream." Though Martin Luther King Jr.'s cherished utopia has not arrived, it seems considerably less remote than it did in August 1963 when, from the Washington Mall, King challenged America to make his dream come true. African- Americans are no longer relegated, as he lamented, to "a lonely island of poverty" in the midst of plenty. By a wide array of measures, now is a great time—the best time ever—to be black in America.

Set Study – do ppr

Black employment and home ownership are up. Murders and other violent crimes are down. Reading and math proficiency are climbing. Out-of-wedlock births are at their lowest rate in four decades. Fewer blacks are on welfare than at any point in recent memory. More are in college than at any point in history. And the percentage of black families living below the poverty line is the lowest it has been since the Census Bureau began keeping separate black poverty statistics in 1967. Even for some of the most persistently unfortunate—uneducated black men between 16 and 24—jobs are opening up, according to a just-released study of hard-luck cases in 322 urban areas by researchers at Harvard University and the College of William and Mary.

More and more blacks have entered the realm of the privileged and have offices in (or tantalizingly near to) the corridors of corporate and political power. Some control multimillion-dollar budgets and reside in luxurious gated communities. They are, by any criteria, living large—walking testaments to the transformative power, to the possibility, of America.

"I really think there is a new phenomenon out there," says Eddie Williams, head of the Joint Center for Political and Economic Studies, the nation's premier think tank on blacks and politics. According to the center, the number of black elected officials has nearly sextupled since 1970, and now stands at roughly 9,000. In a poll late last year by the Joint Center, blacks were more likely than whites—for the first time in the history of this survey—to say they were better off financially than in the previous year (51 percent compared with 31.5 percent). A new NEWSWEEK Poll confirms that the finding is not a fluke. Seventy-one percent of blacks (compared with 59 percent of whites) told NEWSWEEK's pollsters that they expected their family incomes to rise during the next 10 years. Fifty-seven percent of blacks (compared with 48 percent of whites) foresaw better job opportunities ahead. As Los Angeles gangbanger turned music entrepreneur Darrin Butler, 28, sums it up, "From where I'm sitting, everything is looking bright."

This sunniness is reflected in the coun-

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Homegrown Success

The black middle class is booming (left). At the Piney Woods school, working with livestock builds self-esteem. Says president Beady: 'This is the kind of environment where they can realize their potential.'

try's popular imagination, which freely celebrates the appeal and accomplishments of African-Americans. Michael Jordan, Lauryn Hill, Colin Powell—pick your icon; if you are touched at all by American culture your idol is likely to be black. There have always been black successes and superstar achievers, but never before has black been quite so beautiful to so many admirers of every hue. "When did you ever think you would see black men as the heroes of white children?" asks Bobby William Austin, head of the Village Foundation, an Alexandria, Va.-based nonprofit that runs programs for young black men.

Today's upswing in black fortune is unfolding in a singular context, against the backdrop of a superheated economy that has been booming since April 1991. That expansion, the longest ever in a time of peace, has been a boon to Americans of every race. It would be a mistake, however, to credit the economy alone for the sense of hope sprouting in many black communities. Even as the strong economy has made bigger dreams possible, a strong resurgence of black self-confidence and self-determination has made their realization more probable. Indeed, blacks polled by NEWSWEEK credited black churches (46 percent) and black self-help (41 percent) for the upturn in black conditions. It would also be a mistake to assume that today's good times have brought good tidings to all blacks. They have not. More black men than ever languish in prisons. Black academic achievement stills lags that of whites. And suicides among young black men have risen sharply, reflecting a deep "sense of hopelessness," says Jewelle Taylor Gibbs, a psychologist and University of California, Berkeley, professor. And fear is pervasive that an economic downturn—or the legal-political assault on affirmative action—could wipe out blacks' tenuous gains.

Nonetheless, for a community yet haunted by the memory of Jim Crow, this is a remarkable moment. One of the most dramatic signs of progress is the explosion of productive activity as once desolate inner-city neighborhoods, such as Chicago's North Lawndale, come to life. In 1966, this area on Chicago's West Side was so blighted that Martin Luther King rented an apartment there to call attention to it. Then things got worse. The area was largely incinerated by the riots that broke out in the wake of King's assassination in 1968. More than half of the population moved out between 1960 and 1990. Now new construction is shooting up. Homes are selling for as much as $275,000 apiece. And the young black professionals flocking back to buy them talk of renaissance and hope reborn.

"People wrote this area off. They didn't believe middle-class African-Americans would come back here. Now we're making this neighborhood work," says Demetrius Barbee. For Barbee, a Blockbuster executive, and her husband, Gerald, a medical-equipment technician, trading in a fancy North Lake Shore Drive address for a North Lawndale dream house was not

What do they do?

LEFT: JOHN BENTHAM, COURTESY THE SHARK BAR, NEW YORK CITY. ANN STATES—SABA

newmarket.

merely a matter of getting good quality for a good price. It was an investment of hope in the very idea of a community coming back from the dead.

Homan Square, the development where the Barbees now live, resulted from a serendipitous confluence of events. Sears, having moved its onetime world headquarters out of the area, had plenty of well-maintained land it was willing to donate to the project. Mayor Richard M. Daley was eager to facilitate—providing, among other assistance, grants to first-time homeowners. And an important developer, the Shaw Co., saw the value of the enterprise. The Homan Square experiment in urban reclamation has covered six city blocks with 299 units of housing, 133 of them owner-occupied single-family homes. It has also spawned a health clinic, several new businesses and numerous other construction projects. Perhaps most important, it has inspired other developers. Just southeast of Homan Square sits a new shopping center anchored by a Dominick's supermarket and a 10-screen Cineplex Odeon Theater. A few blocks away, another town-house development has gone up. Central City Productions, a local black-owned entertainment company, plans to build a $150 million, 337,000-square-foot television-studio complex. And other projects are pending.

Though few urban ghettos have seen a turnaround as promising as North Lawndale's, withered communities elsewhere are rebounding as well. In the Elmhurst area of Oakland, Calif., new buildings are rising from the rubble. Unlike in Chicago, where a major company took the lead, this turnaround effort—like others in New York, Chattanooga, Tenn., Savannah, Ga., and elsewhere—is community based. In the past year alone Allen Temple Baptist Church has generated more than $20 million worth of new construction projects. The church plans to open a 60,500-square-foot Family Living Center this summer (with activities for everyone from children to senior citizens) and has broken ground for a 24-unit complex for AIDS/HIV patients.

"This is a congregation that long ago decided to take matters into its own hands," says Doris Britt, a church member and director of admissions at UC Berkeley's School of Social Welfare. Longtime congregant Joe Villa traces the can-do attitude to the late '70s. As white homeowners and white-owned businesses and banks took flight, the church kept the faith. Determined to provide a place for community residents to bank, "we contacted the National Credit Union Administration and

Ellis Cose writes that while America embraces equality, the struggle still continues. Join him for a live discussion at noon EDT, Wednesday, June 2, at www.newsweek.com.

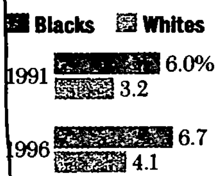
Moving Forward, But Still Behind

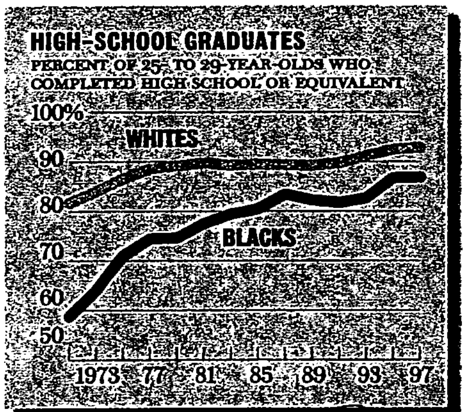
These statistics show that African Americans have made progress on many fronts: in education, health and finance. But they also indicate that blacks still lag white Americans in many important ways. A look at the gap between the races:

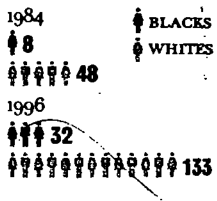
Rubble and rejuvenati... 1973 (left) a

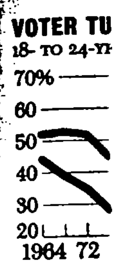
Education: Getting a Better Grade

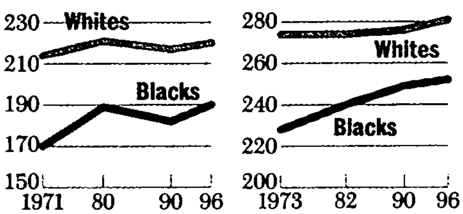
Socioeconomic factors put blacks at greater risk for failure, but they're gaining ground.











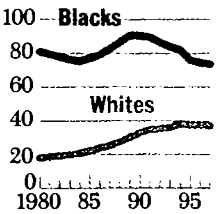
COLLEGE ATTENDANCE
PERCENT OF 25- TO 29-YEAR-OLDS WHO COMPLETED HIGH SCHOOL AND FOUR OR MORE YEARS OF COLLEGE

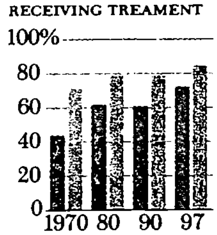
MALE	1981	1991	1997
Blacks	15.4%	13.7%	13.7%
Whites	28.4	29.7	34.1
FEMALE			
Blacks	14.5	13.1	18.5
Whites	24.2	29.8	36.2

BY THE N
50%
or more t
87%
78%
school di

Health and Home: An Improving Picture

With better medical care, blacks are living longer and having healthier children.



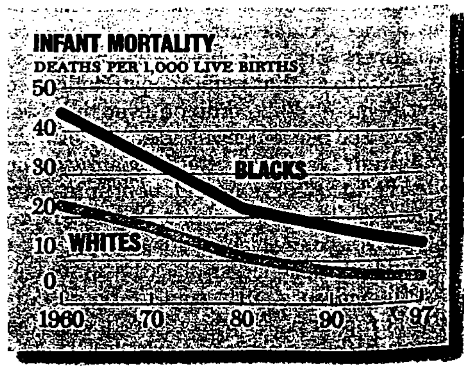


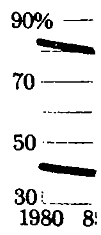
LIFE EXPECTANCY
AT BIRTH

MALE	1980	1986	1996
Blacks	63.8	64.8	66.1
Whites	70.7	71.9	73.8
FEMALE			
Blacks	72.5	73.4	74.2
Whites	78.1	78.8	79.6

TEEN ALCOHOL AND CIGARETTE USE
% OF 12TH GRADERS WHO IN THE LAST 30 DAYS ...

SMOKED CIGARETTES	1992	1995	1998
Blacks	8.7%	12.9%	14.9%
Whites	31.8	36.6	41.7
GOT DRUNK			
Blacks	11.0	13.2	13.8
Whites	34.7	36.4	39.3





BY THE
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78%
governm
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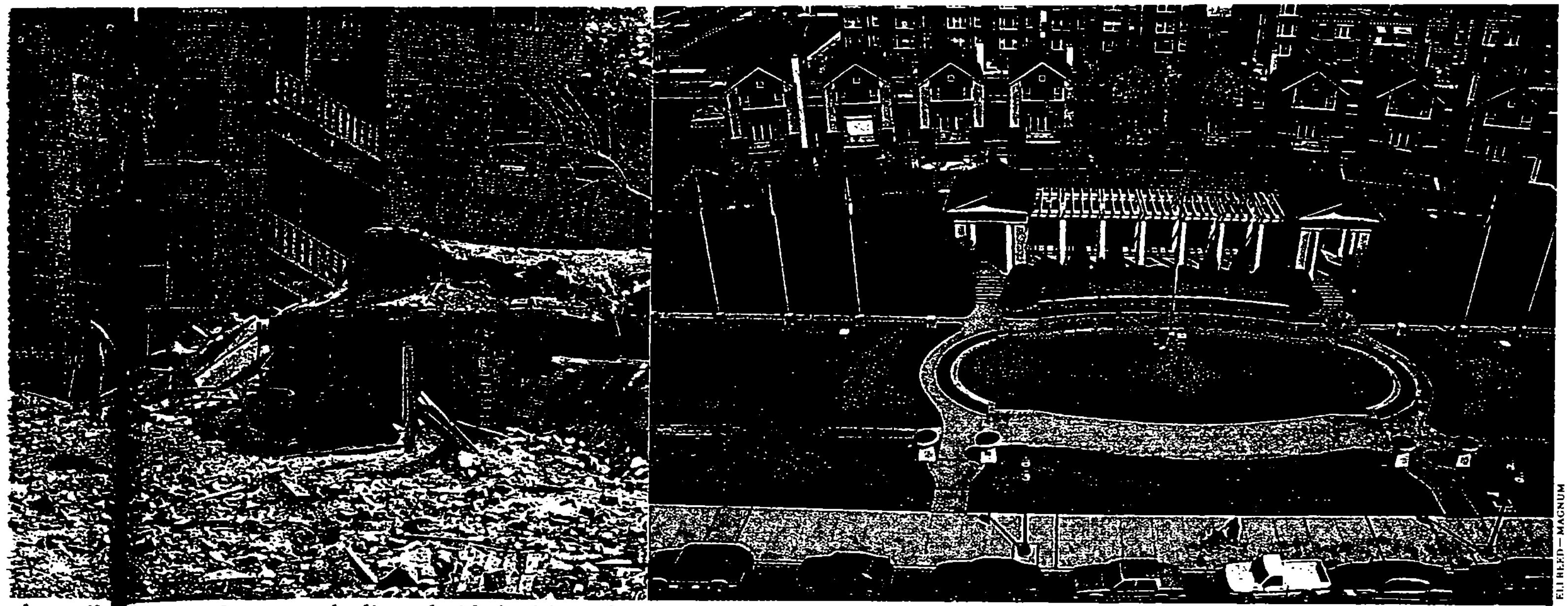
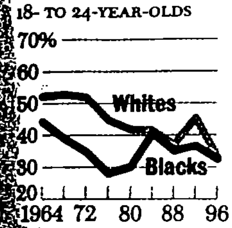


'ajuvenation: In 1973 (left) a vacant lot littered with the debris of a razed building in North Lawndale, Ill.; right, the same town today

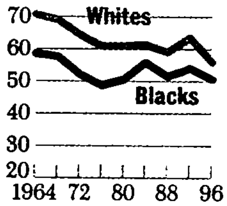
'LACE-
;AKERS
GRADERS
BLACKS
WHITES
133

MPLETED
OF COLLEGE
1997
18.7%
34.1
18.5
36.2

VOTER TURNOUT
18- TO 24-YEAR-OLDS



ALL AGES



BY THE NUMBERS ...

50% of black students have parents who help them with homework 3 or more times weekly. It's 35% for whites

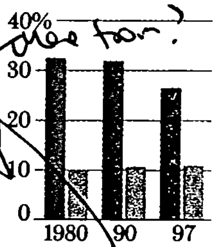
87% of black college grads had full-time jobs in 1997. Whites: 95%

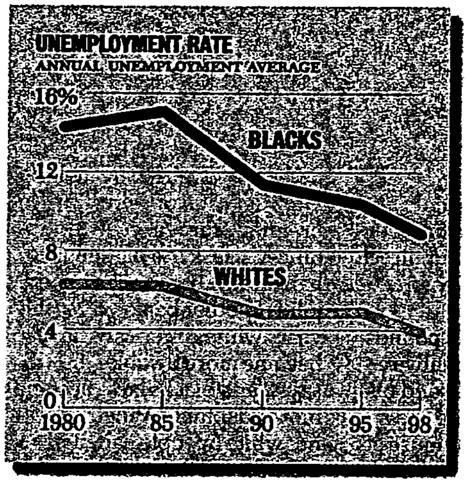
78% of black high schoolers' mothers had attained at least a high-school diploma in 1997, up from 36% in 1972

Economics: Historic Highs, Comparative Gaps

Black income is at its highest rate and unemployment is at its lowest in a quarter century.

THE POOR
PERCENT OF PEOPLE BELOW POVERTY LINE





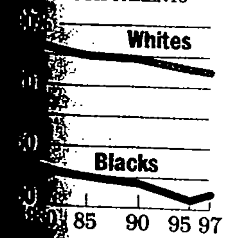
BY THE NUMBERS ...

46% of blacks owned homes in 1998, up only 1 percent since 1983. Last year, 72 percent of whites owned homes.

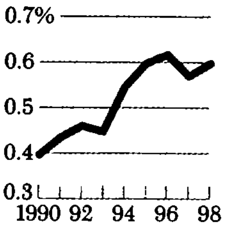
56% of blacks who make $50,000 or more have a brokerage or mutual-fund account. Seventy-one percent of whites have one.

DAYS ...
1998
14.9%
41.7%
16.8
39.3

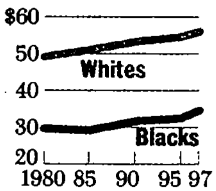
NUCLEAR FAMILIES
PERCENT OF CHILDREN UNDER 18 LIVING WITH BOTH PARENTS



INTERMARRIAGE
BLACK-WHITE MARRIAGES AS PERCENT OF ALL MARRIAGES



MEDIAN INCOME FOR A FAMILY OF FOUR
IN THOUSANDS



TYPES OF EMPLOYMENT, 1998

OCCUPATIONS	Blacks†	Whites
Farming, forestry, fishing	1%	3%
Service occupations	21	12
Operators, laborers	19	13
Technical, sales	29	29
Precision, craft	11	12
Managers, professional	20	31

BY THE NUMBERS ...

20% of AIDS deaths in 1996 were of African Americans, 4.5 percent than whites (37.5)

% of African Americans had health insurance in 1997 (private or governmental). For whites: 85 percent.

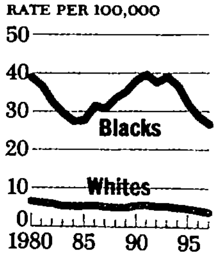
5 per 100,000 blacks got cancer during '90–'95. For whites: 405.

MEDIAN WEEKLY EARNINGS
FOR WORKERS 15 AND OLDER

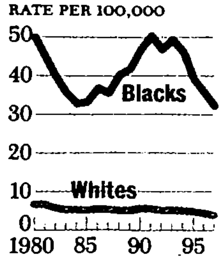
MALE	1990	1993	1997
Blacks	$303	$311	$348
Whites	499	469	502

FEMALE	1990	1993	1997
Blacks	196	203	250
Whites	248	240	285

HOMICIDE VICTIMS
RATE PER 100,000



OFFENDERS
RATE PER 100,000



*READING SCORES FOR 9-YEAR-OLDS, MATH SCORES FOR 13-YEAR-OLDS. †NUMBERS DON'T ADD TO 100 DUE TO ROUNDING. GRAPHIC BY DONGMIN SHIM AND GUILBERT GATES. SOURCES: NATIONAL CENTER FOR EDUCATION STATISTICS; U.S. BUREAU OF THE CENSUS; NATIONAL CENTER FOR HEALTH STATISTICS; MONITORING THE FUTURE STUDY, UNIVERSITY OF MICHIGAN; AMERICAN CANCER SOCIETY; BUREAU OF LABOR STATISTICS; BUREAU OF JUSTICE STATISTICS; THE ARIEL/SCHWAB BLACK INVESTOR SURVEY

'Change Has Taken Place'

These Chicago homesteaders see greater opportunity, less racism—and a newly thriving neighborhood

As a boy, Anthony Scott played 16-inch softball—the gloveless Chicago version of the game—on a bleak Sears, Roebuck parking lot. Today he's living on the same plot of ground. As he walks around Homan Square, a bold new development in a run-down part of Chicago's West Side, he welcomes outsiders who respect the neighborhood and confronts those who don't. Teenagers who sit high on the back of a park bench and not on the seat are told: "That's *not* how you sit on a bench." His reproach to a man drinking beer within sight of several children is polite but direct: "You must not have been here before."

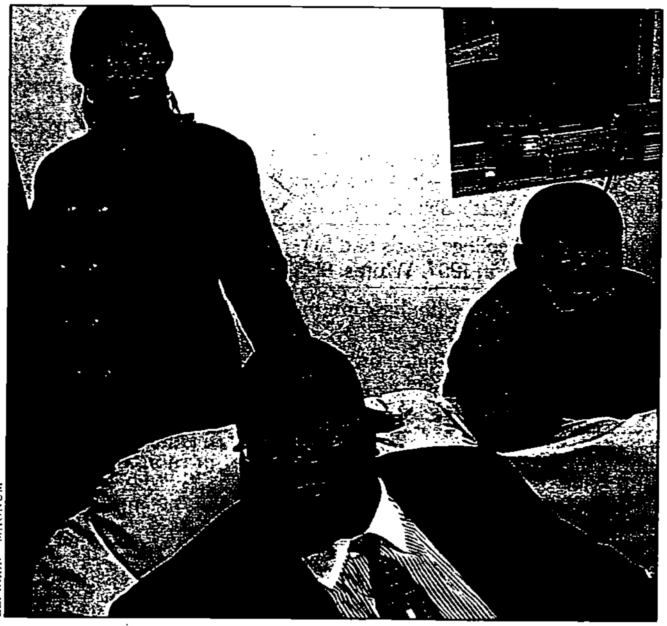
At 6 feet 2 and 340 pounds, Scott tends to get equally respectful answers. He and his wife, Elaine—he's 35, she's 34—bought the first house at Homan Square in 1994, trading a suburban apartment for a three-story home flanked by grass, play areas and, today, hundreds of other middle-class African-American homesteaders. Scott is fully aware of the surrounding area's remaining problems, which include open-air drug markets; he just won't succumb to them. "This is our property," he says, "and it's our responsibility to take care of it."

The Scotts can afford to live in Homan Square (their $90,000 investment is now worth $145,000) because of their hard work and, Anthony says, increased chances for black Americans. "Today I have greater opportunities to work with my head instead of my hands," he says. "And my wife doesn't have to clean other people's houses the way her grandmother did." In 16 years Scott has advanced from the mailroom at Northern Trust, a premier Chicago bank, to an officer's desk in a big suburban branch. Elaine has a good job at another bank. "Over the years white Americans have become more flexible," he says, "and blacks have become more adaptable. Whether or not white opeople had their hand forced through things like affirmative action, we definitely took advantage. And here we are."

Outside the workplace, he occasionally hears racist insults. But today those are less frequent. When classmates of 8-year-old Stephen Scott ask him why the man he calls his grandfather is white—he's actually a beloved former teacher of Anthony's—the child has a ready answer: "Well, because he is."

One day last week a wealthy white man approached Scott at the bank. The man explained that his eyesight had slipped; he no longer could read. He handed Scott the checkbook to his bulging money-market fund—and his billfold. Scott disappeared to a teller window, then returned with the wallet and a wad of cash. The man took back his things, paying little attention, and thanked Scott. Twenty years ago, Scott says, that nonchalant exchange might not have happened: "Change has taken place across the board—not just one race, but every race." For Anthony Scott, a good job and a nice house are sources of pride. But he was also heartened that a rich white man would trust him with his wallet.

JOHN McCORMICK


ELI REED—MAGNUM

New Horizons

'Today I have greater opportunities to work with my head instead of my hands,' says Anthony Scott

figured out how to charter our own credit union," recalls Villa, who became its volunteer president. That credit union (which primarily serves church members) will be 20 years old next year and now holds more than $10 million in assets—making it the largest African-American church credit union in the country. Community-based activists are not only initiating urban-renewal projects, but driving down teenage births and crime all over America, contends Angela Blackwell, founder of Policy Link, an Oakland-based research and advocacy organization. "Poor people just got sick of it," she says. Others give more credit to government policies, including tough anticrime measures and welfare reform. Kerman Maddox, chairman of the political-science department at Los Angeles Southwest College, in South-Central L.A., says his female students are taking school more seriously and are less likely to have babies. "In the past, I'd say half my 18- to 22-year-old students had kids," says Maddox. "The number has dropped dramatically." He believes welfare-reform provisions "that no longer reward them for having more kids" are the principal reason.

Whatever the motivations (and they are necessarily multiple), more young people are moving to take control of their lives; and the result seems to be a better shot at success. As Shykiesha Walker, the 17-year-old president of the Young Girls Keeping it Real Club, in Watts, puts it, "We're just trying to keep ourselves out of trouble, achieve a higher goal in life."

Across the country, Piney Woods Life School, a private boarding academy in rural Mississippi, is stoking that hunger for success. Started at the turn of the century to educate children of Mississippi field hands, it has evolved into a haven for mistreated or troubled black kids from across America. Many come from backgrounds similar to Kenya-

See Nove page

tah's, a 16-year-old junior whose parents, both junkies, kicked her out of their Washington, D.C., home at the age of 4. She ended up with relatives, also addicts, and spent time living on the street. Serendipity and a recommendation from a friend of her aunt brought Kenyatah to Piney Woods, and she is grateful for the change. "Where I'm from, you don't learn anything [in school]," she says.

At Piney Woods academics are stressed, and self-pity is not an option. Over the last several years, ACT scores for Piney Woods seniors have risen from an average of 9.8 to an average of 18.1—compared with a national average of 22. "We've set a goal of having our young people exceed the national average on the ACT within the next three years," says school president Charles Beady Jr. Piney Woods graduates routinely go on to Ivy League colleges. Many also become ambassadors of deliverance, spreading the word that black children can triumph, no matter how or where their lives begin.

The significant reversal of black fortunes is a signal event, one that "must be acknowledged and celebrated," says Joe Hicks, executive director of the Los Angeles Human Relations Commission. Yet, for the most part, blacks are not celebrating it, which raises an inevitable question: if the news in black America is so good these days, why are people not dancing in the streets? Why are civil-rights leaders n proclaiming it from the rooftops? Why h the dialogue on racial relations not fund mentally changed to accentuate the pro ress instead of the lingering problems?

Ward Connerly, the controversial bla businessman and driving force behir Proposition 209, the ballot measure th eliminated affirmative action in Californ state government, thinks the reason has a l to do with the fossilized attitude of mar blacks—particularly those in the leadersh class. Even though society has transforme itself, says Connerly, many African-Amer cans are "locked into that mind-set of the '6(that society is racist ... We just can't let g

Feeling Better About the Future

In a special NEWSWEEK Poll, black Americans say their families' lives have improved in several key areas. They give a lot of credit for that progress to the black church. Though blacks see some serious problems yet to be resolved, they are even more positive about the future than white Americans:

PERSONALITIES

■ Do you personally admire these people?

	BLACKS	WHITES
Michael Jordan	83%	69%
Jesse Jackson	77	41
Will Smith	72	41
Colin Powell	68	72
Lauryn Hill	55	18

INCOME GAP

■ Do you think black Americans will ever be able to earn as much money as whites?

	BLACKS	WHITES
Yes	42%	71%
No	49	19

ELI REED—MAGNUM

The Rev. Jesse Jackson

ELI REED—MAGNUM

Lauryn Hill

PROBLEMS FOR BLACK FAMILIES

■ How much of a problem do you think each of the following is for black families today?

THOSE RESPONDING "BIG PROBLEM"

	BLACKS	WHITES
Too many teenage girls having children	78%	61%
Not enough jobs paying decent wages	68	40
Drugs and alcohol	66	50
People not following moral and religious values	63	50
People depending too much on welfare	63	53
Crime in their neighborhoods	60	60
Racism in society in general	56	31
Public schools not providing a good education	54	42
The gov't not spending enough on social programs	52	24
Too many parents never getting married	51	[illegible]
Racism in the workplace	46	25
Not enough successful blacks as role models	[illegible]	24

IMPROVEMENTS

■ How much have the following improved conditions for black Americans?

BLACKS RESPONDING "A LOT"

Black churches	46%
Self-help by blacks	41
Clinton admin. policies	37
Community action	36
Affirmative action	32
Welfare-to-work laws	29
Other gov't programs	25
Economic conditions	24
A more colorblind society	20

WELFARE-TO-WORK

■ Do you think "welfare-to-work" laws have resulted in ...

BLACKS RESPONDING "YES"

More black self-reliance	63%
More jobs for blacks	57
More respect for blacks	46
More black poverty	36

FAMILY SITUATION

■ Compared with five years ago, do you think the situation for you and your family is better, worse or about the same?

	BLACKS	WHITES
Better	48%	48%
About the same	40	39
Worse	8	13

QUALITY OF LIFE

■ Do you think the following are better, worse or the same as they were five years ago?

THOSE RESPONDING "BETTER"

	BLACKS	WHITES
Family income	59%	53%
Job opportunities	43	40
Education quality	38	30

LOOKING INTO THE FUTURE

■ Looking ahead 10 years from today, do you think each of the following will get better, get worse or stay about the same?

THOSE RESPONDING "BETTER"

	BLACKS	WHITES
Your family income	71%	59%
The quality of education in your local schools	64	55
Job opportunities for your family	57	48

FOR THIS SPECIAL NEWSWEEK POLL, PRINCETON SURVEY RESEARCH ASSOCIATES CONDUCTED TELEPHONE INTERVIEWS WITH 751 ADULTS INCLUDING 84 AFRICAN-AMERICANS ON APRIL 16–19. THE MARGIN OF ERROR IS +/- 4 PERCENTAGE POINTS; +/- 5 FOR WHITES AND +/- 8 FOR BLACKS.

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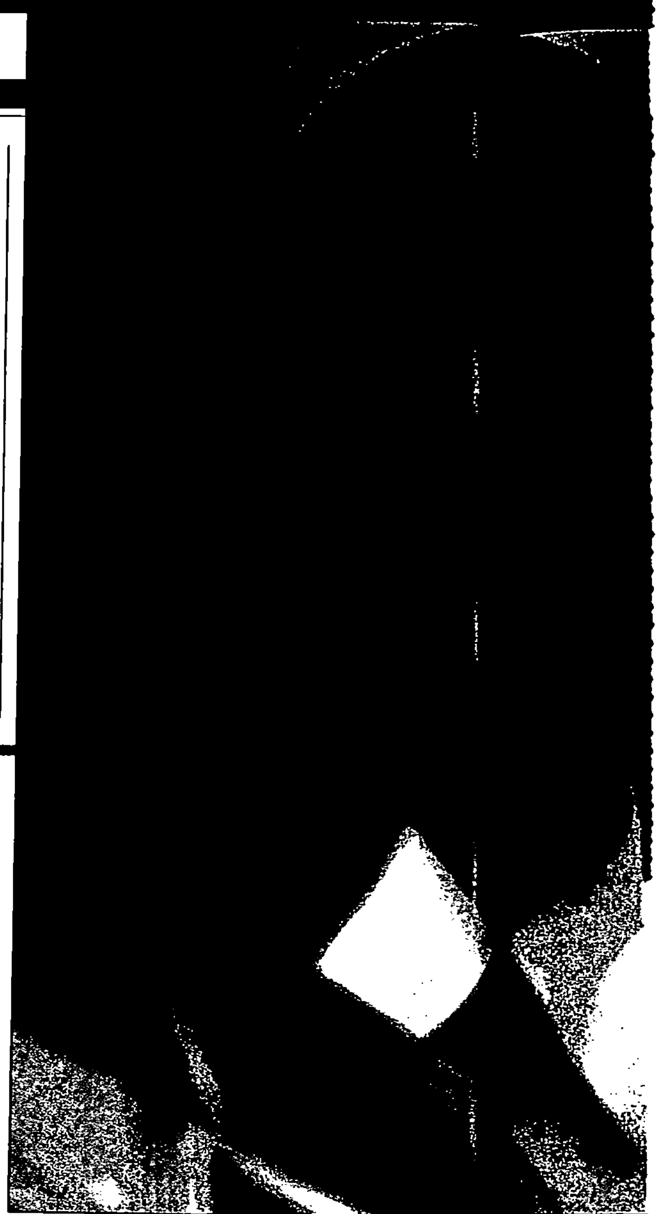
Our leaders ... can't let go. I won't say they have a vested interest in maintaining the status quo, although I think that's a possibility." Harvard sociologist Orlando Patterson agrees. In the aftermath of the civil-rights revolution, "blaming racism" made good politics and fashionable social science, he says. That era is ending, in Patterson's view, "but, tragically, Afro-American leaders now seem trapped by the fire they started."

In African-American leadership circles, Patterson's indictment strikes a nerve. It even evokes limited agreement. Yvonne Scruggs-Leftwich, executive director of the Black Leadership Forum, an umbrella group of civil-rights organizations, concedes, "We don't often enough acknowledge where there have been successes." Nonetheless, civil-rights leaders resent and reject the view that they are a bunch of self-serving doomsayers. "We *have* celebrated the economy, the reduction in unemployment, the reduction in teen-pregnancy rates," says Huge Price, head of the National Urban League.

The problem is that although certain blacks are thriving, others are not. Many of those "beneath the surface of socioeconomic viability," as sociologist Elijah Anderson describes them, are worse off than ever. Many blighted, black neighborhoods lack the equivalent of a Homan Square or an Allen Temple and are dying slow, painful deaths. And in that fact lies a leadership challenge and a philosophical dilemma. How can civil-rights leaders acknowledge the real and evident progress without encouraging complacency? How can they keep the pressure on to "move the glass from half-full to three-quarters full," in Price's words, if they give up the language of crisis and damnation? How do they avoid playing into the hands of those who would eliminate affirmative action, voting-rights enforcement and so many other things that are largely responsible for the



Trying to Close the Achievement Gap

Why, in this upper-middle-class Ohio high school, do blacks perform worse than whites?

IT'S NINTH-PERIOD-class change, and the halls of Shaker Heights High erupt in a rush of teen energy. As Abercrombie & Fitch preppies dish on the latest episode of "Party of Five," and hip-hoppers in Hilfiger khakis slap hands over new tracks from rapper Nas, a procession of black upperclassmen in shirts and ties cuts a conspicuous path through the halls. Crowds disperse for class, and the buttoned-down crew, leaders of the Minority Achievement Committee, head to the auditorium, where a group of black freshmen in T shirts and jeans sits quietly. Grade reports are out, and these kids have some explaining to do. Not to nagging parents or teachers, but to their own. "You think D's and F's are funny?" says one senior, to a grinning 15-year-old. "This is mediocre," says another, waving a card of C's before a squirming underclassman. "Mediocre doesn't cut it for a black man."

Motivation

'I work hard,' says Princeton-bound senior Candace Hamilton. 'I expect to do well.'

At least it *shouldn't* in Shaker Heights, Ohio. The affluent suburb of Cleveland has long been hailed as a model of successful integration. By and large, blacks and whites there are equally well off and live harmoniously side by side. The high school consistently ranks as one of the nation's best. There's just one nagging failure: the persistent achievement gap between black and white students. The brightest black students at Shaker are among the country's best, but a study released two years ago turned up a bleak reality. Though blacks make up half the high-school population, they regularly account for less than 10 percent of those at the top of the class and nearly 90 percent of the bottom. "We have been aware of and working on this for years," says school spokesperson Peggy Caldwell. "But seeing it in stark, raw numbers brought it home." Much is at stake. The achievement gap is a chronic national problem. If they can't beat it in Shaker, a town that has bucked so many negative racial trends, what community in America can?

The roots of the problem are varied, obscure—and a touchy subject. As in schools nationwide, teachers at Shaker may unwittingly set the bar lower for blacks. Black parents, who view a C as a lesser evil than scarier urban ills like drugs and gangs, might subconsciously make fewer academic demands. Kids, convinced they can't excel, often don't try. Their waning confidence seeps out in self-deprecating jokes. At an all-black lunch table in the school cafeteria, a student says with a laugh that the CP in College Prep—Shaker's lowest level of classes—must stand for "Colored People" because

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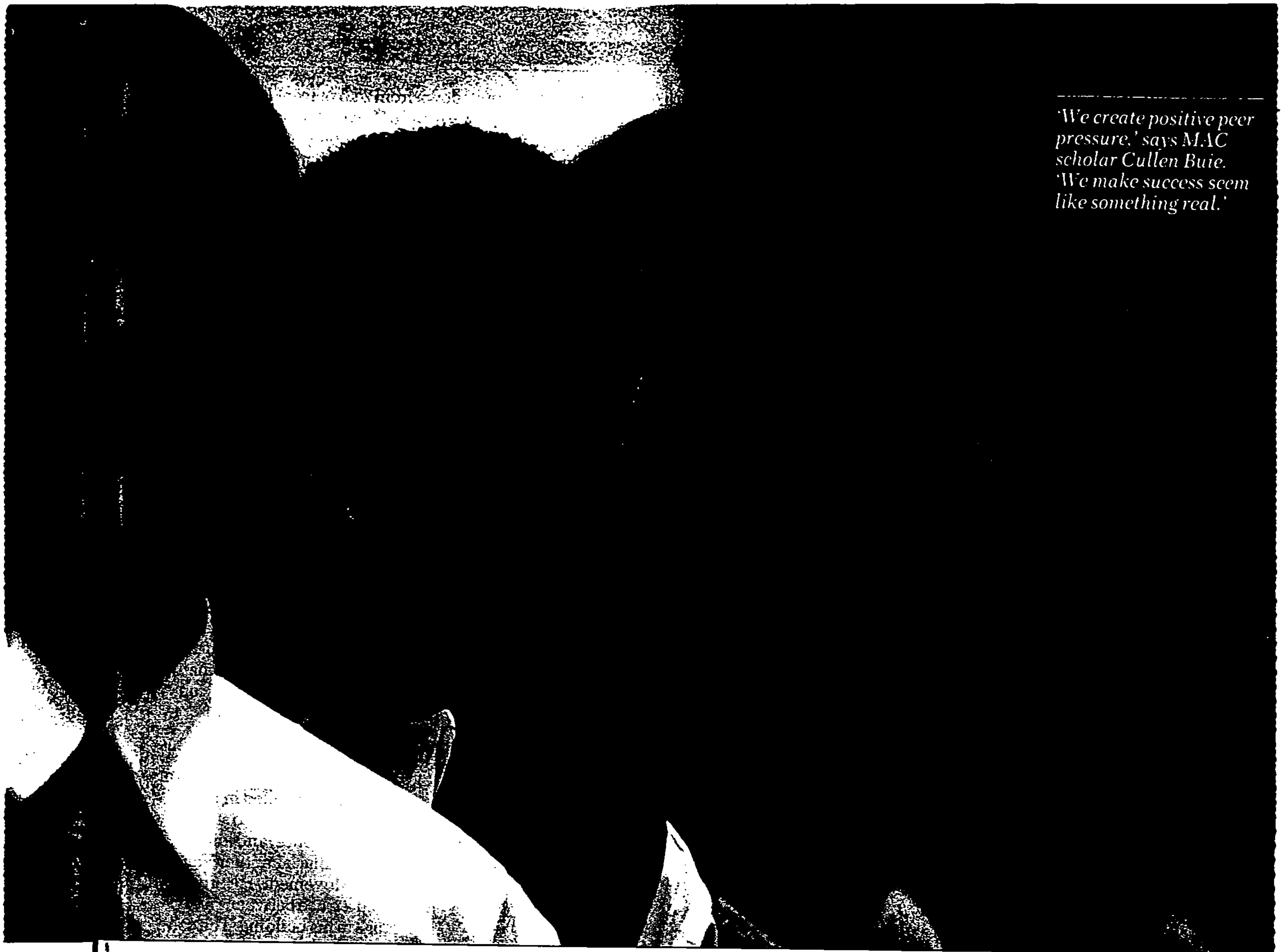

'We create positive peer pressure,' says MAC scholar Cullen Buie. 'We make success seem like something real.'

of the predominance of blacks in his classes.

Then there is peer pressure. Most teens at Shaker say they don't buy the old line that doing well means selling out to white culture. "What, only white people study?" says junior Justin Taylor. "That's just plain stupid and insulting." But if students don't catch flak for "acting white," they face mixed messages about what it means to "act black." Dr. Ronald Ferguson, a Harvard development specialist, conducted a survey of student attitudes at Shaker. When he asked what it takes to be popular, whites gave high marks to outgoing personality. Blacks gave higher marks to being tough. "That tough kid is going to be more standoffish toward authority figures," says Ferguson. "And that social requirement [works against] achievement."

The community is chipping away barriers to success. The Minority Achievement Committee was started in 1990 by high-achieving black males to show struggling freshmen that being smart is cool. Inductees are dubbed Potential Scholars. If they can hike their grades above a 2.8, as juniors they become MAC Scholars. Weekly meetings start with a firm handshake, followed by the MAC credo, "I pledge to uphold the name of the African-American man. I will do so by striving for academic excellence." "These guys have the grades, the respect *and* the girls," says Raji Bey, a senior who went through the program as a freshman. "Who wouldn't want to be like them?"

Parents, too, are circling the wagons. Rubin Harris, whose daughter Aida is a sophomore honors student, is cofounder of Caring Communities Organized for Education, formed in 1997 to boost black-student performance. The group holds town meetings, teacher workshops and parenting seminars to educate families about the achievement gap. "It's not that black parents aren't involved in their children's educations," says Harris. "They just need to be more effectively involved."

But high-school interventions may come too late. More than three quarters of students who fail at least one portion of the state proficiency test, taken before entering ninth grade, are black. The real time to address the achievement gap is in preschool, before it becomes entrenched. Shaker administrators are now experimenting with intensive summer tutoring, middle-school mentoring and all-day kindergarten to combat the problem earlier.

The high school takes success as it comes. At the MAC year-end awards ceremony, some of the same freshmen chided for their midterm grades were stepping up for a handshake from their proud senior brothers. Matthew Cox had a 1.1 GPA when he came to Shaker Heights High in September. Now it's a 2.4. "I'm feeling pretty good," says Cox, 14, an aspiring cartoonist who has his sights set on Kent State University. "But I know I can do even better." If Shaker can get enough kids to say the same thing, that's one more racial trend defied.

LYNETTE CLEMETSON

PHOTOS BY ELI REED—MAGNUM

black progress on display today? "To the extent you proclaim your success, other people forget about you," worries the Joint Center's Eddie Williams.

Then there is the fear—one deeply felt not only among the black leadership class but among much of the black general population—that the good times may be transient. What happens, skeptics ask, when the economy hits bottom? Or if the attacks on affirmative action ultimately eliminate opportunities, only recently won, in both the private and the public sectors?

In addition, there is this cold reality: for every upbeat statistic that engenders joy, there is a dismal number—or a skeptical reading—that invites alarm. And there are millions of personal experiences that conflict with the rosy statistics. In 1998, the jobless rate for blacks 20 to 24 years old was 16.8 percent, down from 24.5 percent in 1985; but that means little to Travon Netherly, a student at L.A. Southwest College. Recently, says Travon, four of his brothers applied for a job at an Orange County amusement park. Despite the help-wanted ad in the window, all were turned away. "My brothers were willing to take anything, even wear one of those Snoopy costumes," says Netherly, who bitterly adds, "It don't take skills to be Snoopy."

'Improvement Is a Myth'

One working family in South-Central L.A. says all the rosy national statistics won't feed their kids

MALIK BURNS, A student and activist in South-Central Los Angeles, does not buy all the rosy news about black America. "The truth is," he says, "this society doesn't want us to make it." Burns, 28, is a compact but forceful man, with shoulder-length braids and a diamond nose stud. In the small, spotless one-bedroom apartment he shares with his wife and three children, posters of Malcolm X share wall space with a pair of food stamps, reminders of the family's battles with dire poverty. There are times, he says, when he has skipped meals so that his children can eat. Burns jabs the air with a finger. "If a few blacks are succeeding, it's only because they ... have been let in through the cracks to pacify the rest of us. But if they haven't been able to help their own people, what good does it do?"

Seated beside him on a black velvet couch, Faith Burns, 34, is the soft-spoken half of the family. With Malik's help, she manages the apartment building, supporting a family of five on just $280 a week, before taxes. In Faith, resignation runs deep. "We're doing the best we can for the kids," she says. "But I don't think they'll have many opportunities. If they get a job, it will be a dead-end job."

The couple blames the enduring legacy of racism for their problems. Yet their story, like many, is more complicated than that. A high-school graduate, trained as a dermatology technician in the Navy, Malik could not land a job after his discharge. He blames a white senior officer for giving him a bad reference. Though he took spot factory jobs, he says, "I felt like a slave. I had assisted on surgeries back in the Navy. I had an education. I thought, I'm more than just an able body." When he got interviews for medical jobs, he says his appearance scared white employers. Even as his family struggled, he did not cut his hair. "We're told to conform in order to make the white man comfortable," he says. "I consider [my appearance] an African cultural thing."

The couple decided they would have to make their own way. Malik enrolled in L.A. Southwest College to study political science, and joined the New Black Panther Vanguard Movement. He brokered a truce between rival gangs in his building. The couple converted a storage area into a tutorial classroom, and launched a music and dance program for kids. Now, on a spring afternoon, children play in the concrete courtyard.

For all their work, the family remains below the poverty line, a counterpoint to the national statistics of black progress. "I wouldn't say things are positive right now," says Malik, "if the only way we can survive is to work two or three minimum-wage jobs—assuming you can get them." The legacy of inequality, he says, is not resolved by a momentary upturn in the economy. Rather, it is in the weave of the American tapestry. "It's a myth to think things are better for black families right now," he says. "In many ways, they are worse than ever."

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CARL POSEY

Treading Water

'The only way we survive is to work two or three minimum-wage jobs—assuming we can get them,' says Malik Burns

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CARL POSEY

Preaching Today

The church can be 'otherworldly,' says Oakland's J. Alfred Smith Sr. 'We're concerned with the nasty now and now.'

Eric Frierson, a 33-year-old data processor and Watts native, has equally pressing worries. Frierson did 11 years in Folsom penitentiary, but has managed to stay out of trouble for the past five years, and now volunteers for FACES, a community-outreach organization working in Watts's Imperial Courts housing projects. It is an area where buildings are pockmarked by bullet holes and bad company constantly beckons. "They told me I can't be around no ex-cons," says Frierson, but "everybody I know is an ex-con. All my brothers are ex-cons. Almost every black man you see is an ex-con. Who am I going to be with?"

Frierson's plaintive question reflects a sobering reality. An estimated 70 percent of the young black men of Watts—those between the ages of 16 and 25—are on "some kind of paper," meaning they're in jail, on parole or on probation. That specter of prison haunts countless other black communities across the nation. In some areas, prison time has become such a pervasive feature of life that it has totally undermined the hard-fought victory for black voting rights. One million four hundred thousand black men, or 13 percent of the total, are disenfranchised because of felony convictions, according to a recent report by Human Rights Watch and The Sentencing Project.

Some even question whether the much-vaunted black progress in education is as genuine as it seems. A study of higher education in 19 states done by The Southern Education Foundation shows that though the numbers of blacks in college overall are up, those of first-time, full-time freshmen are not. Numerous experts are also concerned about the impact of anti-affirmative-action measures. When California, Texas and Washington state eliminated affirmative action, all experienced huge drops in the numbers of blacks and Latinos admitted to their most selective state schools.

In earlier grades, the picture is also ambiguous. Twenty-six states have adopted exams high-school seniors must pass before they can graduate, according to a new study from the Applied Research Center, an Oakland-based research and advocacy group. "In virtually every state that has implemented high-school exit exams, a disproportionate number of those who have passed all other requirements but fail to graduate ... are students of color," charged the report. Exit exams "essentially punish poor students and those of color for attending substandard schools," concluded ARC. Less easily explained, this performance gap also persists in affluent and integrated communities, such as Shaker Heights, Ohio (story, page 36).

Welfare reform, likewise, does not bring exclusively good news. Clearly, it has taken recipients of all races (more than 2 million families) off the rolls, and given many a second shot at a productive life. Studies—and at this point there are no definitive ones—suggest that perhaps two thirds manage to get along reasonably well (often through a combination of part-time work, forays into the underground economy and help from their families). But many (probably most) don't find full-time permanent jobs. And it appears that whites do better than blacks. The racial difference "is consistent with what we know about employer preference," says Melvin Oliver of the Ford Foundation. There are other likely reasons, as well, including the fact that black women are less likely to live where jobs are located. But like virtually everything else involving race, the reality of welfare reform is too complex to capture with one hackneyed truism, or with one simple set of statistics. In Wisconsin, which has more experience with welfare reform than any other state in the nation, thanks to a series of initiatives that began under Republican Gov. Tommy Thompson, that complicated truth is reflected in the divergent experiences of Cassandra Tucker and Sheri Totton.

Tucker, 29, and the mother of six, became a welfare recipient after her divorce five years ago. She is now a foreman at Central Overhead Door, and she credits Wisconsin's tough-love welfare policy with getting her there. Where the old welfare policy encouraged dependency, the new one promotes independence. "You are special. You can do great things," one social worker told Tucker. She believed it and triumphed. After spending the summer of 1998 learning construction at a building-rehab site managed by the YWCA of Greater Milwaukee, she was hired for her present job.

Where Tucker found empowerment in welfare reform, Totton—so far—has found only struggle. Totton, also 29, lost her housing because she could no longer pay the rent, and now lives with her three daughters in a family shelter one block west of the YWCA that turned Tucker's life around. After eight years on public aid, the best job she could

Still Dreaming

Black America may no longer be a 'lonely island of poverty,' but King's dream still waits

ANDREW CUTRARO—AFP

land was a part-time position at a local food bank. She's had a hard time juggling her job and school—neither of which she can afford to miss, since the penalty is a reduction in her welfare benefits. And it is far from clear that she will have the wherewithal any time soon to make the leap to self-sufficiency. "A lot of stuff is confusing," she sheepishly admits. What the two women's stories make clear is that it's ultimately impossible to say whether things are better or worse without asking, "better or worse *for whom?*" Similarly, one must also ask, "Compared with what?"

Black executives inevitably compare themselves with their white peers, notes Sharon Collins, a sociologist at the University of Illinois at Chicago. "And no matter how well the blacks are doing, they're not doing as well as their white counterparts." In fact, when blacks compare themselves with whites in virtually any arena, the picture is unsettling.

Black income, for instance, is at its highest level ever, and unemployment is lower than it has been in a quarter of a century. Yet black unemployment (at 8.9 percent) remains more than twice the rate for whites (3.9 percent). Among workers 20 to 24, the unemployment numbers are even more lopsided (16.8 percent for blacks, 6.5 percent for whites). Such high unemployment among blacks "in a virtually full-employment economy says there's still something wrong," observes Wade Henderson, executive director of the Leadership Conference on Civil Rights. Labor-force participation figures are equally dispiriting, particularly for black teens. Only 40 percent of black males between 16 and 19 are in the labor force, compared with 57 percent of their white counterparts. And though black median income (for a family of four) reached a record high of $34,644 in 1997, that was still $21,378 less than the average for whites.

It is not, however, just the difference in numbers that makes so many blacks loath to believe American society is serious about racial equality. There are also the continuing reminders of racism. Even for those blacks for whom now is the best of times, bigotry remains more than a memory. For those who get brutalized by cops or stopped for "Driving While Black" (incidents that dramatically erupted recently in New Jersey and New York), it's impossible to feel truly accepted in America, points out Mary Frances Berry, chair of the U.S. Civil Rights Commission. Or, as economist Glenn Loury puts it: "A lot of people are pissed off, and they're not all crazy."

That black schoolchildren are still wrestling with the ludicrous issue of whether academic achievement somehow makes them less black says volumes about the message of black-white difference that society continues to send. It is a message graphically underscored by the intense segregation that defines American living patterns. And it is continually bolstered by popular culture, particularly television, which keeps its dating shows racially segregated and its programming racially segmented. Hence, it's no wonder that blacks and whites generally watch totally different prime-time shows. And it's hardly surprising that even though the incidence of interracial marriages has grown greatly, marriages between blacks and whites are a fraction of those between whites and Hispanics or whites and Asians.

What all that says, in short, is that, for all the well-documented black success stories, and for all the heartwarming statistics, blacks remain, in substantial measure, a race apart in America: a race admired, even emulated, yet held at arm's length. It reflects a particular American schizophrenia. We embrace equality and yet struggle with it in reality. We have come so far, and yet we have not escaped the past.

In perhaps the most famous passage of his most famous book, "The Souls of Black Folk" (first published in 1903), the great sociologist and social activist W.E.B. Du Bois tried to explain what it meant to be a Negro in America. "One ever feels his twoness—an American, a Negro; two souls, two thoughts, two unreconciled strivings; two warring ideals in one dark body, whose dogged strength alone keeps it from being torn asunder." What he did not say, but could have, is that America also has its unreconciled strivings, an impulse toward acceptance coexisting with a tendency toward exclusion, a reverence for equality that coexists with stirrings of racism.

The good news on black America is too clear to deny. In the past few decades, blacks' fortunes and prospects have soared toward the heavens. Blacks have entered virtually every sector of American society and breathed life into Martin Luther King's extraordinary fantasy. It's too late to put the racial-justice genie back in the bottle. It's time to acknowledge what America and African-Americans together have accomplished and become. The bad news, however, is equally profound, and it can be summed up with two simple facts. Despite all the progress of the last several decades, we continue to talk about black America as a place and a people apart. And despite the lip service we pay to the concept of equality, we look with equanimity, even pride, upon a statistical profile of black Americans that, were it of whites, would be a source of horror and consternation. That is not likely to change soon; but until and unless it does, our great nation will never become the country of our finest dreams.

With Ana Figueroa, John McCormick, Vern Smith *and* Pat Wingert

The Good News About Black America

It's the best time ever to be black in America. Crime is down; jobs and income are up. White kids choose African-Americans as their heroes. But not everyone's celebrating. By Ellis Cose

IT WAS A STUNNING VISION OF RACIAL EQUALITY, MANIfested in a simple yet stirring mantra: "I have a dream." Though Martin Luther King Jr.'s cherished utopia has not arrived, it seems considerably less remote than it did in August 1963 when, from the Washington Mall, King challenged America to make his dream come true. African- Americans are no longer relegated, as he lamented, to "a lonely island of poverty" in the midst of plenty. By a wide array of measures, now is a great time—the best time ever—to be black in America.

get study — do 1 pg

Black employment and home ownership are up. Murders and other violent crimes are down. Reading and math proficiency are climbing. Out-of-wedlock births are at their lowest rate in four decades. Fewer blacks are on welfare than at any point in recent memory. More are in college than at any point in history. And the percentage of black families living below the poverty line is the lowest it has been since the Census Bureau began keeping separate black poverty statistics in 1967. Even for some of the most persistently unfortunate—uneducated black men between 16 and 24—jobs are opening up, according to a just-released study of hard-luck cases in 322 urban areas by researchers at Harvard University and the College of William and Mary.

More and more blacks have entered the realm of the privileged and have offices in (or tantalizingly near to) the corridors of corporate and political power. Some control multimillion-dollar budgets and reside in luxurious gated communities. They are, by any criteria, living large—walking testaments to the transformative power, to the possibility, of America.

"I really think there is a new phenomenon out there," says Eddie Williams, head of the Joint Center for Political and Economic Studies, the nation's premier think tank on blacks and politics. According to the center, the number of black elected officials has nearly sextupled since 1970, and now stands at roughly 9,000. In a poll late last year by the Joint Center, blacks were more likely than whites—for the first time in the history of this survey—to say they were better off financially than in the previous year (51 percent compared with 31.5 percent). A new NEWSWEEK Poll confirms that the finding is not a fluke. Seventy-one percent of blacks (compared with 59 percent of whites) told NEWSWEEK's pollsters that they expected their family incomes to rise during the next 10 years. Fifty-seven percent of blacks (compared with 48 percent of whites) foresaw better job opportunities ahead. As Los Angeles gangbanger turned music entrepreneur Darrin Butler, 28, sums it up, "From where I'm sitting, everything is looking bright."

This sunniness is reflected in the coun-

Homegrown Success

The black middle class is booming (left). At the Piney Woods school, working with livestock builds self-esteem. Says president Beady: 'This is the kind of environment where they can realize their potential.'

try's popular imagination, which freely celebrates the appeal and accomplishments of African-Americans. Michael Jordan, Lauryn Hill, Colin Powell—pick your icon; if you are touched at all by American culture your idol is likely to be black. There have always been black successes and superstar achievers, but never before has black been quite so beautiful to so many admirers of every hue. "When did you ever think you would see black men as the heroes of white children?" asks Bobby William Austin, head of the Village Foundation, an Alexandria, Va.-based nonprofit that runs programs for young black men.

Today's upswing in black fortune is unfolding in a singular context, against the backdrop of a superheated economy that has been booming since April 1991. That expansion, the longest ever in a time of peace, has been a boon to Americans of every race. It would be a mistake, however, to credit the economy alone for the sense of hope sprouting in many black communities. Even as the strong economy has made bigger dreams possible, a strong resurgence of black self-confidence and self-determination has made their realization more probable. Indeed, blacks polled by NEWSWEEK credited black churches (46 percent) and black self-help (41 percent) for the upturn in black conditions. It would also be a mistake to assume that today's good times have brought good tidings to all blacks. They have not. More black men than ever languish in prisons. Black academic achievement stills lags that of whites. And suicides among young black men have risen sharply, reflecting a deep "sense of hopelessness," says Jewelle Taylor Gibbs, a psychologist and University of California, Berkeley, professor. And fear is pervasive that an economic downturn—or the legal-political assault on affirmative action—could wipe out blacks' tenuous gains.

Nonetheless, for a community yet haunted by the memory of Jim Crow, this is a remarkable moment. One of the most dramatic signs of progress is the explosion of productive activity as once desolate inner-city neighborhoods, such as Chicago's North Lawndale, come to life. In 1966, this area on Chicago's West Side was so blighted that Martin Luther King rented an apartment there to call attention to it. Then things got worse. The area was largely incinerated by the riots that broke out in the wake of King's assassination in 1968. More than half of the population moved out between 1960 and 1990. Now new construction is shooting up. Homes are selling for as much as $275,000 apiece. And the young black professionals flocking back to buy them talk of renaissance and hope reborn.

"People wrote this area off. They didn't believe middle-class African-Americans would come back here. Now we're making this neighborhood work," says Demetrius Barbee. For Barbee, a Blockbuster executive, and her husband, Gerald, a medical-equipment technician, trading in a fancy North Lake Shore Drive address for a North Lawndale dream house was not

What do they do?

M LEFT: JOHN BENTHAM, COURTESY THE SHARK BAR, NEW YORK CITY, ANN STATES—SABA

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merely a matter of getting good quality for a good price. It was an investment of hope in the very idea of a community coming back from the dead.

Homan Square, the development where the Barbees now live, resulted from a serendipitous confluence of events. Sears, having moved its onetime world headquarters out of the area, had plenty of well-maintained land it was willing to donate to the project. Mayor Richard M. Daley was eager to facilitate—providing, among other assistance, grants to first-time homeowners. And an important developer, the Shaw Co., saw the value of the enterprise. The Homan Square experiment in urban reclamation has covered six city blocks with 299 units of housing, 133 of them owner-occupied single-family homes. It has also spawned a health clinic, several new businesses and numerous other construction projects. Perhaps most important, it has inspired other developers. Just southeast of Homan Square sits a new shopping center anchored by a Dominick's supermarket and a 10-screen Cineplex Odeon Theater. A few blocks away, another town-house development has gone up. Central City Productions, a local black-owned entertainment company, plans to build a $150 million, 337,000-square-foot television-studio complex. And other projects are pending.

Though few urban ghettos have seen a turnaround as promising as North Lawndale's, withered communities elsewhere are rebounding as well. In the Elmhurst area of Oakland, Calif., new buildings are rising from the rubble. Unlike in Chicago, where a major company took the lead, this turnaround effort—like others in New York, Chattanooga, Tenn., Savannah, Ga., and elsewhere—is community based. In the past year alone Allen Temple Baptist Church has generated more than $20 million worth of new construction projects. The church plans to open a 60,500-square-foot Family Living Center this summer (with activities for everyone from children to senior citizens) and has broken ground for a 24-unit complex for AIDS/HIV patients.

"This is a congregation that long ago decided to take matters into its own hands," says Doris Britt, a church member and director of admissions at UC Berkeley's School of Social Welfare. Longtime congregant Joe Villa traces the can-do attitude to the late '70s. As white homeowners and white-owned businesses and banks took flight, the church kept the faith. Determined to provide a place for community residents to bank, "we contacted the National Credit Union Administration and

Ellis Cose writes that while America embraces equality, the struggle still continues. Join him for a live discussion at noon EDT, Wednesday, June 2, at www.newsweek.com.

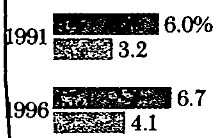
Moving Forward, But Still Behind

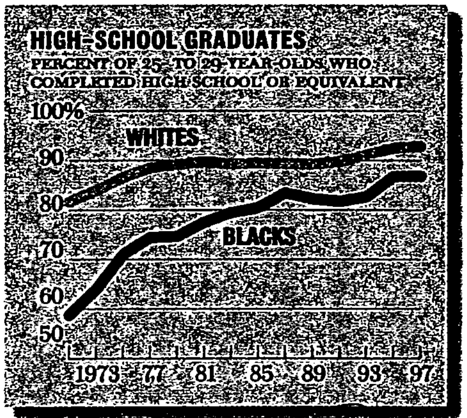
These statistics show that African Americans have made progress on many fronts: in education, health and finance. But they also indicate that blacks still lag white Americans in many important ways. A look at the gap between the races:

Education: Getting a Better Grade

Socioeconomic factors put blacks at greater risk for failure, but they're gaining ground.

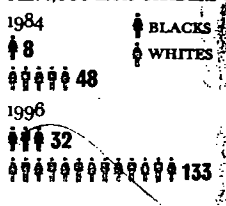
DROPOUT RATES
PERCENT OF 10TH–12TH GRADERS, AGE 15–24



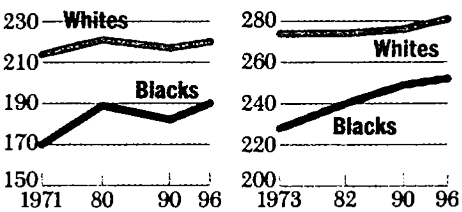


Rubble and rejuvenat... 1973 (left) a...

ADVANCED-PLACEMENT TEST TAKERS
PER 1,000 12TH GRADERS

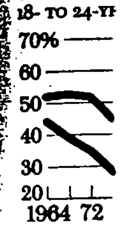


STANDARDIZED-TESTING PROFICIENCY*
AVG. READING SCORES — AVG. MATH SCORES



COLLEGE ATTENDANCE
PERCENT OF 25- TO 29-YEAR-OLDS WHO COMPLETED HIGH SCHOOL AND FOUR OR MORE YEARS OF COLLEGE

MALE	1981	1991	1997
Blacks	15.4%	13.7%	13.7%
Whites	28.4	29.7	34.1
FEMALE			
Blacks	14.5	13.1	18.5
Whites	24.2	29.8	36.2

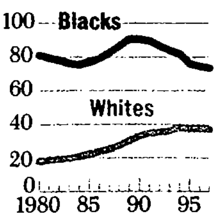


BY THE N...
50%... or more t...
87%...
78%... school di...

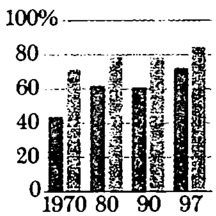
Health and Home: An Improving Picture

With better medical care, blacks are living longer and having healthier children.

BIRTHRATES
PER 1,000 UNMARRIED WOMEN



PRENATAL CARE
PERCENT OF MOTHERS RECEIVING TREAMENT

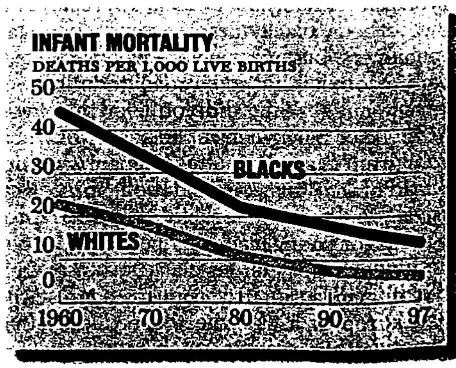


LIFE EXPECTANCY
AT BIRTH

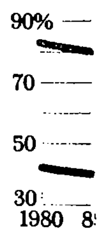
MALE	1980	1986	1996
Blacks	63.8	64.8	66.1
Whites	70.7	71.9	73.8
FEMALE			
Blacks	72.5	73.4	74.2
Whites	78.1	78.8	79.6

TEEN ALCOHOL AND CIGARETTE USE
% OF 12TH GRADERS WHO IN THE LAST 30 DAYS ...

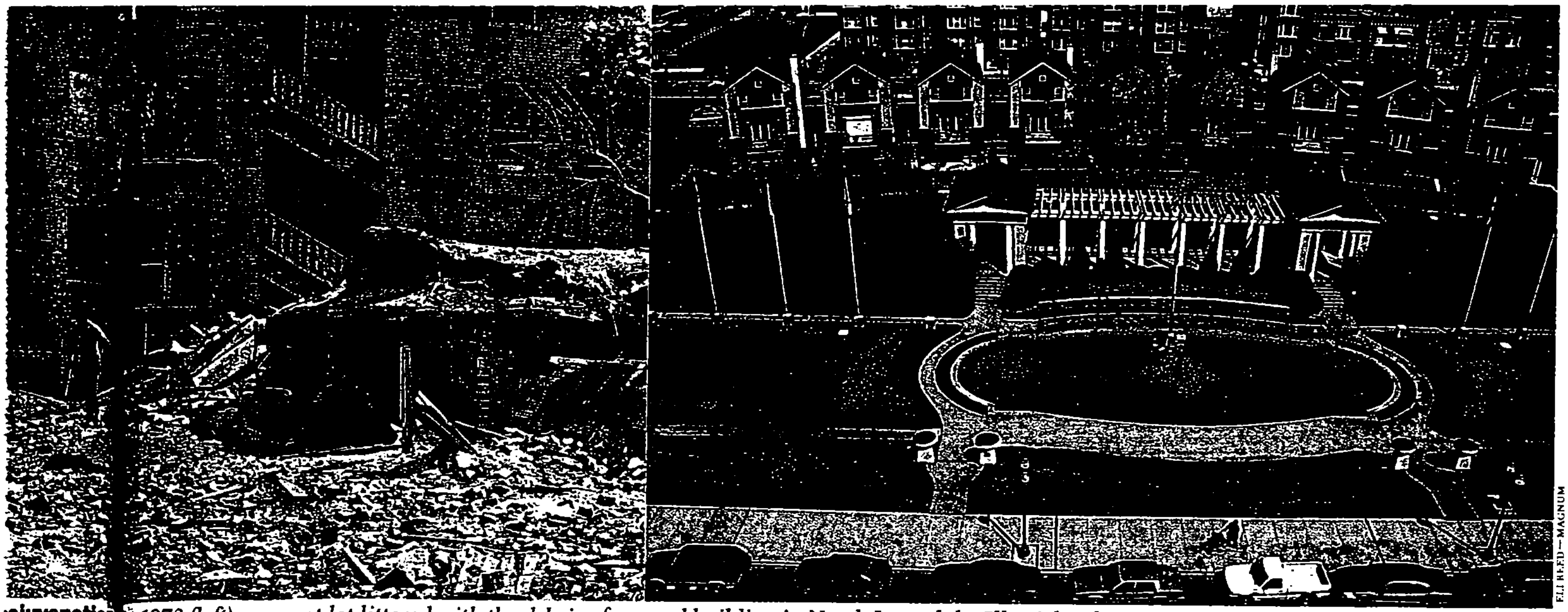
SMOKED CIGARETTES	1992	1995	1998
Blacks	8.7%	12.9%	14.9%
Whites	31.8	36.6	41.7
GOT DRUNK			
Blacks	11.0	13.2	13.8
Whites	34.7	36.4	39.3



NUCLEA...
PERCENT ... UNDER 18 ... WITH BOT...



BY THE...
42%... more th...
78%... governm...
44...

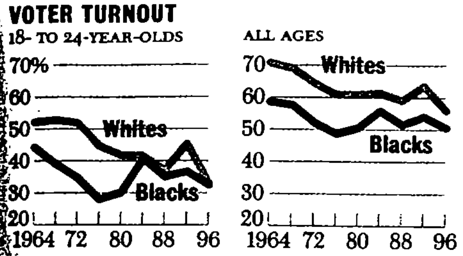


ejuvenatio[n] 1973 (left) a vacant lot littered with the debris of a razed building in North Lawndale, Ill.; right, the same town today

ELI REED—MAGNUM

PLACE-
AKERS
GRADERS
BLACKS
WHITES
133
MPLETED
OF COLLEGE
1997
13.7%
34.1
18.5
36.2

VOTER TURNOUT



BY THE NUMBERS ...

50% of black students have parents who help them ~~with homework~~ 3 or more times weekly. It's 35% for whites.

87% of black college grads had full-time jobs in 1997. Whites: 95%.

78% of black high schoolers' mothers had attained at least a high-school diploma in 1997, up from 36% in 1972

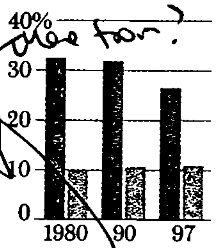
Economics: Historic Highs, Comparative Gaps

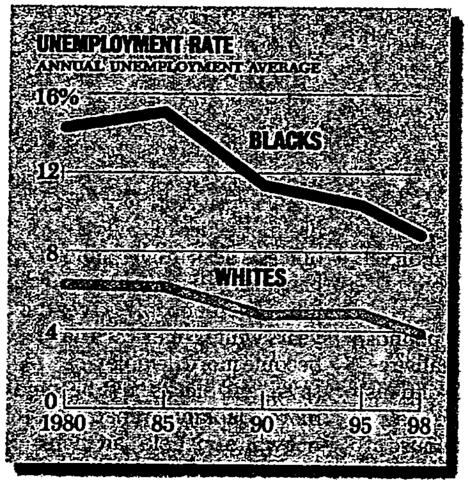
Black income is at its highest rate and unemployment is at its lowest in a quarter century.

THE POOR

PERCENT OF PEOPLE BELOW POVERTY LINE

also for?





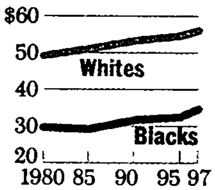
BY THE NUMBERS ...

46% of blacks owned homes in 1998, up only 1 percent since 1983. Last year, 72 percent of whites owned homes.

56% of blacks who make $50,000 or more have a brokerage or mutual-fund account. Seventy-one percent of whites have one.

MEDIAN INCOME FOR A FAMILY OF FOUR

IN THOUSANDS



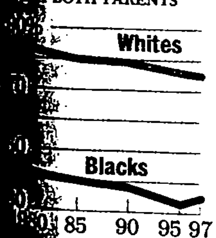
TYPES OF EMPLOYMENT, 1998

OCCUPATIONS	Blacks†	Whites
Farming, forestry, fishing	1%	3%
Service occupations	21	12
Operators, laborers	19	13
Technical, sales	29	29
Precision, craft	14	12
Managers, professional	20	31

DAYS ...
1998
14.9
41.7
13.8
39.3

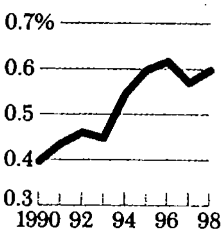
NUCLEAR FAMILIES

PERCENT OF CHILDREN UNDER 18 LIVING WITH BOTH PARENTS



INTERMARRIAGE

BLACK-WHITE MARRIAGES AS PERCENT OF ALL MARRIAGES



THE NUMBERS ...

[?]2% of AIDS deaths in 1996 were of African Americans, 4.5 percent [more] than whites (37.5)

[?]8% of African Americans had health insurance in 1997 (private or [gover]nmental). For whites: 85 percent.

[?]5 per 100,000 blacks got cancer during '90–'95. For whites: 405.

MEDIAN WEEKLY EARNINGS

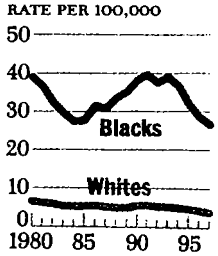
FOR WORKERS 15 AND OLDER

MALE	1990	1993	1997
Blacks	$309	$311	$348
Whites	499	469	502

FEMALE	1990	1993	1997
Blacks	196	203	250
Whites	249	240	265

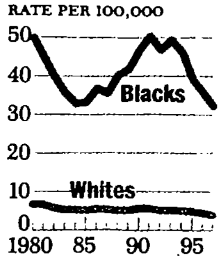
HOMICIDE VICTIMS

RATE PER 100,000



OFFENDERS

RATE PER 100,000



*READING SCORES FOR 9-YEAR-OLDS, MATH SCORES FOR 13-YEAR-OLDS. †NUMBERS DON'T ADD TO 100 DUE TO ROUNDING. GRAPHIC BY DONGMIN SHIM AND GUILBERT GATES. SOURCES: NATIONAL CENTER FOR EDUCATION STATISTICS; U.S. BUREAU OF THE CENSUS; NATIONAL CENTER FOR HEALTH STATISTICS; MONITORING THE FUTURE STUDY, UNIVERSITY OF MICHIGAN; AMERICAN CANCER SOCIETY; BUREAU OF LABOR STATISTICS; BUREAU OF JUSTICE STATISTICS; THE ARIEL/SCHWAB BLACK INVESTOR SURVEY

'Change Has Taken Place'

These Chicago homesteaders see greater opportunity, less racism—and a newly thriving neighborhood

As a boy, Anthony Scott played 16-inch softball—the gloveless Chicago version of the game—on a bleak Sears, Roebuck parking lot. Today he's living on the same plot of ground. As he walks around Homan Square, a bold new development in a run-down part of Chicago's West Side, he welcomes outsiders who respect the neighborhood and confronts those who don't. Teenagers who sit high on the back of a park bench and not on the seat are told: "That's *not* how you sit on a bench." His reproach to a man drinking beer within sight of several children is polite but direct: "You must not have been here before."

At 6 feet 2 and 340 pounds, Scott tends to get equally respectful answers. He and his wife, Elaine—he's 35, she's 34—bought the first house at Homan Square in 1994, trading a suburban apartment for a three-story home flanked by grass, play areas and, today, hundreds of other middle-class African-American homesteaders. Scott is fully aware of the surrounding area's remaining problems, which include open-air drug markets; he just won't succumb to them. "This is our property," he says, "and it's our responsibility to take care of it."

The Scotts can afford to live in Homan Square (their $90,000 investment is now worth $145,000) because of their hard work and, Anthony says, increased chances for black Americans. "Today I have greater opportunities to work with my head instead of my hands," he says. "And my wife doesn't have to clean other people's houses the way her grandmother did." In 16 years Scott has advanced from the mailroom at Northern Trust, a premier Chicago bank, to an officer's desk in a big suburban branch. Elaine has a good job at another bank. "Over the years white Americans have become more flexible," he says, "and blacks have become more adaptable. Whether or not white opeople had their hand forced through things like affirmative action, we definitely took advantage. And here we are."

Outside the workplace, he occasionally hears racist insults. But today those are less frequent. When classmates of 8-year-old Stephen Scott ask him why the man he calls his grandfather is white—he's actually a beloved former teacher of Anthony's—the child has a ready answer: "Well, because he is."

One day last week a wealthy white man approached Scott at the bank. The man explained that his eyesight had slipped; he no longer could read. He handed Scott the checkbook to his bulging money-market fund—and his billfold. Scott disappeared to a teller window, then returned with the wallet and a wad of cash. The man took back his things, paying little attention, and thanked Scott. Twenty years ago, Scott says, that nonchalant exchange might not have happened: "Change has taken place across the board—not just one race, but every race." For Anthony Scott, a good job and a nice house are sources of pride. But he was also heartened that a rich white man would trust him with his wallet.

JOHN McCORMICK

ELI REED—MAGNUM

New Horizons

'Today I have greater opportunities to work with my head instead of my hands,' says Anthony Scott

figured out how to charter our own credit union," recalls Villa, who became its volunteer president. That credit union (which primarily serves church members) will be 20 years old next year and now holds more than $10 million in assets—making it the largest African-American church credit union in the country. Community-based activists are not only initiating urban-renewal projects, but driving down teenage births and crime all over America, contends Angela Blackwell, founder of Policy Link, an Oakland-based research and advocacy organization. "Poor people just got sick of it," she says. Others give more credit to government policies, including tough anticrime measures and welfare reform. Kerman Maddox, chairman of the political-science department at Los Angeles Southwest College, in South-Central L.A., says his female students are taking school more seriously and are less likely to have babies. "In the past, I'd say half my 18- to 22-year-old students had kids," says Maddox. "The number has dropped dramatically." He believes welfare-reform provisions "that no longer reward them for having more kids" are the principal reason.

Whatever the motivations (and they are necessarily multiple), more young people are moving to take control of their lives; and the result seems to be a better shot at success. As Shykiesha Walker, the 17-year-old president of the Young Girls Keeping it Real Club, in Watts, puts it, "We're just trying to keep ourselves out of trouble, achieve a higher goal in life."

Across the country, Piney Woods Life School, a private boarding academy in rural Mississippi, is stoking that hunger for success. Started at the turn of the century to educate children of Mississippi field hands, it has evolved into a haven for mistreated or troubled black kids from across America. Many come from backgrounds similar to Kenya-

See more page

tah's, a 16-year-old junior whose parents, both junkies, kicked her out of their Washington, D.C., home at the age of 4. She ended up with relatives, also addicts, and spent time living on the street. Serendipity and a recommendation from a friend of her aunt brought Kenyatah to Piney Woods, and she is grateful for the change. "Where I'm from, you don't learn anything [in school]," she says.

At Piney Woods academics are stressed, and self-pity is not an option. Over the last several years, ACT scores for Piney Woods seniors have risen from an average of 9.8 to an average of 18.1—compared with a national average of 22. "We've set a goal of having our young people exceed the national average on the ACT within the next three years," says school president Charles Beady Jr. Piney Woods graduates routinely go on to Ivy League colleges. Many also become ambassadors of deliverance, spreading the word that black children can triumph, no matter how or where their lives begin.

The significant reversal of black fortunes is a signal event, one that "must be acknowledged and celebrated," says Joe Hicks, executive director of the Los Angeles Human Relations Commission. Yet, for the most part, blacks are not celebrating it, which raises an inevitable question: if the news in black America is so good these days, why are people not dancing in the streets? Why are civil-rights leaders n proclaiming it from the rooftops? Why h. the dialogue on racial relations not fund mentally changed to accentuate the pro ress instead of the lingering problems?

Ward Connerly, the controversial bla businessman and driving force behir Proposition 209, the ballot measure th eliminated affirmative action in Californ state government, thinks the reason has a l to do with the fossilized attitude of mar blacks—particularly those in the leadersh class. Even though society has transforme itself, says Connerly, many African-Amer cans are "locked into that mind-set of the '6(that society is racist ... We just can't let g

Feeling Better About the Future

In a special NEWSWEEK Poll, black Americans say their families' lives have improved in several key areas. They give a lot of credit for that progress to the black church. Though blacks see some serious problems yet to be resolved, they are even more positive about the future than white Americans:

PERSONALITIES

■ Do you personally admire these people?

	BLACKS	WHITES
Michael Jordan	83%	69%
Jesse Jackson	77	41
Will Smith	72	41
Colin Powell	68	72
Lauryn Hill	55	18

INCOME GAP

■ Do you think black Americans will ever be able to earn as much money as whites?

	BLACKS	WHITES
Yes	42%	71%
No	49	19

ELI REED—MAGNUM

The Rev. Jesse Jackson

ELI REED—MAGNUM

Lauryn Hill

PROBLEMS FOR BLACK FAMILIES

■ How much of a problem do you think each of the following is for black families today?

THOSE RESPONDING "BIG PROBLEM"	BLACKS	WHITES
Too many teenage girls having children	78%	61%
Not enough jobs paying decent wages	68	48
Drugs and alcohol	66	50
People not following moral and religious values	63	50
People depending too much on welfare	63	53
Crime in their neighborhoods	60	60
Racism in society in general	56	31
Public schools not providing a good education	54	42
The gov't not spending enough on social programs	52	24
Too many parents never getting married	51	49
Racism in the workplace	46	25
[illegible] successful blacks as role models	41	24

IMPROVEMENTS

■ How much have the following improved conditions for black Americans?

BLACKS RESPONDING "A LOT"	
Black churches	46%
Self-help by blacks	41
Clinton admin. policies	37
Community action	36
Affirmative action	32
Welfare-to-work laws	29
Other gov't programs	25
Economic conditions	24
A more colorblind society	20

WELFARE-TO-WORK

■ Do you think "welfare-to-work" laws have resulted in ...

BLACKS RESPONDING "YES"	
More black self-reliance	63%
More jobs for blacks	57
More respect for blacks	46
More black poverty	36

FAMILY SITUATION

■ Compared with five years ago, do you think the situation for you and your family is better, worse or about the same?

	BLACKS	WHITES
Better	48%	48%
About the same	40	38
Worse	8	13

QUALITY OF LIFE

■ Do you think the following are better, worse or the same as they were five years ago?

THOSE RESPONDING "BETTER"	BLACKS	WHITES
Family income	59%	53%
Job opportunities	[illegible]	40
Education quality	38	30

LOOKING INTO THE FUTURE

■ Looking ahead 10 years from today, do you think each of the following will get better, get worse or stay about the same?

THOSE RESPONDING "BETTER"	BLACKS	WHITES
Your family income	71%	59%
The quality of education in your local schools	[illegible]	55
Job opportunities for your family	57	48

FOR THIS SPECIAL NEWSWEEK POLL, PRINCETON SURVEY RESEARCH ASSOCIATES CONDUCTED TELEPHONE INTERVIEWS WITH 751 ADULTS INCLUDING 34 AFRICAN-AMERICANS ON APRIL 16–19. THE MARGIN OF ERROR IS +/- 4 PERCENTAGE POINTS; +/- 5 FOR WHITES AND +/- 8 FOR BLACKS.

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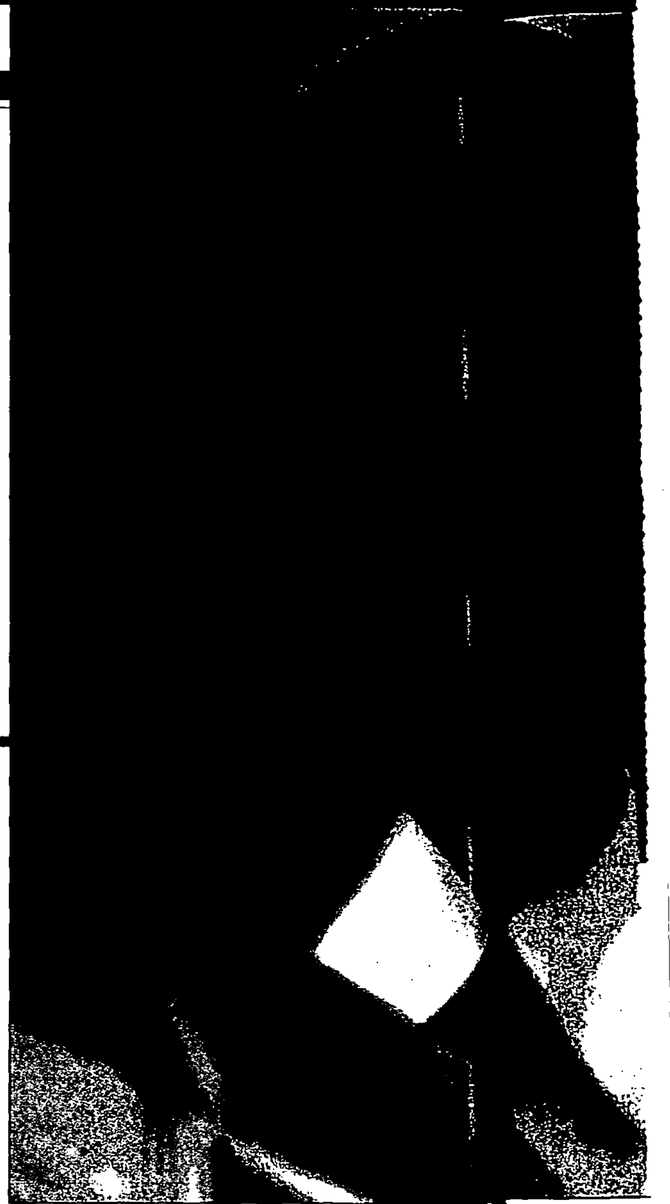
Our leaders ... can't let go. I won't say they have a vested interest in maintaining the status quo, although I think that's a possibility." Harvard sociologist Orlando Patterson agrees. In the aftermath of the civil-rights revolution, "blaming racism" made good politics and fashionable social science, he says. That era is ending, in Patterson's view, "but, tragically, Afro-American leaders now seem trapped by the fire they started."

In African-American leadership circles, Patterson's indictment strikes a nerve. It even evokes limited agreement. Yvonne Scruggs-Leftwich, executive director of the Black Leadership Forum, an umbrella group of civil-rights organizations, concedes, "We don't often enough acknowledge where there have been successes." Nonetheless, civil-rights leaders resent and reject the view that they are a bunch of self-serving doomsayers. "We *have* celebrated the economy, the reduction in unemployment, the reduction in teen-pregnancy rates," says Huge Price, head of the National Urban League.

The problem is that although certain blacks are thriving, others are not. Many of those "beneath the surface of socioeconomic viability," as sociologist Elijah Anderson describes them, are worse off than ever. Many blighted, black neighborhoods lack the equivalent of a Homan Square or an Allen Temple and are dying slow, painful deaths. And in that fact lies a leadership challenge and a philosophical dilemma. How can civil-rights leaders acknowledge the real and evident progress without encouraging complacency? How can they keep the pressure on to "move the glass from half-full to three-quarters full," in Price's words, if they give up the language of crisis and damnation? How do they avoid playing into the hands of those who would eliminate affirmative action, voting-rights enforcement and so many other things that are largely responsible for the



Trying to Close the Achievement Gap

Why, in this upper-middle-class Ohio high school, do blacks perform worse than whites?

IT'S NINTH-PERIOD-class change, and the halls of Shaker Heights High erupt in a rush of teen energy. As Abercrombie & Fitch preppies dish on the latest episode of "Party of Five," and hip-hoppers in Hilfiger khakis slap hands over new tracks from rapper Nas, a procession of black upperclassmen in shirts and ties cuts a conspicuous path through the halls. Crowds disperse for class, and the buttoned-down crew, leaders of the Minority Achievement Committee, head to the auditorium, where a group of black freshmen in T shirts and jeans sits quietly. Grade reports are out, and these kids have some explaining to do. Not to nagging parents or teachers, but to their own. "You think D's and F's are funny?" says one senior, to a grinning 15-year-old. "This is mediocre," says another, waving a card of C's before a squirming underclassman. "Mediocre doesn't cut it for a black man."

Motivation

'I work hard,' says Princeton-bound senior Candace Hamilton. 'I expect to do well.'

At least it *shouldn't* in Shaker Heights, Ohio. The affluent suburb of Cleveland has long been hailed as a model of successful integration. By and large, blacks and whites there are equally well off and live harmoniously side by side. The high school consistently ranks as one of the nation's best. There's just one nagging failure: the persistent achievement gap between black and white students. The brightest black students at Shaker are among the country's best, but a study released two years ago turned up a bleak reality. Though blacks make up half the high-school population, they regularly account for less than 10 percent of those at the top of the class and nearly 90 percent of the bottom. "We have been aware of and working on this for years," says school spokesperson Peggy Caldwell. "But seeing it in stark, raw numbers brought it home." Much is at stake. The achievement gap is a chronic national problem. If they can't beat it in Shaker, a town that has bucked so many negative racial trends, what community in America can?

The roots of the problem are varied, obscure—and a touchy subject. As in schools nationwide, teachers at Shaker may unwittingly set the bar lower for blacks. Black parents, who view a C as a lesser evil than scarier urban ills like drugs and gangs, might subconsciously make fewer academic demands. Kids, convinced they can't excel, often don't try. Their waning confidence seeps out in self-deprecating jokes. At an all-black lunch table in the school cafeteria, a student says with a laugh that the CP in College Prep—Shaker's lowest level of classes—must stand for "Colored People" because

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PHOTOS BY EI

'We create positive peer pressure,' says MAC scholar Cullen Buie. 'We make success seem like something real.'

of the predominance of blacks in his classes.

Then there is peer pressure. Most teens at Shaker say they don't buy the old line that doing well means selling out to white culture. "What, only white people study?" says junior Justin Taylor. "That's just plain stupid and insulting." But if students don't catch flak for "acting white," they face mixed messages about what it means to "act black." Dr. Ronald Ferguson, a Harvard development specialist, conducted a survey of student attitudes at Shaker. When he asked what it takes to be popular, whites gave high marks to outgoing personality. Blacks gave higher marks to being tough. "That tough kid is going to be more standoffish toward authority figures," says Ferguson. "And that social requirement [works against] achievement."

The community is chipping away barriers to success. The Minority Achievement Committee was started in 1990 by high-achieving black males to show struggling freshmen that being smart is cool. Inductees are dubbed Potential Scholars. If they can hike their grades above a 2.8, as juniors they become MAC Scholars. Weekly meetings start with a firm handshake, followed by the MAC credo, "I pledge to uphold the name of the African-American man. I will do so by striving for academic excellence." "These guys have the grades, the respect *and* the girls," says Raji Bey, a senior who went through the program as a freshman. "Who wouldn't want to be like them?"

Parents, too, are circling the wagons. Rubin Harris, whose daughter Aida is a sophomore honors student, is cofounder of Caring Communities Organized for Education, formed in 1997 to boost black-student performance. The group holds town meetings, teacher workshops and parenting seminars to educate families about the achievement gap. "It's not that black parents aren't involved in their children's educations," says Harris. "They just need to be more effectively involved."

But high-school interventions may come too late. More than three quarters of students who fail at least one portion of the state proficiency test, taken before entering ninth grade, are black. The real time to address the achievement gap is in preschool, before it becomes entrenched. Shaker administrators are now experimenting with intensive summer tutoring, middle-school mentoring and all-day kindergarten to combat the problem earlier.

The high school takes success as it comes. At the MAC year-end awards ceremony, some of the same freshmen chided for their midterm grades were stepping up for a handshake from their proud senior brothers. Matthew Cox had a 1.1 GPA when he came to Shaker Heights High in September. Now it's a 2.4. "I'm feeling pretty good," says Cox, 14, an aspiring cartoonist who has his sights set on Kent State University. "But I know I can do even better." If Shaker can get enough kids to say the same thing, that's one more racial trend defied.

LYNETTE CLEMETSON

PHOTOS BY ELI REED—MAGNUM

black progress on display today? "To the extent you proclaim your success, other people forget about you," worries the Joint Center's Eddie Williams.

Then there is the fear—one deeply felt not only among the black leadership class but among much of the black general population—that the good times may be transient. What happens, skeptics ask, when the economy hits bottom? Or if the attacks on affirmative action ultimately eliminate opportunities, only recently won, in both the private and the public sectors?

In addition, there is this cold reality: for every upbeat statistic that engenders joy, there is a dismal number—or a skeptical reading—that invites alarm. And there are millions of personal experiences that conflict with the rosy statistics. In 1998, the jobless rate for blacks 20 to 24 years old was 16.8 percent, down from 24.5 percent in 1985; but that means little to Travon Netherly, a student at L.A. Southwest College. Recently, says Travon, four of his brothers applied for a job at an Orange County amusement park. Despite the help-wanted ad in the window, all were turned away. "My brothers were willing to take anything, even wear one of those Snoopy costumes," says Netherly, who bitterly adds, "It don't take skills to be Snoopy."

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'Improvement Is a Myth'

One working family in South-Central L.A. says all the rosy national statistics won't feed their kids

MALIK BURNS, A student and activist in South-Central Los Angeles, does not buy all the rosy news about black America. "The truth is," he says, "this society doesn't want us to make it." Burns, 28, is a compact but forceful man, with shoulder-length braids and a diamond nose stud. In the small, spotless one-bedroom apartment he shares with his wife and three children, posters of Malcolm X share wall space with a pair of food stamps, reminders of the family's battles with dire poverty. There are times, he says, when he has skipped meals so that his children can eat. Burns jabs the air with a finger. "If a few blacks are succeeding, it's only because they ... have been let in through the cracks to pacify the rest of us. But if they haven't been able to help their own people, what good does it do?"

Seated beside him on a black velvet couch, Faith Burns, 34, is the soft-spoken half of the family. With Malik's help, she manages the apartment building, supporting a family of five on just $280 a week, before taxes. In Faith, resignation runs deep. "We're doing the best we can for the kids," she says. "But I don't think they'll have many opportunities. If they get a job, it will be a dead-end job."

The couple blames the enduring legacy of racism for their problems. Yet their story, like many, is more complicated than that. A high-school graduate, trained as a dermatology technician in the Navy, Malik could not land a job after his discharge. He blames a white senior officer for giving him a bad reference. Though he took spot factory jobs, he says, "I felt like a slave. I had assisted on surgeries back in the Navy. I had an education. I thought, I'm more than just an able body." When he got interviews for medical jobs, he says his appearance scared white employers. Even as his family struggled, he did not cut his hair. "We're told to conform in order to make the white man comfortable," he says. "I consider [my appearance] an African cultural thing."

The couple decided they would have to make their own way. Malik enrolled in L.A. Southwest College to study political science, and joined the New Black Panther Vanguard Movement. He brokered a truce between rival gangs in his building. The couple converted a storage area into a tutorial classroom, and launched a music and dance program for kids. Now, on a spring afternoon, children play in the concrete courtyard.

For all their work, the family remains below the poverty line, a counterpoint to the national statistics of black progress. "I wouldn't say things are positive right now," says Malik, "if the only way we can survive is to work two or three minimum-wage jobs—assuming you can get them." The legacy of inequality, he says, is not resolved by a momentary upturn in the economy. Rather, it is in the weave of the American tapestry. "It's a myth to think things are better for black families right now," he says. "In many ways, they are worse than ever."

ANA FIGUEROA

CARL POSEY

Treading Water

'The only way we survive is to work two or three minimum-wage jobs—assuming we can get them,' says Malik Burns

CARL POSEY

Preaching Today

The church can be 'otherworldly,' says Oakland's J. Alfred Smith Sr. 'We're concerned with the nasty now and now.'

Eric Frierson, a 33-year-old data processor and Watts native, has equally pressing worries. Frierson did 11 years in Folsom penitentiary, but has managed to stay out of trouble for the past five years, and now volunteers for FACES, a community-outreach organization working in Watts's Imperial Courts housing projects. It is an area where buildings are pockmarked by bullet holes and bad company constantly beckons. "They told me I can't be around no ex-cons," says Frierson, but "everybody I know is an ex-con. All my brothers are ex-cons. Almost every black man you see is an ex-con. Who am I going to be with?"

Frierson's plaintive question reflects a sobering reality. An estimated 70 percent of the young black men of Watts—those between the ages of 16 and 25—are on "some kind of paper," meaning they're in jail, on parole or on probation. That specter of prison haunts countless other black communities across the nation. In some areas, prison time has become such a pervasive feature of life that it has totally undermined the hard-fought victory for black voting rights. One million four hundred thousand black men, or 13 percent of the total, are disenfranchised because of felony convictions, according to a recent report by Human Rights Watch and The Sentencing Project.

Some even question whether the much-vaunted black progress in education is as genuine as it seems. A study of higher education in 19 states done by The Southern Education Foundation shows that though the numbers of blacks in college overall are up, those of first-time, full-time freshmen are not. Numerous experts are also concerned about the impact of anti-affirmative-action measures. When California, Texas and Washington state eliminated affirmative action, all experienced huge drops in the numbers of blacks and Latinos admitted to their most selective state schools.

In earlier grades, the picture is also ambiguous. Twenty-six states have adopted exams high-school seniors must pass before they can graduate, according to a new study from the Applied Research Center, an Oakland-based research and advocacy group. "In virtually every state that has implemented high-school exit exams, a disproportionate number of those who have passed all other requirements but fail to graduate ... are students of color," charged the report. Exit exams "essentially punish poor students and those of color for attending substandard schools," concluded ARC. Less easily explained, this performance gap also persists in affluent and integrated communities, such as Shaker Heights, Ohio (story, page 36).

Welfare reform, likewise, does not bring exclusively good news. Clearly, it has taken recipients of all races (more than 2 million families) off the rolls, and given many a second shot at a productive life. Studies—and at this point there are no definitive ones—suggest that perhaps two thirds manage to get along reasonably well (often through a combination of part-time work, forays into the underground economy and help from their families). But many (probably most) don't find full-time permanent jobs. And it appears that whites do better than blacks. The racial difference "is consistent with what we know about employer preference," says Melvin Oliver of the Ford Foundation. There are other likely reasons, as well, including the fact that black women are less likely to live where jobs are located. But like virtually everything else involving race, the reality of welfare reform is too complex to capture with one hackneyed truism, or with one simple set of statistics. In Wisconsin, which has more experience with welfare reform than any other state in the nation, thanks to a series of initiatives that began under Republican Gov. Tommy Thompson, that complicated truth is reflected in the divergent experiences of Cassandra Tucker and Sheri Totton.

Tucker, 29, and the mother of six, became a welfare recipient after her divorce five years ago. She is now a foreman at Central Overhead Door, and she credits Wisconsin's tough-love welfare policy with getting her there. Where the old welfare policy encouraged dependency, the new one promotes independence. "You are special. You can do great things," one social worker told Tucker. She believed it and triumphed. After spending the summer of 1998 learning construction at a building-rehab site managed by the YWCA of Greater Milwaukee, she was hired for her present job.

Where Tucker found empowerment in welfare reform, Totton—so far—has found only struggle. Totton, also 29, lost her housing because she could no longer pay the rent, and now lives with her three daughters in a family shelter one block west of the YWCA that turned Tucker's life around. After eight years on public aid, the best job she could

Still Dreaming

Black America may no longer be a 'lonely island of poverty,' but King's dream still waits

land was a part-time position at a local food bank. She's had a hard time juggling her job and school—neither of which she can afford to miss, since the penalty is a reduction in her welfare benefits. And it is far from clear that she will have the wherewithal any time soon to make the leap to self-sufficiency. "A lot of stuff is confusing," she sheepishly admits. What the two women's stories make clear is that it's ultimately impossible to say whether things are better or worse without asking, "better or worse *for whom?*" Similarly, one must also ask, "Compared with what?"

Black executives inevitably compare themselves with their white peers, notes Sharon Collins, a sociologist at the University of Illinois at Chicago. "And no matter how well the blacks are doing, they're not doing as well as their white counterparts." In fact, when blacks compare themselves with whites in virtually any arena, the picture is unsettling.

ANDREW CUTRARO—AFP

Black income, for instance, is at its highest level ever, and unemployment is lower than it has been in a quarter of a century. Yet black unemployment (at 8.9 percent) remains more than twice the rate for whites (3.9 percent). Among workers 20 to 24, the unemployment numbers are even more lopsided (16.8 percent for blacks, 6.5 percent for whites). Such high unemployment among blacks "in a virtually full-employment economy says there's still something wrong," observes Wade Henderson, executive director of the Leadership Conference on Civil Rights. Labor-force participation figures are equally dispiriting, particularly for black teens. Only 40 percent of black males between 16 and 19 are in the labor force, compared with 57 percent of their white counterparts. And though black median income (for a family of four) reached a record high of $34,644 in 1997, that was still $21,378 less than the average for whites.

It is not, however, just the difference in numbers that makes so many blacks loath to believe American society is serious about racial equality. There are also the continuing reminders of racism. Even for those blacks for whom now is the best of times, bigotry remains more than a memory. For those who get brutalized by cops or stopped for "Driving While Black" (incidents that dramatically erupted recently in New Jersey and New York), it's impossible to feel truly accepted in America, points out Mary Frances Berry, chair of the U.S. Civil Rights Commission. Or, as economist Glenn Loury puts it: "A lot of people are pissed off, and they're not all crazy."

That black schoolchildren are still wrestling with the ludicrous issue of whether academic achievement somehow makes them less black says volumes about the message of black-white difference that society continues to send. It is a message graphically underscored by the intense segregation that defines American living patterns. And it is continually bolstered by popular culture, particularly television, which keeps its dating shows racially segregated and its programming racially segmented. Hence, it's no wonder that blacks and whites generally watch totally different prime-time shows. And it's hardly surprising that even though the incidence of interracial marriages has grown greatly, marriages between blacks and whites are a fraction of those between whites and Hispanics or whites and Asians.

What all that says, in short, is that, for all the well-documented black success stories, and for all the heartwarming statistics, blacks remain, in substantial measure, a race apart in America: a race admired, even emulated, yet held at arm's length. It reflects a particular American schizophrenia. We embrace equality and yet struggle with it in reality. We have come so far, and yet we have not escaped the past.

In perhaps the most famous passage of his most famous book, "The Souls of Black Folk" (first published in 1903), the great sociologist and social activist W.E.B. Du Bois tried to explain what it meant to be a Negro in America. "One ever feels his twoness—an American, a Negro; two souls, two thoughts, two unreconciled strivings; two warring ideals in one dark body, whose dogged strength alone keeps it from being torn asunder." What he did not say, but could have, is that America also has its unreconciled strivings, an impulse toward acceptance coexisting with a tendency toward exclusion, a reverence for equality that coexists with stirrings of racism.

The good news on black America is too clear to deny. In the past few decades, blacks' fortunes and prospects have soared toward the heavens. Blacks have entered virtually every sector of American society and breathed life into Martin Luther King's extraordinary fantasy. It's too late to put the racial-justice genie back in the bottle. It's time to acknowledge what America and African-Americans together have accomplished and become. The bad news, however, is equally profound, and it can be summed up with two simple facts. Despite all the progress of the last several decades, we continue to talk about black America as a place and a people apart. And despite the lip service we pay to the concept of equality, we look with equanimity, even pride, upon a statistical profile of black Americans that, were it of whites, would be a source of horror and consternation. That is not likely to change soon; but until and unless it does, our great nation will never become the country of our finest dreams.

With Ana Figueroa, John McCormick, Vern Smith *and* Pat Wingert

The Good News About Black America

It's the best time ever to be black in America. Crime is down; jobs and income are up. White kids choose African-Americans as their heroes. But not everyone's celebrating. By Ellis Cose

IT WAS A STUNNING VISION OF RACIAL EQUALITY, MANIfested in a simple yet stirring mantra: "I have a dream." Though Martin Luther King Jr.'s cherished utopia has not arrived, it seems considerably less remote than it did in August 1963 when, from the Washington Mall, King challenged America to make his dream come true. African- Americans are no longer relegated, as he lamented, to "a lonely island of poverty" in the midst of plenty. By a wide array of measures, now is a great time—the best time ever—to be black in America.

get study - do 1 pg

Black employment and home ownership are up. Murders and other violent crimes are down. Reading and math proficiency are climbing. Out-of-wedlock births are at their lowest rate in four decades. Fewer blacks are on welfare than at any point in recent memory. More are in college than at any point in history. And the percentage of black families living below the poverty line is the lowest it has been since the Census Bureau began keeping separate black poverty statistics in 1967. Even for some of the most persistently unfortunate—uneducated black men between 16 and 24—jobs are opening up, according to a just-released study of hard-luck cases in 322 urban areas by researchers at Harvard University and the College of William and Mary.

More and more blacks have entered the realm of the privileged and have offices in (or tantalizingly near to) the corridors of corporate and political power. Some control multimillion-dollar budgets and reside in luxurious gated communities. They are, by any criteria, living large—walking testaments to the transformative power, to the possibility, of America.

"I really think there is a new phenomenon out there," says Eddie Williams, head of the Joint Center for Political and Economic Studies, the nation's premier think tank on blacks and politics. According to the center, the number of black elected officials has nearly sextupled since 1970, and now stands at roughly 9,000. In a poll late last year by the Joint Center, blacks were more likely than whites—for the first time in the history of this survey—to say they were better off financially than in the previous year (51 percent compared with 31.5 percent). A new NEWSWEEK Poll confirms that the finding is not a fluke. Seventy-one percent of blacks (compared with 59 percent of whites) told NEWSWEEK's pollsters that they expected their family incomes to rise during the next 10 years. Fifty-seven percent of blacks (compared with 48 percent of whites) foresaw better job opportunities ahead. As Los Angeles gangbanger turned music entrepreneur Darrin Butler, 28, sums it up, "From where I'm sitting, everything is looking bright."

This sunniness is reflected in the coun-

Homegrown Success

The black middle class is booming (left). At the Piney Woods school, working with livestock builds self-esteem. Says president Beady: 'This is the kind of environment where they can realize their potential.'

...ty's popular imagination, which freely celebrates the appeal and accomplishments of African-Americans. Michael Jordan, Lauryn Hill, Colin Powell—pick your icon; if you are touched at all by American culture your idol is likely to be black. There have always been black successes and superstar achievers, but never before has black been quite so beautiful to so many admirers of every hue. "When did you ever think you would see black men as the heroes of white children?" asks Bobby William Austin, head of the Village Foundation, an Alexandria, Va.-based nonprofit that runs programs for young black men.

Today's upswing in black fortune is unfolding in a singular context, against the backdrop of a superheated economy that has been booming since April 1991. That expansion, the longest ever in a time of peace, has been a boon to Americans of every race. It would be a mistake, however, to credit the economy alone for the sense of hope sprouting in many black communities. Even as the strong economy has made bigger dreams possible, a strong resurgence of black self-confidence and self-determination has made their realization more probable. Indeed, blacks polled by NEWSWEEK credited black churches (46 percent) and black self-help (41 percent) for the upturn in black conditions. It would also be a mistake to assume that today's good times have brought good tidings to all blacks. They have not. More black men than ever languish in prisons. Black academic achievement stills lags that of whites. And suicides among young black men have risen sharply, reflecting a deep "sense of hopelessness," says Jewelle Taylor Gibbs, a psychologist and University of California, Berkeley, professor. And fear is pervasive that an economic downturn—or the legal-political assault on affirmative action—could wipe out blacks' tenuous gains.

Nonetheless, for a community yet haunted by the memory of Jim Crow, this is a remarkable moment. One of the most dramatic signs of progress is the explosion of productive activity as once desolate inner-city neighborhoods, such as Chicago's North Lawndale, come to life. In 1966, this area on Chicago's West Side was so blighted that Martin Luther King rented an apartment there to call attention to it. Then things got worse. The area was largely incinerated by the riots that broke out in the wake of King's assassination in 1968. More than half of the population moved out between 1960 and 1990. Now new construction is shooting up. Homes are selling for as much as $275,000 apiece. And the young black professionals flocking back to buy them talk of renaissance and hope reborn.

"People wrote this area off. They didn't believe middle-class African-Americans would come back here. Now we're making this neighborhood work," says Demetrius Barbee. For Barbee, a Blockbuster executive, and her husband, Gerald, a medical-equipment technician, trading in a fancy North Lake Shore Drive address for a North Lawndale dream house was not

What do they do?

TOP LEFT: JOHN BENTHAM, COURTESY THE ~~SHARK BAR, NEW~~ YORK CITY. ANN STATES—SABA

newmarket.

merely a matter of getting good quality for a good price. It was an investment of hope in the very idea of a community coming back from the dead.

Homan Square, the development where the Barbees now live, resulted from a serendipitous confluence of events. Sears, having moved its onetime world headquarters out of the area, had plenty of well-maintained land it was willing to donate to the project. Mayor Richard M. Daley was eager to facilitate—providing, among other assistance, grants to first-time homeowners. And an important developer, the Shaw Co., saw the value of the enterprise. The Homan Square experiment in urban reclamation has covered six city blocks with 299 units of housing, 133 of them owner-occupied single-family homes. It has also spawned a health clinic, several new businesses and numerous other construction projects. Perhaps most important, it has inspired other developers. Just southeast of Homan Square sits a new shopping center anchored by a Dominick's supermarket and a 10-screen Cineplex Odeon Theater. A few blocks away, another town-house development has gone up. Central City Productions, a local black-owned entertainment company, plans to build a $150 million, 337,000-square-foot television-studio complex. And other projects are pending.

Though few urban ghettos have seen a turnaround as promising as North Lawndale's, withered communities elsewhere are rebounding as well. In the Elmhurst area of Oakland, Calif., new buildings are rising from the rubble. Unlike in Chicago, where a major company took the lead, this turnaround effort—like others in New York, Chattanooga, Tenn., Savannah, Ga., and elsewhere—is community based. In the past year alone Allen Temple Baptist Church has generated more than $20 million worth of new construction projects. The church plans to open a 60,500-square-foot Family Living Center this summer (with activities for everyone from children to senior citizens) and has broken ground for a 24-unit complex for AIDS/HIV patients.

"This is a congregation that long ago decided to take matters into its own hands," says Doris Britt, a church member and director of admissions at UC Berkeley's School of Social Welfare. Longtime congregant Joe Villa traces the can-do attitude to the late '70s. As white homeowners and white-owned businesses and banks took flight, the church kept the faith. Determined to provide a place for community residents to bank, "we contacted the National Credit Union Administration and

Ellis Cose writes that while America embraces equality, the struggle still continues. Join him for a live discussion at noon EDT, Wednesday, June 2, at www.newsweek.com.

Moving Forward, But Still Behind

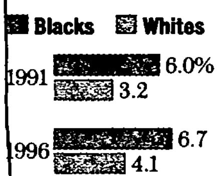
These statistics show that African Americans have made progress on many fronts: in education, health and finance. But they also indicate that blacks still lag white Americans in many important ways. A look at the gap between the races:

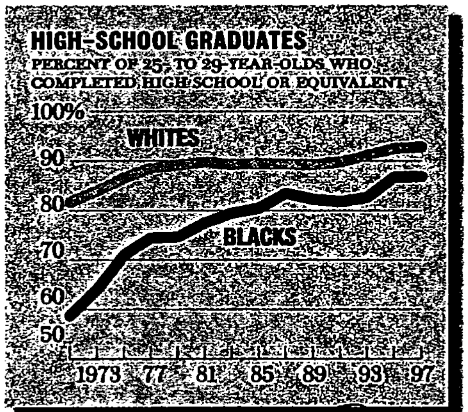
Rubble and rejuvenati… 1973 (left) a…

Education: Getting a Better Grade

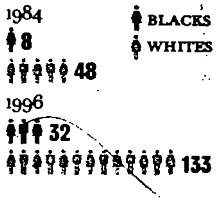
Socioeconomic factors put blacks at greater risk for failure, but they're gaining ground.

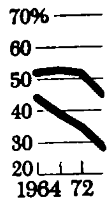
DROPOUT RATES
PERCENT OF 10TH–12TH GRADERS, AGE 15–24



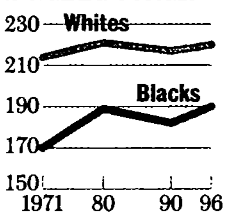


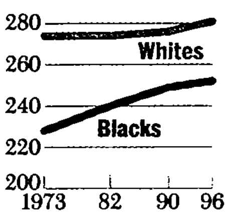
ADVANCED-PLACEMENT TEST TAKERS
PER 1,000 12TH GRADERS





STANDARDIZED-TESTING PROFICIENCY*





COLLEGE ATTENDANCE
PERCENT OF 25- TO 29-YEAR-OLDS WHO COMPLETED HIGH SCHOOL AND FOUR OR MORE YEARS OF COLLEGE

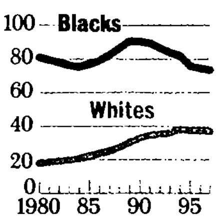
MALE	1981	1991	1997
Blacks	15.4%	13.7%	13.7%
Whites	28.4	29.7	34.1
FEMALE			
Blacks	14.5	13.1	18.5
Whites	24.2	29.8	36.2

BY THE N
50%
or more t
87%
78%
school di

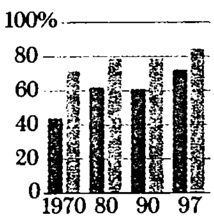
Health and Home: An Improving Picture

With better medical care, blacks are living longer and having healthier children.

BIRTHRATES
PER 1,000 UNMARRIED WOMEN



PRENATAL CARE
PERCENT OF MOTHERS RECEIVING TREAMENT

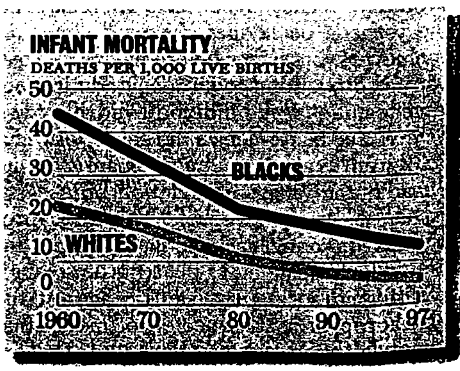


LIFE EXPECTANCY
AT BIRTH

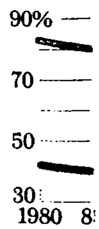
MALE	1980	1986	1996
Blacks	63.8	64.8	66.1
Whites	70.7	71.9	73.8
FEMALE			
Blacks	72.5	73.4	74.2
Whites	78.1	78.8	79.6

TEEN ALCOHOL AND CIGARETTE USE
% OF 12TH GRADERS WHO IN THE LAST 30 DAYS ...

SMOKED CIGARETTES	1992	1995	1998
Blacks	8.7%	12.9%	14.9%
Whites	31.8	36.6	41.7
GOT DRUNK			
Blacks	11.0	13.2	13.8
Whites	34.7	36.4	39.3



NUCLEAR
PERCENT
UNDER 18
WITH BOT



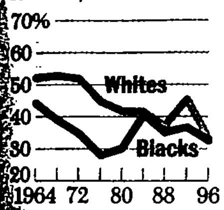
BY THE
42%
more th
78%
governm
44

Rejuvenation: In 1973 (left) a vacant lot littered with the debris of a razed building in North Lawndale, Ill.; right, the same town today

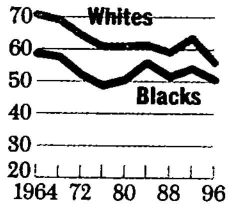
PLACE-TAKERS
GRADERS
BLACKS
WHITES
133

MPLETED
OF COLLEGE
1997
13.7
34.1
18.5
36.2

VOTER TURNOUT
18- TO 24-YEAR-OLDS



ALL AGES



BY THE NUMBERS ...

50% of black students have parents who help them ~~with homework~~ 3 or more times weekly. It's 35% for whites.

87% of black college grads had full-time jobs in 1997. Whites: 95%.

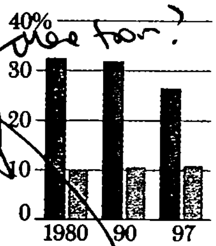
78% of black high schoolers' mothers had attained at least a high-school diploma in 1997, up from 36% in 1972

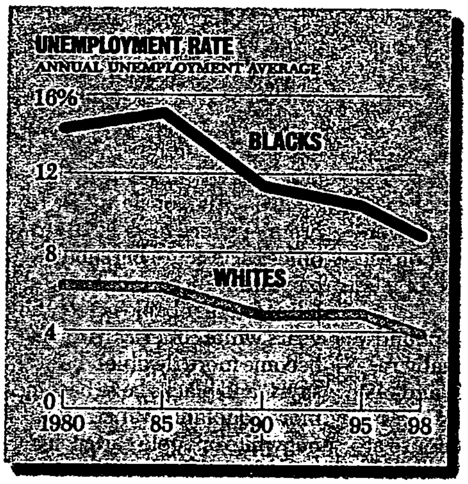
me too?

Economics: Historic Highs, Comparative Gaps

Black income is at its highest rate and unemployment is at its lowest in a quarter century.

THE POOR
PERCENT OF PEOPLE BELOW POVERTY LINE





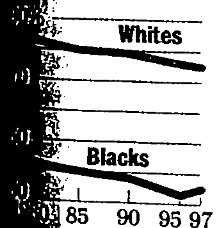
BY THE NUMBERS ...

46% of blacks owned homes in 1998, up only 1 percent since 1983. Last year, 72 percent of whites owned homes.

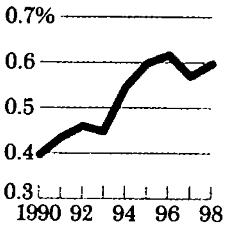
56% of blacks who make $50,000 or more have a brokerage or mutual-fund account. Seventy-one percent of whites have one.

DAYS ...
1998
14.9
41.7
13.8
39.3

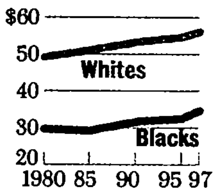
NUCLEAR FAMILIES
PERCENT OF CHILDREN UNDER 18 LIVING WITH BOTH PARENTS



INTERMARRIAGE
BLACK-WHITE MARRIAGES AS PERCENT OF ALL MARRIAGES



MEDIAN INCOME FOR A FAMILY OF FOUR
IN THOUSANDS



TYPES OF EMPLOYMENT, 1998

OCCUPATIONS	Blacks†	Whites
Farming, forestry, fishing	1%	3%
Service occupations	21	12
Operators, laborers	19	13
Technical, sales	29	29
Precision, craft	14	12
Managers, professional	20	31

BY THE NUMBERS ...

42% of AIDS deaths in 1996 were of African Americans, 4.5 percent more than whites (37.5)

78% of African Americans had health insurance in 1997 (private or governmental). For whites: 85 percent.

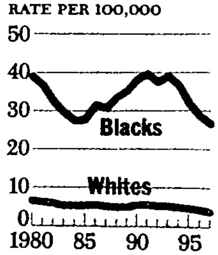
505 per 100,000 blacks got cancer during '90–'95. For whites: 405.

MEDIAN WEEKLY EARNINGS
FOR WORKERS 15 AND OLDER

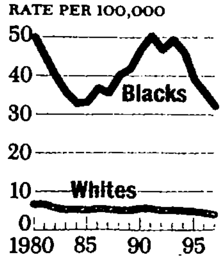
MALE	1990	1993	1997
Blacks	$303	$311	$348
Whites	499	469	502

FEMALE	1990	1993	1997
Blacks	196	203	250
Whites	248	240	265

HOMICIDE VICTIMS
RATE PER 100,000



OFFENDERS
RATE PER 100,000



*READING SCORES FOR 9-YEAR-OLDS, MATH SCORES FOR 13-YEAR-OLDS. †NUMBERS DON'T ADD TO 100 DUE TO ROUNDING. GRAPHIC BY DONGMIN SHIM AND GUILBERT GATES. SOURCES: NATIONAL CENTER FOR EDUCATION STATISTICS; U.S. BUREAU OF THE CENSUS; NATIONAL CENTER FOR HEALTH STATISTICS; MONITORING THE FUTURE STUDY, UNIVERSITY OF MICHIGAN; AMERICAN CANCER SOCIETY; BUREAU OF LABOR STATISTICS; BUREAU OF JUSTICE STATISTICS; THE ARIEL/SCHWAB BLACK INVESTOR SURVEY

'Change Has Taken Place'

These Chicago homesteaders see greater opportunity, less racism—and a newly thriving neighborhood

As a boy, Anthony Scott played 16-inch softball—the gloveless Chicago version of the game—on a bleak Sears, Roebuck parking lot. Today he's living on the same plot of ground. As he walks around Homan Square, a bold new development in a run-down part of Chicago's West Side, he welcomes outsiders who respect the neighborhood and confronts those who don't. Teenagers who sit high on the back of a park bench and not on the seat are told: "That's *not* how you sit on a bench." His reproach to a man drinking beer within sight of several children is polite but direct: "You must not have been here before."

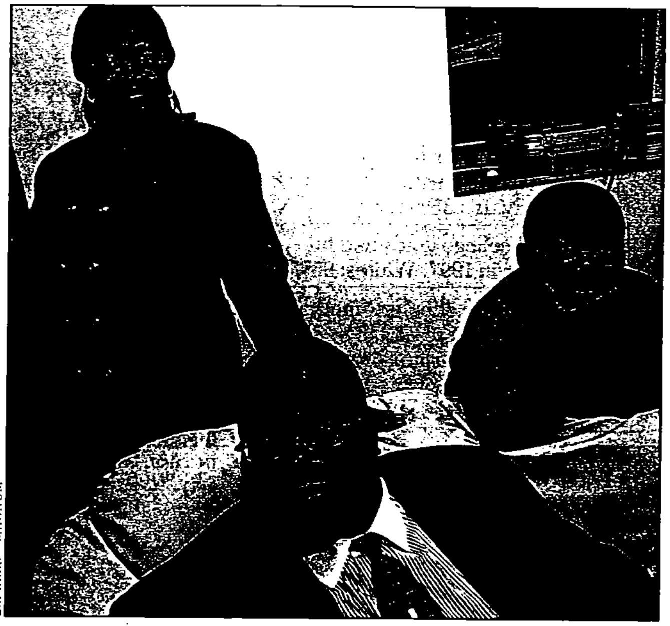
At 6 feet 2 and 340 pounds, Scott tends to get equally respectful answers. He and his wife, Elaine—he's 35, she's 34—bought the first house at Homan Square in 1994, trading a suburban apartment for a three-story home flanked by grass, play areas and, today, hundreds of other middle-class African-American homesteaders. Scott is fully aware of the surrounding area's remaining problems, which include open-air drug markets; he just won't succumb to them. "This is our property," he says, "and it's our responsibility to take care of it."

The Scotts can afford to live in Homan Square (their $90,000 investment is now worth $145,000) because of their hard work and, Anthony says, increased chances for black Americans. "Today I have greater opportunities to work with my head instead of my hands," he says. "And my wife doesn't have to clean other people's houses the way her grandmother did." In 16 years Scott has advanced from the mailroom at Northern Trust, a premier Chicago bank, to an officer's desk in a big suburban branch. Elaine has a good job at another bank. "Over the years white Americans have become more flexible," he says, "and blacks have become more adaptable. Whether or not white opeople had their hand forced through things like affirmative action, we definitely took advantage. And here we are."

Outside the workplace, he occasionally hears racist insults. But today those are less frequent. When classmates of 8-year-old Stephen Scott ask him why the man he calls his grandfather is white—he's actually a beloved former teacher of Anthony's—the child has a ready answer: "Well, because he is."

One day last week a wealthy white man approached Scott at the bank. The man explained that his eyesight had slipped; he no longer could read. He handed Scott the checkbook to his bulging money-market fund—and his billfold. Scott disappeared to a teller window, then returned with the wallet and a wad of cash. The man took back his things, paying little attention, and thanked Scott. Twenty years ago, Scott says, that nonchalant exchange might not have happened: "Change has taken place across the board—not just one race, but every race." For Anthony Scott, a good job and a nice house are sources of pride. But he was also heartened that a rich white man would trust him with his wallet.

JOHN McCORMICK



ELI REED—MAGNUM

New Horizons

'Today I have greater opportunities to work with my head instead of my hands,' says Anthony Scott

figured out how to charter our own credit union," recalls Villa, who became its volunteer president. That credit union (which primarily serves church members) will be 20 years old next year and now holds more than $10 million in assets—making it the largest African-American church credit union in the country. Community-based activists are not only initiating urban-renewal projects, but driving down teenage births and crime all over America, contends Angela Blackwell, founder of Policy Link, an Oakland-based research and advocacy organization. "Poor people just got sick of it," she says. Others give more credit to government policies, including tough anti-crime measures and welfare reform. Kerman Maddox, chairman of the political-science department at Los Angeles Southwest College, in South-Central L.A., says his female students are taking school more seriously and are less likely to have babies. "In the past, I'd say half my 18- to 22-year-old students had kids," says Maddox. "The number has dropped dramatically." He believes welfare-reform provisions "that no longer reward them for having more kids" are the principal reason.

Whatever the motivations (and they are necessarily multiple), more young people are moving to take control of their lives; and the result seems to be a better shot at success. As Shykiesha Walker, the 17-year-old president of the Young Girls Keeping it Real Club, in Watts, puts it, "We're just trying to keep ourselves out of trouble, achieve a higher goal in life."

Across the country, Piney Woods Life School, a private boarding academy in rural Mississippi, is stoking that hunger for success. Started at the turn of the century to educate children of Mississippi field hands, it has evolved into a haven for mistreated or troubled black kids from across America. Many come from backgrounds similar to Kenya-

See hore page

tah's, a 16-year-old junior whose parents, both junkies, kicked her out of their Washington, D.C., home at the age of 4. She ended up with relatives, also addicts, and spent time living on the street. Serendipity and a recommendation from a friend of her aunt brought Kenyatah to Piney Woods, and she is grateful for the change. "Where I'm from, you don't learn anything [in school]," she says.

At Piney Woods academics are stressed, and self-pity is not an option. Over the last several years, ACT scores for Piney Woods seniors have risen from an average of 9.8 to an average of 18.1—compared with a national average of 22. "We've set a goal of having our young people exceed the national average on the ACT within the next three years," says school president Charles Beady Jr. Piney Woods graduates routinely go on to Ivy League colleges. Many also become ambassadors of deliverance, spreading the word that black children can triumph, no matter how or where their lives begin.

The significant reversal of black fortunes is a signal event, one that "must be acknowledged and celebrated," says Joe Hicks, executive director of the Los Angeles Human Relations Commission. Yet, for the most part, blacks are not celebrating it, which raises an inevitable question: if the news in black America is so good these days, why are people not dancing in the streets? Why are civil-rights leaders n proclaiming it from the rooftops? Why h the dialogue on racial relations not fund mentally changed to accentuate the pro ress instead of the lingering problems?

Ward Connerly, the controversial bla businessman and driving force behi Proposition 209, the ballot measure th eliminated affirmative action in Californ state government, thinks the reason has a l to do with the fossilized attitude of mar blacks—particularly those in the leadersh class. Even though society has transforme itself, says Connerly, many African-Amer cans are "locked into that mind-set of the '6 that society is racist ... We just can't let g

Feeling Better About the Future

In a special NEWSWEEK Poll, black Americans say their families' lives have improved in several key areas. They give a lot of credit for that progress to the black church. Though blacks see some serious problems yet to be resolved, they are even more positive about the future than white Americans:

PERSONALITIES

■ Do you personally admire these people?

	BLACKS	WHITES
Michael Jordan	83%	69%
Jesse Jackson	77	41
Will Smith	72	41
Colin Powell	68	72
Lauryn Hill	55	18

INCOME GAP

■ Do you think black Americans will ever be able to earn as much money as whites?

	BLACKS	WHITES
Yes	42%	71%
No	49	19

ELI REED—MAGNUM

The Rev. Jesse Jackson

ELI REED—MAGNUM

Lauryn Hill

PROBLEMS FOR BLACK FAMILIES

■ How much of a problem do you think each of the following is for black families today?

THOSE RESPONDING "BIG PROBLEM"

	BLACKS	WHITES
Too many teenage girls having children	78%	61%
Not enough jobs paying decent wages	68	48
Drugs and alcohol	66	50
People not following moral and religious values	63	50
People depending too much on welfare	63	53
Crime in their neighborhoods	60	60
Racism in society in general	56	31
Public schools not providing a good education	54	42
The gov't not spending enough on social programs	52	24
Too many parents never getting married	51	40
Racism in the workplace	46	25
Not enough successful blacks as role models	[illegible]	24

FAMILY SITUATION

■ Compared with five years ago, do you think the situation for you and your family is better, worse or about the same?

	BLACKS	WHITES
Better	48%	48%
About the same	40	39
Worse	8	13

LOOKING INTO THE FUTURE

■ Looking ahead 10 years from today, do you think each of the following will get better, get worse or stay about the same?

THOSE RESPONDING "BETTER"

	BLACKS	WHITES
Your family income	71%	59%
The quality of education in your local schools	[illegible]	55
Job opportunities for your family	57	48

IMPROVEMENTS

■ How much have the following improved conditions for black Americans?

BLACKS RESPONDING "A LOT"

Black churches	46%
Self-help by blacks	41
Clinton admin. policies	37
Community action	36
Affirmative action	32
Welfare-to-work laws	29
Other gov't programs	25
Economic conditions	24
A more colorblind society	20

WELFARE-TO-WORK

■ Do you think "welfare-to-work" laws have resulted in ...

BLACKS RESPONDING "YES"

More black self-reliance	63%
More jobs for blacks	57
More respect for blacks	46
More black poverty	36

QUALITY OF LIFE

■ Do you think the following are better, worse or the same as they were five years ago?

THOSE RESPONDING "BETTER"

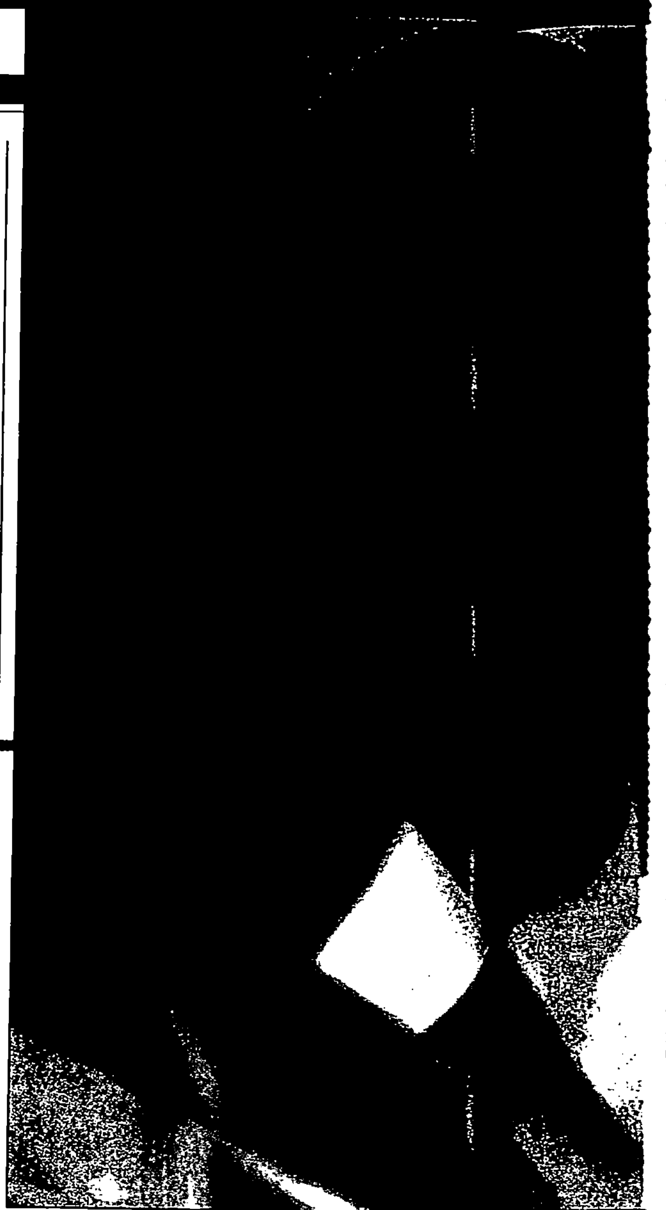
	BLACKS	WHITES
Family income	59%	53%
Job opportunities	45	40
Education quality	38	30

FOR THIS SPECIAL NEWSWEEK POLL, PRINCETON SURVEY RESEARCH ASSOCIATES CONDUCTED TELEPHONE INTERVIEWS WITH 751 ADULTS INCLUDING 184 AFRICAN-AMERICANS ON APRIL 16–19. THE MARGIN OF ERROR IS +/- 4 PERCENTAGE POINTS; +/- 5 FOR WHITES AND +/- 8 FOR BLACKS.

Our leaders ... can't let go. I won't say they have a vested interest in maintaining the status quo, although I think that's a possibility." Harvard sociologist Orlando Patterson agrees. In the aftermath of the civil-rights revolution, "blaming racism" made good politics and fashionable social science, he says. That era is ending, in Patterson's view, "but, tragically, Afro-American leaders now seem trapped by the fire they started."

In African-American leadership circles, Patterson's indictment strikes a nerve. It even evokes limited agreement. Yvonne Scruggs-Leftwich, executive director of the Black Leadership Forum, an umbrella group of civil-rights organizations, concedes, "We don't often enough acknowledge where there have been successes." Nonetheless, civil-rights leaders resent and reject the view that they are a bunch of self-serving doomsayers. "We *have* celebrated the economy, the reduction in unemployment, the reduction in teen-pregnancy rates," says Huge Price, head of the National Urban League.

The problem is that although certain blacks are thriving, others are not. Many of those "beneath the surface of socioeconomic viability," as sociologist Elijah Anderson describes them, are worse off than ever. Many blighted, black neighborhoods lack the equivalent of a Homan Square or an Allen Temple and are dying slow, painful deaths. And in that fact lies a leadership challenge and a philosophical dilemma. How can civil-rights leaders acknowledge the real and evident progress without encouraging complacency? How can they keep the pressure on to "move the glass from half-full to three-quarters full," in Price's words, if they give up the language of crisis and damnation? How do they avoid playing into the hands of those who would eliminate affirmative action, voting-rights enforcement and so many other things that are largely responsible for the



Trying to Close the Achievement Gap

Why, in this upper-middle-class Ohio high school, do blacks perform worse than whites?

IT'S NINTH-PERIOD-class change, and the halls of Shaker Heights High erupt in a rush of teen energy. As Abercrombie & Fitch preppies dish on the latest episode of "Party of Five," and hip-hoppers in Hilfiger khakis slap hands over new tracks from rapper Nas, a procession of black upperclassmen in shirts and ties cuts a conspicuous path through the halls. Crowds disperse for class, and the buttoned-down crew, leaders of the Minority Achievement Committee, head to the auditorium, where a group of black freshmen in T shirts and jeans sits quietly. Grade reports are out, and these kids have some explaining to do. Not to nagging parents or teachers, but to their own. "You think D's and F's are funny?" says one senior, to a grinning 15-year-old. "This is mediocre," says another, waving a card of C's before a squirming underclassman. "Mediocre doesn't cut it for a black man."

Motivation

'I work hard,' says Princeton-bound senior Candace Hamilton. 'I expect to do well.'

At least it *shouldn't* in Shaker Heights, Ohio. The affluent suburb of Cleveland has long been hailed as a model of successful integration. By and large, blacks and whites there are equally well off and live harmoniously side by side. The high school consistently ranks as one of the nation's best. There's just one nagging failure: the persistent achievement gap between black and white students. The brightest black students at Shaker are among the country's best, but a study released two years ago turned up a bleak reality. Though blacks make up half the high-school population, they regularly account for less than 10 percent of those at the top of the class and nearly 90 percent of the bottom. "We have been aware of and working on this for years," says school spokesperson Peggy Caldwell. "But seeing it in stark, raw numbers brought it home." Much is at stake. The achievement gap is a chronic national problem. If they can't beat it in Shaker, a town that has bucked so many negative racial trends, what community in America can?

The roots of the problem are varied, obscure—and a touchy subject. As in schools nationwide, teachers at Shaker may unwittingly set the bar lower for blacks. Black parents, who view a C as a lesser evil than scarier urban ills like drugs and gangs, might subconsciously make fewer academic demands. Kids, convinced they can't excel, often don't try. Their waning confidence seeps out in self-deprecating jokes. At an all-black lunch table in the school cafeteria, a student says with a laugh that the CP in College Prep—Shaker's lowest level of classes—must stand for "Colored People" because

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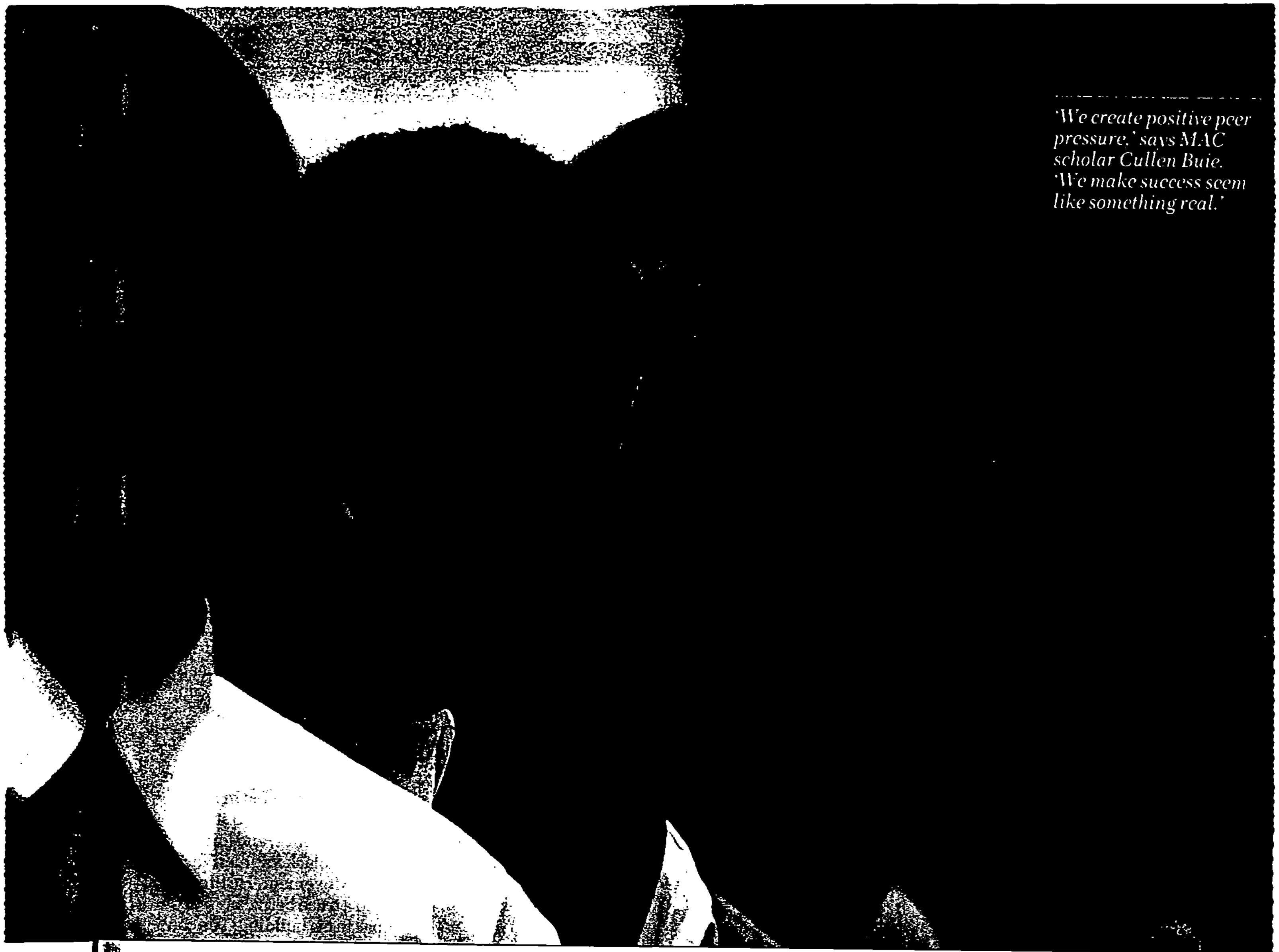

'We create positive peer pressure,' says MAC scholar Cullen Buie. 'We make success seem like something real.'

of the predominance of blacks in his classes.

Then there is peer pressure. Most teens at Shaker say they don't buy the old line that doing well means selling out to white culture. "What, only white people study?" says junior Justin Taylor. "That's just plain stupid and insulting." But if students don't catch flak for "acting white," they face mixed messages about what it means to "act black." Dr. Ronald Ferguson, a Harvard development specialist, conducted a survey of student attitudes at Shaker. When he asked what it takes to be popular, whites gave high marks to outgoing personality. Blacks gave higher marks to being tough. "That tough kid is going to be more standoffish toward authority figures," says Ferguson. "And that social requirement [works against] achievement."

The community is chipping away barriers to success. The Minority Achievement Committee was started in 1990 by high-achieving black males to show struggling freshmen that being smart is cool. Inductees are dubbed Potential Scholars. If they can hike their grades above a 2.8, as juniors they become MAC Scholars. Weekly meetings start with a firm handshake, followed by the MAC credo, "I pledge to uphold the name of the African-American man. I will do so by striving for academic excellence." "These guys have the grades, the respect *and* the girls," says Raji Bey, a senior who went through the program as a freshman. "Who wouldn't want to be like them?"

Parents, too, are circling the wagons. Rubin Harris, whose daughter Aida is a sophomore honors student, is cofounder of Caring Communities Organized for Education, formed in 1997 to boost black-student performance. The group holds town meetings, teacher workshops and parenting seminars to educate families about the achievement gap. "It's not that black parents aren't involved in their children's educations," says Harris. "They just need to be more effectively involved."

But high-school interventions may come too late. More than three quarters of students who fail at least one portion of the state proficiency test, taken before entering ninth grade, are black. The real time to address the achievement gap is in preschool, before it becomes entrenched. Shaker administrators are now experimenting with intensive summer tutoring, middle-school mentoring and all-day kindergarten to combat the problem earlier.

The high school takes success as it comes. At the MAC year-end awards ceremony, some of the same freshmen chided for their midterm grades were stepping up for a handshake from their proud senior brothers. Matthew Cox had a 1.1 GPA when he came to Shaker Heights High in September. Now it's a 2.4. "I'm feeling pretty good," says Cox, 14, an aspiring cartoonist who has his sights set on Kent State University. "But I know I can do even better." If Shaker can get enough kids to say the same thing, that's one more racial trend defied.

LYNETTE CLEMETSON

PHOTOS BY ELI REED—MAGNUM

black progress on display today? "To the extent you proclaim your success, other people forget about you," worries the Joint Center's Eddie Williams.

Then there is the fear—one deeply felt not only among the black leadership class but among much of the black general population—that the good times may be transient. What happens, skeptics ask, when the economy hits bottom? Or if the attacks on affirmative action ultimately eliminate opportunities, only recently won, in both the private and the public sectors?

In addition, there is this cold reality: for every upbeat statistic that engenders joy, there is a dismal number—or a skeptical reading—that invites alarm. And there are millions of personal experiences that conflict with the rosy statistics. In 1998, the jobless rate for blacks 20 to 24 years old was 16.8 percent, down from 24.5 percent in 1985; but that means little to Travon Netherly, a student at L.A. Southwest College. Recently, says Travon, four of his brothers applied for a job at an Orange County amusement park. Despite the help-wanted ad in the window, all were turned away. "My brothers were willing to take anything, even wear one of those Snoopy costumes," says Netherly, who bitterly adds, "It don't take skills to be Snoopy."

'Improvement Is a Myth'

One working family in South-Central L.A. says all the rosy national statistics won't feed their kids

MALIK BURNS, A student and activist in South-Central Los Angeles, does not buy all the rosy news about black America. "The truth is," he says, "this society doesn't want us to make it." Burns, 28, is a compact but forceful man, with shoulder-length braids and a diamond nose stud. In the small, spotless one-bedroom apartment he shares with his wife and three children, posters of Malcolm X share wall space with a pair of food stamps, reminders of the family's battles with dire poverty. There are times, he says, when he has skipped meals so that his children can eat. Burns jabs the air with a finger. "If a few blacks are succeeding, it's only because they ... have been let in through the cracks to pacify the rest of us. But if they haven't been able to help their own people, what good does it do?"

Seated beside him on a black velvet couch, Faith Burns, 34, is the soft-spoken half of the family. With Malik's help, she manages the apartment building, supporting a family of five on just $280 a week, before taxes. In Faith, resignation runs deep. "We're doing the best we can for the kids," she says. "But I don't think they'll have many opportunities. If they get a job, it will be a dead-end job."

The couple blames the enduring legacy of racism for their problems. Yet their story, like many, is more complicated than that. A high-school graduate, trained as a dermatology technician in the Navy, Malik could not land a job after his discharge. He blames a white senior officer for giving him a bad reference. Though he took spot factory jobs, he says, "I felt like a slave. I had assisted on surgeries back in the Navy. I had an education. I thought, I'm more than just an able body." When he got interviews for medical jobs, he says his appearance scared white employers. Even as his family struggled, he did not cut his hair. "We're told to conform in order to make the white man comfortable," he says. "I consider [my appearance] an African cultural thing."

The couple decided they would have to make their own way. Malik enrolled in L.A. Southwest College to study political science, and joined the New Black Panther Vanguard Movement. He brokered a truce between rival gangs in his building. The couple converted a storage area into a tutorial classroom, and launched a music and dance program for kids. Now, on a spring afternoon, children play in the concrete courtyard.

For all their work, the family remains below the poverty line, a counterpoint to the national statistics of black progress. "I wouldn't say things are positive right now," says Malik, "if the only way we can survive is to work two or three minimum-wage jobs—assuming you can get them." The legacy of inequality, he says, is not resolved by a momentary upturn in the economy. Rather, it is in the weave of the American tapestry. "It's a myth to think things are better for black families right now," he says. "In many ways, they are worse than ever."

ANA FIGUEROA

CARL POSEY

Treading Water

'The only way we survive is to work two or three minimum-wage jobs—assuming we can get them,' says Malik Burns

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CARL POSEY

Preaching Today

The church can be 'otherworldly,' says Oakland's J. Alfred Smith Sr. 'We're concerned with the nasty now and now.'

Eric Frierson, a 33-year-old data processor and Watts native, has equally pressing worries. Frierson did 11 years in Folsom penitentiary, but has managed to stay out of trouble for the past five years, and now volunteers for FACES, a community-outreach organization working in Watts's Imperial Courts housing projects. It is an area where buildings are pockmarked by bullet holes and bad company constantly beckons. "They told me I can't be around no ex-cons," says Frierson, but "everybody I know is an ex-con. All my brothers are ex-cons. Almost every black man you see is an ex-con. Who am I going to be with?"

Frierson's plaintive question reflects a sobering reality. An estimated 70 percent of the young black men of Watts—those between the ages of 16 and 25—are on "some kind of paper," meaning they're in jail, on parole or on probation. That specter of prison haunts countless other black communities across the nation. In some areas, prison time has become such a pervasive feature of life that it has totally undermined the hard-fought victory for black voting rights. One million four hundred thousand black men, or 13 percent of the total, are disenfranchised because of felony convictions, according to a recent report by Human Rights Watch and The Sentencing Project.

Some even question whether the much-vaunted black progress in education is as genuine as it seems. A study of higher education in 19 states done by The Southern Education Foundation shows that though the numbers of blacks in college overall are up, those of first-time, full-time freshmen are not. Numerous experts are also concerned about the impact of anti-affirmative-action measures. When California, Texas and Washington state eliminated affirmative action, all experienced huge drops in the numbers of blacks and Latinos admitted to their most selective state schools.

In earlier grades, the picture is also ambiguous. Twenty-six states have adopted exams high-school seniors must pass before they can graduate, according to a new study from the Applied Research Center, an Oakland-based research and advocacy group. "In virtually every state that has implemented high-school exit exams, a disproportionate number of those who have passed all other requirements but fail to graduate ... are students of color," charged the report. Exit exams "essentially punish poor students and those of color for attending substandard schools," concluded ARC. Less easily explained, this performance gap also persists in affluent and integrated communities, such as Shaker Heights, Ohio (story, page 36).

Welfare reform, likewise, does not bring exclusively good news. Clearly, it has taken recipients of all races (more than 2 million families) off the rolls, and given many a second shot at a productive life. Studies—and at this point there are no definitive ones—suggest that perhaps two thirds manage to get along reasonably well (often through a combination of part-time work, forays into the underground economy and help from their families). But many (probably most) don't find full-time permanent jobs. And it appears that whites do better than blacks. The racial difference "is consistent with what we know about employer preference," says Melvin Oliver of the Ford Foundation. There are other likely reasons, as well, including the fact that black women are less likely to live where jobs are located. But like virtually everything else involving race, the reality of welfare reform is too complex to capture with one hackneyed truism, or with one simple set of statistics. In Wisconsin, which has more experience with welfare reform than any other state in the nation, thanks to a series of initiatives that began under Republican Gov. Tommy Thompson, that complicated truth is reflected in the divergent experiences of Cassandra Tucker and Sheri Totton.

Tucker, 29, and the mother of six, became a welfare recipient after her divorce five years ago. She is now a foreman at Central Overhead Door, and she credits Wisconsin's tough-love welfare policy with getting her there. Where the old welfare policy encouraged dependency, the new one promotes independence. "You are special. You can do great things," one social worker told Tucker. She believed it and triumphed. After spending the summer of 1998 learning construction at a building-rehab site managed by the YWCA of Greater Milwaukee, she was hired for her present job.

Where Tucker found empowerment in welfare reform, Totton—so far—has found only struggle. Totton, also 29, lost her housing because she could no longer pay the rent, and now lives with her three daughters in a family shelter one block west of the YWCA that turned Tucker's life around. After eight years on public aid, the best job she could

Still Dreaming

Black America may no longer be a 'lonely island of poverty,' but King's dream still waits

land was a part-time position at a local food bank. She's had a hard time juggling her job and school—neither of which she can afford to miss, since the penalty is a reduction in her welfare benefits. And it is far from clear that she will have the wherewithal any time soon to make the leap to self-sufficiency. "A lot of stuff is confusing," she sheepishly admits. What the two women's stories make clear is that it's ultimately impossible to say whether things are better or worse without asking, "better or worse *for whom?*" Similarly, one must also ask, "Compared with what?"

Black executives inevitably compare themselves with their white peers, notes Sharon Collins, a sociologist at the University of Illinois at Chicago. "And no matter how well the blacks are doing, they're not doing as well as their white counterparts." In fact, when blacks compare themselves with whites in virtually any arena, the picture is unsettling.

ANDREW CUTRARO—AFP

Black income, for instance, is at its highest level ever, and unemployment is lower than it has been in a quarter of a century. Yet black unemployment (at 8.9 percent) remains more than twice the rate for whites (3.9 percent). Among workers 20 to 24, the unemployment numbers are even more lopsided (16.8 percent for blacks, 6.5 percent for whites). Such high unemployment among blacks "in a virtually full-employment economy says there's still something wrong," observes Wade Henderson, executive director of the Leadership Conference on Civil Rights. Labor-force participation figures are equally dispiriting, particularly for black teens. Only 40 percent of black males between 16 and 19 are in the labor force, compared with 57 percent of their white counterparts. And though black median income (for a family of four) reached a record high of $34,644 in 1997, that was still $21,378 less than the average for whites.

It is not, however, just the difference in numbers that makes so many blacks loath to believe American society is serious about racial equality. There are also the continuing reminders of racism. Even for those blacks for whom now is the best of times, bigotry remains more than a memory. For those who get brutalized by cops or stopped for "Driving While Black" (incidents that dramatically erupted recently in New Jersey and New York), it's impossible to feel truly accepted in America, points out Mary Frances Berry, chair of the U.S. Civil Rights Commission. Or, as economist Glenn Loury puts it: "A lot of people are pissed off, and they're not all crazy."

That black schoolchildren are still wrestling with the ludicrous issue of whether academic achievement somehow makes them less black says volumes about the message of black-white difference that society continues to send. It is a message graphically underscored by the intense segregation that defines American living patterns. And it is continually bolstered by popular culture, particularly television, which keeps its dating shows racially segregated and its programming racially segmented. Hence, it's no wonder that blacks and whites generally watch totally different prime-time shows. And it's hardly surprising that even though the incidence of interracial marriages has grown greatly, marriages between blacks and whites are a fraction of those between whites and Hispanics or whites and Asians.

What all that says, in short, is that, for all the well-documented black success stories, and for all the heartwarming statistics, blacks remain, in substantial measure, a race apart in America: a race admired, even emulated, yet held at arm's length. It reflects a particular American schizophrenia. We embrace equality and yet struggle with it in reality. We have come so far, and yet we have not escaped the past.

In perhaps the most famous passage of his most famous book, "The Souls of Black Folk" (first published in 1903), the great sociologist and social activist W.E.B. Du Bois tried to explain what it meant to be a Negro in America. "One ever feels his twoness—an American, a Negro; two souls, two thoughts, two unreconciled strivings; two warring ideals in one dark body, whose dogged strength alone keeps it from being torn asunder." What he did not say, but could have, is that America also has its unreconciled strivings, an impulse toward acceptance coexisting with a tendency toward exclusion, a reverence for equality that coexists with stirrings of racism.

The good news on black America is ~~too clear~~ to deny. In the past few decades, blacks' fortunes and prospects have soared toward the heavens. Blacks have entered virtually every sector of American society and breathed life into Martin Luther King's extraordinary fantasy. It's too late to put the racial-justice genie back in the bottle. It's time to acknowledge what America and African-Americans together have accomplished and become. The bad news, however, is equally profound, and it can be summed up with two simple facts. Despite all the progress of the last several decades, we continue to talk about black America as a place and a people apart. And despite the lip service we pay to the concept of equality, we look with equanimity, even pride, upon a statistical profile of black Americans that, were it of whites, would be a source of horror and consternation. That is not likely to change soon; but until and unless it does, our great nation will never become the country of our finest dreams.

With Ana Figueroa, John McCormick, Vern Smith *and* Pat Wingert