

RESEARCH UPDATE

Institute for Economic Advancement

UALR

Economic Differences in Blacks and Whites in Little Rock

Sarah G. Breshears and Mark A. Thompson

In 1989, a study by CNNMoney.com reported that Blacks earn less than Whites, more likely to be unemployed, and less likely to have a college degree, to name a few. Chancellor Joel Anderson requested this study as an extension of the 4th Annual Racial Attitudes Survey presented by UALR Institute of Government. Dr. Anderson has placed an emphasis on the study of black-white relations since his inauguration in 2003.

As such, the State Data Center housed in the Institute for Economic Advancement (IEA) provides information on racial differences in the United States (US), Arkansas (AR), Pulaski County (PC), and Little Rock (LR). The State Data Center has a variety of information at the different regional levels from income and demographic data to socio-economic indicators and education.

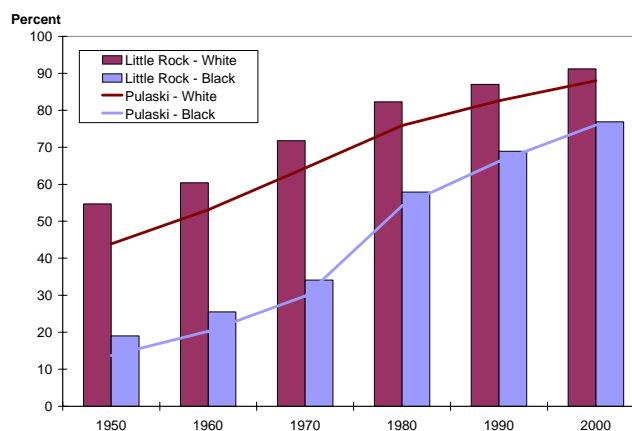
The purpose of this Update is to report some of the results that will be presented at the upcoming conference. In particular, the focus is on differences in the educational attainment, since this may explain differences in future earnings. In addition, there appears to be differences in net worth by race. For example, Blacks' net worth is about one-tenth of Whites' net worth. That is, differences in income and differences in net worth could be due to difference in education. If there are differences in education, then that would explain differences in unemployment (by race), differences in income, and differences in occupation type.

INSIDE THIS ISSUE

"While the gap in percent of high school graduates is closing, the gap in percent of college graduates is widening...To change these trends, emphasis should be on policy geared towards educational development for at-risk groups, such as early childhood education programs "

The differences in high school graduates by race for Pulaski County and for Little Rock are illustrated in Figure 1. In the 1950s, 1960s, and 1970s, there was a considerable gap between Blacks and Whites. However, that gap has started to close for both Pulaski County and Little Rock. In 2000, 77 (76) percent of Blacks were high school graduates compared to 91 (88) percent of Whites in Little Rock (Pulaski County).

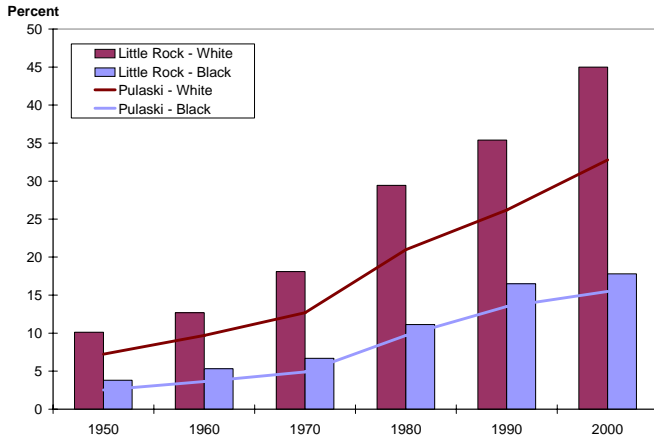
Figure 1. Percent of High School Graduates



While the racial gap in percent of high school graduates is narrowing, the gap in percent of college graduates is widening (see Figure 2). The percent of college graduates is higher in Little Rock than in Pulaski County. The racial differences have continued to widen since 1950. In 1950, the percent of White college

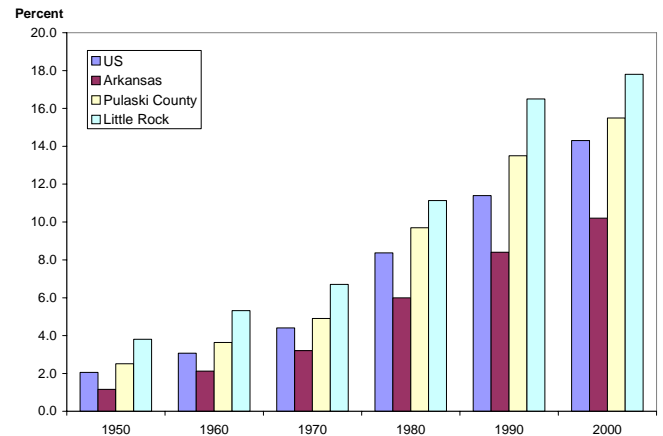
graduates were about 10% (7%) compared to 4% (2.5%) for Blacks in Little Rock (Pulaski County). In 2000, the difference between Whites and Blacks was 45% vs. 18% and 33% vs. 15.5% in Little Rock and Pulaski County, respectively.

Figure 2. Percent of College Graduates



The racial gap in percent of college graduates has continued to widen since the 1950s; how do Little Rock and Pulaski County compare with the US and Arkansas? A comparison of the percent of Black college graduates by region (i.e., US, AR, PC, and LR) is presented in Figure 3. Several trends and interesting points are worth mentioning. First, the percent of Black college graduates is higher in Little Rock and in the other regions, including the US. Second, Pulaski County also beats the US in terms of percent of Black college graduates. However, the State of Arkansas lags the US. In 2000, the percent of Black college graduates in Little Rock was 18% compared to 15.5% in Pulaski County, 14% in the US, and 10% in Arkansas.

Figure 3. Percent of Black College Graduates by Region



This Update provides some evidence of the differences in educational attainment among Blacks and Whites that may explain the differences in income, future earnings, net worth, and occupations to name a few. While the gap in percent of high school graduates is closing, the gap in percent of college graduates is widening. However, Little Rock and Pulaski County are above the US and Arkansas in percent of Black college graduates. To change these trends, emphasis should be on policy geared towards educational development for at-risk groups, such as early childhood education programs.

NOTE: Sarah Breshears is Director of the State Data Center at IEA and Mark Thompson is the economic forecaster. This is a summary of the results that Sarah will be presenting at the upcoming “Racial Attitudes” Conference on March 21 at UALR Donaghey Student Center. Sarah can be reached at sgbreshears@ualr.edu and Mark can be reached at mathompson@ualr.edu.



Dr. Joel E. Anderson, Chancellor
 Dr. Hugh D. Sherman, Dean of the College of Business

IEA Director and Senior Staff

- Dr. Ashvin P. Vibhakar, Director 501-569-8476
- Ms. Sarah G. Breshears, Census State Data Center 501-569-8530
- Mr. Davis A. Bullwinkle, Research Library..... 501-569-8540
- Dr. Gregory L. Hamilton, Research Group 501-569-8571
- Dr. Ronald J. Swager, Center for Economic Development Education 501-683-7347
- Ms. Diane Thomas-Holladay, Labor Education Program..... 501-569-8483