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THE EFFECTS OF RACIAL PREFERENCES IN HIGHER EDUCATION ON STUDENT OUTCOMES

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WELCOME AND INTRODUCTION:

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EMPIRICAL INFERENCE AND THE EFFECTS OF ADMISSIONS PREFERENCES:

Moderator:

GLENN LOURY
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Panelists:

KALA KRISHNA
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VERONICA ROBLES
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Wilson Chair of Economics
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THE PHENOMENON OF "SCIENCE MISMATCH":

Moderator:

RICHARD SANDER
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Panelists:

PETER ARCIDIACONO
Professor of Economics
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FREDERICK SMYTH
Research Assistant Professor, Psychology
University of Virginia

MARC LUPPINO
Economist
Federal Trade Commission

LUNCHEON ROUNDTABLE: RESEARCH, PREFERENCES REFORM, AND *FISHER V. UNIVERSITY OF TEXAS*:

Moderator:

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Panelists:

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P R O C E E D I N G S

MS. JACOBS: Good morning. Hi. Welcome to all of you. Thanks so much for joining us this morning. My name is Elisabeth Jacobs. I'm a fellow in governance studies here at Brookings and I have the pleasure of welcoming you all to Brookings for what promises to be a fantastic event on the effects of racial preferences in higher education on student outcomes.

Now as many of you here know next month the U.S. Supreme Court will hear oral arguments in Fisher versus the University of Texas which is the first case the court has taken up in nearly a decade or the use of race in higher education outcomes. Unlike the 2003 Bollinger cases the arguments in the current debate focus not on the race for spots at elite schools but rather on whether racial preferences actually benefit the recipients. And that question is what's at the heart of today's conference which is organized around new research on the actual effects of racial preferences on students. These are really key questions with real import for both individuals' economic success and our nation's economic prospects.

College completion remains the single best predictor of an individual's success in the workforce. Yet a substantial imbalance between minority and white graduates pursuits. And our nation's economic future depends on creating and sustaining a strong pipeline of STEM graduates who are trained, who are in high demand from employers who consistently report problems recruiting appropriately trained graduates.

We are very lucky today to have a distinguished set of panelists who are

exceptionally well equipped to answer these questions, to connect the dots between these and many other ones that I haven't mentioned. So without further ado I want to turn the stage over to the driving force behind this event, Professor Rick Sander.

Dr. Sander received his JD and PhD in economics from Northwestern and not long afterwards became a full professor at UCLA School of Law. He has a long and impressive history of impact oriented research on issues of social economic equity, and he is the founder of the Empirical Research Group at UCLA's law school which is really a perfect combination to get at the questions that you guys will be hearing about today. So without further ado I will turn it over to Rick.

MR. SANDER: Thank you Elisabeth and welcome everyone. I'm really pleased to see so many of you turning out at 8:45 in the morning. This is an exciting event for us because it's probably the first conference of its type to focus on empirical research about how racial preferences actually affect educational outcomes.

Affirmative action has an interesting evolution. In the 1950s and '60s affirmative action programs started as ways of trying to level the playing field. Federal contracting programs for example modified to try to make sure that exclusionary practices were eliminated and that contracting agencies did a better job of trying to identify the pool of eligible applicants.

Around the end of the 1960s affirmative action began to evolve into racial preference programs and some other type of preference programs. These were widely adopted in higher education at the end of the 60s during the 70s and the early 80s and became almost universal at selective colleges and professional schools by 1990. A lot of

the debate about racial preferences, and it's always been an intensely controversial issue was really kind of a normative debate. People had different definitions of what equality of opportunity meant. Did it mean race neutrality, or did it mean taking into account enough factors that one had reasonable representation of different groups in society. So this moral debate raged for decades but has gradually I think evolved more towards an empirical debate. That process was probably started in 1978 when Lewis Powell wrote the controlling opinion in *Bakke v. University of California*, the first major affirmative action case taken up by the Supreme Court. And in *Bakke* Powell is saying that universities cannot engage in racial preferences for purposes kind of general, social engineering. But that they could engage in racial preferences to pursue diversity on the campuses as a compelling goal if they can show that diversity was important to the achievement of their educational objectives. So that started a period where scholars began to look at what the effects of diversity were. Most of that research and that research has continued to grow and there were many briefs submitted in the Fisher case about this research last month. That research has generally focused on the campus climate as a whole. Diversity per se is not focused on any particular student or any particular group but upon how increased racial diversity or other types of diversity affect the educational climate.

We're going to talk a little bit about that research today, but that's not our primary focus. Because in the 1990s a different type of empirical research started to take hold. People like Rogers Elliott and Linda Lowery pioneered studies of the effects of preferences on individual student outcomes. In other words they were effectively trying

to shift the debate on affirmative action from, is it fair to does it work. Is this an effective policy for trying to achieve the goals that affirmative action. Because whatever Justice Powell might say, the reasons that universities were pursuing preferences and pursuing racial diversity was only partly to achieve campus diversity. It was also very much about trying to achieve various social goals. So this research tried to examine whether preferences had the effect of improving educational outcomes, improving eventual labor market outcomes, how they affected the self perception of students who receive preferences and so on.

As we're going to explore today this research has developed slowly, partly because it's very hard to get good data from universities and other higher education institutions about the actual impact of preferences. So an important theme that we're going to be talking about today is transparency, data access, and what you actually need to do, the kind of research that all of us participating here are interested in seeing done. But some datasets gradually became available. And as the research that was done became better known and I think perhaps stimulated some by the Grutter and Gratz decisions by the Supreme Court in 2003 more and more scholars became interested in these questions. And in the last ten years there's been a significant growth of research. And that has continued to accelerate steadily so that I think in the last two years probably more research on the effects of preferences has appeared either as working papers or as publish papers than perhaps in the entire earlier history of the field. That has not been done in anticipation of Fisher. I don't think any of us here today started our work anticipating that the Fisher case would come up. And indeed the Fisher case does not

directly pose these issues. I think some of us think that it indirectly poses interesting empirical issues and those will probably come up today. But Fisher is a more traditional case. It's really focused largely on what the Grutter case means and what are the legal boundaries of the use of racial preferences by universities. Nonetheless, these empirical issues, these questions about what affirmative action does are a very important undercurrent in shaping the debate, shaping how universities view do what they're doing, how the public views preferences and so on. So today we're going to try to present a range of what we consider to be the most exacting research being done in this field. And I've got to say that the most thrilling thing to me about this conference is that every single person that I asked to come said yes. So we have no second stringers here. Well, I won't use any sports analogies, but we have a very nice group of people presenting and I think you're going to find this work both intellectually rigorous and accessible and engaging.

We're going to have two panels this morning that will focus on presenting academic papers. The first one is going to present papers that are fairly eclectic and kind of illustrate the general challenge of trying to study the impact of preference policies on students: data challenges, analytic challenges and so on. Glenn Loury is going to preside over that panel. Then we're going to have a panel that's going to focus on one of the most interesting areas of IMPAC research. It's going to look at the question of science mismatch which is the issue of whether students who receive preferences have better outcomes if they end up at a school where their academic preparation is similar to those of their fellow students or if they instead go to a more elite school where other

students have generally stronger academic preparation than they do. This has been a question people have wondered about for a while. There's been progressively more exciting research done and you're going to see it today.

After those two panels we're then going to stop with PowerPoints and slides and numbers, and we're going to have several people who are keen observers and participants of the affirmative action debates lead a luncheon roundtable. And Stuart Taylor will be presiding over that. In all these sessions we are leaving also time for your involvement and we look forward to your questions.

So let's start panel one. Glenn Loury is going to lead it. He's the Merton Stoltz Professor of social science and professor of economics at Brown University. He's taught at Boston, Harvard, Northwestern. He's been a leading figure in public discourse about a whole series of issues related to race and inequality for the last 20 or 30 years. He has a doctorate in economics from MIT and a bachelors in mathematics from Northwestern. He's also worked broadly on applying microeconomic theory, welfare economics, game theory, industrial organization, natural resource economics, and the economics of income distribution. He's lectured before economic societies around the world. And we are very delighted to have today Glenn Loury. [Applause]

MR. LOURY: Good morning everyone. Very happy to be greeting you this morning and to be introducing this panel. These are going to be papers which an empirical statistical analysis of data sets aimed at getting at some of the questions that Rick was just mentioning in terms of the effects of affirmative action on student outcomes. What I'm going to do here is introduce the speakers in the order in which they

will speak, and then I'm going to leave the stage and allow the presentations to proceed.

Kate Antonovics as you can see here with Richard Sander's paper on affirmative action bans and the chilling effect using California data to investigate whether the imposition of an affirmative action ban affected the students' willingness, African American and Latino students to accept admission at the University. Kate is going to be doing a presentation. Kate Antonovics is on the economics faculty of the University of California at San Diego. She received her PhD from Wisconsin in economics in 2000 and has written papers on topics about race and gender discrimination, intergenerational mobility, and her papers have appeared in the American economic review of the Journal of Labor Economics and the Journal of Human Resources. I'm going to introduce the speakers and then I'm going to allow them to proceed.

The second paper by Kala Krishna and Veronica Robles is on affirmative action in higher education in India. And I'd just like to introduce Kala Krishna and Veronica. Kala Krishna is a liberal arts research professor of economics at Penn State University. She is also a research associate at the National Bureau for Economic Research and a fellow of the CESifo in Munich. She's taught at Harvard and at the Fletcher School, received her doctorate from Princeton, and has published widely in international trade, economic development, and industrial organization. And Veronica Robles is a research economist at the Inter-American Development Bank, received her doctorate in economics from Penn State in 2012, and works in the field of applied microeconomics. She's from Peru and has worked at the prestigious think tank in Peru GRADE for six years.

Finally the third presentation in this morning's panel is by E. Douglass Williams who is the Wilson chair of economics at Sewanee University of the South and chair of his department. He received his doctorate in economics from Northwestern University studying under the Nobel laureate Dale Mortensen. Doug served as a budget advisor to the city of Milwaukee and has taught at Carleton College. His research has examined the legal profession, environmental resource management, and living wage laws. And Doug's paper is going to examine the Effect on Academic Outcomes in Legal Education of Mismatch.

So that is the panel forthcoming. And with that introduction I'll invite the first presenter, Kate Antonovics to take the stage.

There will be Q&A after the presentations. [Applause]

MS. ANTONOVICS: This paper is entitled Affirmative Action Bans and the Chilling Effect. It's joint with Rick Sander who you all just met because he was up here speaking with you. I want to start by just giving you a little bit of background and defining some terms because as it turns out the term affirmative action which is one of the first terms I want to define is a debated term in this literature. And so in this paper when we're talking about affirmative action what we're explicitly referring to are instances in which there are explicit racial preferences in college admissions. So in other words admissions officers are using race as a criteria in an admission and determining admission partially on the basis of a candidate's race. And there are other forms of affirmative action that you can imagine, but this is what we're talking about in this paper.

In terms of our ability to study affirmative action and the chilling effect --

the next slide is going to tell you what the chilling effect is all about. The key thing that is enabling us to really understand the effect of affirmative action and the chilling affect is that in 1996 California voters approved Proposition 209. So Proposition 209 was approved in November 1996 and it added to the state constitution the following language. “The state shall not discriminate against or grant preferential treatment to any individual or group on the basis of race, sex, color, ethnicity or national origin in the operation of public employment, public education, or public contracting. So this really was perceived, and I think correctly obviously, that the University of California system could no longer practice affirmative action or explicit racial preferences in college admissions, which they had done up until that point. They were thinking about race in determining the admissions process.

For various reasons the Proposition 209 wasn't implemented immediately. It went into effect starting with the freshman class of 1998. So students who probably were sending applications off in the fall of 1997 were admitted in the spring of 1998 or entering in the fall of 1998. That's really the group for whom this band immediately took effect. So students who started at any UC school in the fall of 1998 were admitted without any explicit racial preference.

What is the chilling effect? And that's really what we want to understand. In this paper what we're trying to understand is what is the effect of this ban or was there a chilling effect of this ban on minority students? So there's a general recognition of course that Proposition 209 was going to lower the proportion of underrepresented minorities at the UC just simply because their admission rates were going to be lower.

But there was also this concern about this so-called chilling effect. And the idea of the chilling effect was this fear that minorities would lose interest in attending the University of California because the ban would change the campuses in ways that would make them less attractive to minorities. So it's not just that they weren't getting admitted but that perhaps they also would not want to attend. That the schools would fundamentally become less appealing to them. And that is of course a concern because I think people just sort of generally thought that it's one thing for students to not be getting in, but for them to not actually want to come to the UC anymore is sort of this added layer of concern. And you might want to ask, well what are the possible mechanisms? Why would a ban on affirmative action chill minority interest in attending the University of California? And one was just simply this idea that the band could connote institutional hostility, that minorities might perceive that they were no longer welcome at the University of California. But of course the other issue is that there is this reality that minorities were going to have many fewer own race peers on campus after the ban went into the effect. And to the extent that that's important, that could deter minorities, even those who had been admitted from actually attending the school. So just to give you a broader sense or a richer sense of what these concerns were all, there was for example a quote from a high school senior who was admitted to Berkeley in the spring of 1998 and she said, "okay they don't want me. I don't want to go there. Their commitment to affirmative action is not there." So again this idea that there might be this institutional hostility, that it might chill minority interest in attending the UC. Another quote, another black student who was admitted who was a student at Berkeley in 2004 observes, "The situation is not

conducive to black students coming here. It's difficult as students to reach out to prospective minority students and tell them they'll be welcome with open arms. Again presumably because they would have so many fewer own race peers." And then the director —- this is sort of a surprising quote, but the director of black student development, Grace Caroll, at Berkeley remarked, in May 1998 this is the first year I've told students who asked me not to go to Berkeley but to go to Stanford. So you actually have cases in which and administrators might have actually been actively discouraging students from coming to the campus because they would fear that it would just not be a welcoming place for them.

So what we're trying to understand in this paper is the extent to which this is true. The extent to which minority interest in attending the University of California system was actually chilled by banning racial preferences.

So there are a couple ways you might go about trying to think. You could think about studying the chilling affect. One is to start and just sort of look at enrollments share. So what's the fraction of minorities on campus and how did that change after the ban went into effect? But of course that doesn't just to get at the chilling effect because part of the reason why minority enrollment shares fell at the University of California was not just because minorities might have lost interest in attending, but that they were admitted at much lower rates after the ban went into effect. I have a little red ex there meaning that's not really going to get at it.

You could also think about looking at application rates. You could just say, oh, did minority application rates change after the band went into effect? But again

the problem there is that when you're thinking about it -- when a student is thinking about whether or not they should apply to a certain school there, they have in mind the likelihood that they're going to be admitted. And it's possible that minority application rates to the UC could have fallen simply because students feared that they were no longer want to be amended so why bother sending an application.

So again doesn't seem like a great candidate. Instead what we're going to do in this paper is look at yield rates. The probability that a student enrolls in a particular campus is conditional upon being admitted. So we're going to take the group of students who were admitted to a University of California school and ask what's the likelihood that given their offer of admission they actually subsequently enrolled in the school and take that as a metric of whether or not there was any sort of change in minorities' interest in attending the UC. So the basic approach is going to be the study. And actually let me define one more term.

URM is the UC's term that they use for underrepresented minorities. And that includes at the UC blacks, Hispanics, and Native Americans. Although Native Americans make up a very small fraction of minority students there. But our basic approach in this paper is going to be to study how URM yield rates changed after Prop 209. So we have this three-year period immediately before Prop 1995 to 1997, and we're going to compare that to URM yield rates in the three-year period immediately following the implementation of Prop 209.

Now you might want to ask, well what are some of the possible problems with this research approach? One is that there could be that there are changes in the

characteristics of students who are admitted before and after Prop 209 went into effect. And our solution is going to be to use really rich administrative data from the University of California that allows us to control for changes in student characteristics. Because again the pool of students who are admitted is going to be really different before and after the ban. The other big problem is you might think, well what if there is just a change over time or either an increase or a decrease in the student's interest in the University of California. Maybe the University of California becomes more appealing to students, less appealing to students. And so our idea here is going to compare the change in the yield rates of underrepresented minorities to the change over time and the yield rates of non-underrepresented minorities. This is often called difference and difference estimations. So we want to compare how did the yield rate of minorities change relative to the change in the yield rate of not minorities and take the difference as some measure of how minority interest in the University of California might have changed. We're going to be using a really rich administrative data from the University of California. We have data on every fall freshman applicant from 1995 to 2000. For those students we know their SAT scores we know their high school GPA. We know something about parental income and parental education. We know whether they were admitted to a particular UC campus. And if they were admitted the set of schools at which they enrolled. And so it's a very useful data set. But again in our empirical analysis we're going to be focusing on the admits and asking whether or not they actually enrolled.

So just to give you a sense of sort of a picture. I like pictures. This shows you the percentage difference between URM and non URM fall freshman yield

rates. For example, the very top line. I don't know if that's a taupe-colored line but that's UC Riverside, the top colored line there. As you can see in 1994 URM's conditional upon being admitted were 50 percent more likely to enroll in Riverside than non-minority students. And when the line is negative it means that those minority students, for example the blue line, the sort of royal blue line there is Berkeley in 1994. Minority students were about 10 percentage points or 10 percent less likely to enroll in Berkeley in 1994 than non URMs. And so one of the things you see here is that right —- so Prop 209 went into effect in 1998. So the dashed vertical line there is when Prop 209 went into effect. And actually the solid lines bracket the years in which we're looking at, the years of data that we're looking at in this paper. And so one of the things you see here is this dramatic jump up in the enrollment rate of minority students right around the time that Prop 209 went into effect. So this is controlling for nothing. We're not controlling for changes in the characteristics of students or anything like that. But I just wanted to show you kind of the basic empirical sort of pattern that sort of motivated this question of should we? What's going on here? What could be explaining this jump in minority yield rates right around the time Prop 209 went into effect.

So let me just jump straight to some of our main results. So what we're going to do -- what we do is we basically say controlling for changes in student characteristics and very importantly controlling for the changes in the set of schools to which students were admitted, how did their likelihood that minorities would enroll in a particular campus change relative to the likelihood that non minorities would enroll in that particular campus. For Berkeley for example you see approximately a 5.7 percentage

point increase in the likelihood that an admitted minority was going to enroll in the University -- in Berkeley conditional upon being admitted. And the numbers are a little bit smaller for some of the other campuses but still substantial and statistically significant. Now just to give you an idea of that magnitude there, I also have the baseline yield rate for minority students at Berkeley before the ban went into effect. It was about 37.9 percent. So before Prop 209 went into effect approximately 37.9 percent of minorities who were offered admission to the University -- to Berkeley actually enrolled. So a little bit under 40 percent. And as you can see and if you get into Berkeley you're really, really likely to go. And as the schools get somewhat less selective those yield rates drop a little bit. But when you look at 5.7 percent and compare that to 37.9 percent you get in the case of Berkeley about a 15 percent increase in the yield rate for minorities. I sort of did a rough back of the envelope calculation. You're getting about down the campuses somewhere in the order of a 10 percent increase in URM yield rates at most of the UC campuses. Like at UCLA you can see it's right – it's a 3.9 percentage point increase on a base of 38.8 percent. So approximately a 10 percent increase in the yield rates. So you might want to understand why is there a warming effect? So actually let me go back. This is totally surprising. We write this paper and you think you're going to get a chilling affect. You think you going to see a drop in minority yield rates. But in fact minority yield rates actually appear to increase. And so that's very surprising. It's not at all the result that one might expect. And so we're sort of trying to understand well why might this be the case? Why would you see this jump in minority yield rates after you've controlled for student characteristics, etcetera.

SPEAKER: Excuse me, can I ask you a clarifying question?

MS. ANTONOVICS: Yes.

SPEAKER: What are the acceptance rates relevant to these populations? You're telling us about the effects on yield rates. But I'm just wondering what the acceptance rates are like before and after.

MS. ANTONOVICS: So at Berkeley for example about 50 percent of minority applicants were given offers of admission prior to Prop 209. And those admissions rates fell to about 25 percent after Prop 209 went into effect.

SPEAKER: I'm sorry, would you say that again?

MS. ANTONOVICS: So before Prop 209 went into effect URM admission rates were around 50 percent at Berkeley.

SPEAKER: Yeah.

MS. ANTONOVICS: And then they fell to 25 percent after Prop 209.

SPEAKER: Thank you.

MS. ANTONOVICS: At Berkeley is a very dramatic drop in the admission rate. But a school like Riverside which is far less selective there was a much smaller drop in the admission rate because the school wasn't actually all that selective to begin with. So it varies across campuses.

So one of the things that we thought about in this paper was the possibility that when you ban affirmative action there's this notion that schooling serves as a signal to employers of underlying ability. And when you ban affirmative action you are essentially increasing the signaling value of going to a particular school. You're

allowing employers etcetera who are looking at whether or not a minority student has graduated from a particular college, you're going to understand that they went to that school without having been admitted under any sort of racial preference program and that that could increase the signaling value of attending one of these schools. In the paper we built a small model that really shows that when you have a signaling model of the sort that I just described the increase in that signaling value when you ban affirmative action should be the largest for students with relatively low academic credentials. And so we can look for that in our data. And indeed we do find that it's the case that the warming effect is the largest for students with relatively low levels of academic ability. In other words, the yield rates. This jump in the yield rates was the most pronounced for students who were admitted but who had relatively weak academic credentials.

So I just want to quickly conclude because I'm seeing that I'm out of time.

So surprisingly we find this increase in minority yield rates after Prop 209. We find really no evidence of a chilling effect at all. I mean that's sort of the hypothesis that I think we might have gone into this paper with, but we found the absolute reverse result. And so when you think about this drop in URM enrollment shares at the more selective colleges after Prop 209 you have to understand that this is --one of the results of the paper is that this is primarily because of the fall and their likelihood of being admitted, not because they appear to lose interest in attending the UC school. My minorities maintain their interest in attending the UCs. And the paper also I think has some suggestive evidence that affirmative action may have increased the signaling value of these degrees and actually made it a more appealing school for minority students.

And you do see that reflected in just sort of anecdotal evidence where students express pride at sort of being in the UC despite the fact that no racial preferences were given in admission. Students have mixed feelings about it, but I think there is some anecdotal evidence supporting this.

Okay. I have overrun my time. So thank you very much and I guess the next presenter will come up. [Applause]

MS. KRISHNA: Hi and good morning. What I want to talk about today is some work that I've been doing with Veronica on data from India. And might say why India and what's the relevance here. In India affirmative action has been used in a very, very strong manner. In India they're class and traditionally the lowest class called sometimes in the old days was called Untouchables. Mahatma Gandhi called them Harijans which is Children of God. And today they're called Scheduled Castes and Scheduled Tribes. The Schedules Tribes were the original inhabitants and got pushed further and further back. So in India these are groups which have been basically oppressed for a long, long time. So the issue of affirmative action was seen as one of justice in letting people who had been oppressed for a long time have a chance to catch up and take their rightful place in society. So in India the plan was to use this for the disadvantaged and hopefully in the Constitution it was literally stated that this would be done in 25 years. India got independence in '47. It's still not done. And the position of the Scheduled Class, Scheduled Tribes is improved over what it was at independence, but they're still behind. So there's an intense debate both in India and in the U.S. on the impact of this kind of affirmative action on who it's supposed to benefit. So in India

there's this issue of does it benefit the people it's supposed to which is the relatively poor and disadvantaged of the Scheduled Caste Scheduled Tribe, or does it end up having what's called a creamy layer effect which is the best and most well off of the Scheduled Caste Scheduled Tribe are the ones who gained because they're given admission when others in the general category would not and they've had all the advantages.

The other question what's very important is do these kinds of preferences actually help them. In India this is a great place to look at the data basically because unlike in the U.S. the differences are huge. So you have admission in India elite engineering institutions which are the ones we study. The admission cutoff for general category is like 97 percent marks. For the Scheduled Castes Scheduled Tribe category the cutoff is 50 percent. And they cannot fill the seats. The seat reservations are proportionate to population presence. So 15 percent for Scheduled Caste and 7.5 percent Scheduled Tribe. Moreover India is a great place to do this because unlike in the U.S. where there is choice. Everywhere you look there is choice. You go into a university, you choose a major. Once you get into the major you choose your courses. Some are hard. Some are easy. Different people have different grading standards. In India everything is much more rigid which makes it a much better and easier place to test for things. So that very transparent admission criteria marks are all that count. Extreme preferences, rigid course structures. You cannot choose anything basically. The reservations also take a particularly interesting form which is they're not just for admission into the university but they're for each major. So what happens in India is that the most elite major is computer science, electrical engineering. These are ones where

you have to be a totally genius to get in. Like 99 percent cutoff for the general category. But you can't fill the reservation quota in the Scheduled Caste Scheduled Tribe, even in that major. So what you find is that the proportion of the Scheduled Caste Scheduled Tribe quota that's made up is larger for computer science because it's the most prestigious one and it keeps falling as you go down. So what you see is that you expect the Scheduled Caste Scheduled Tribes would be most out of their depth in selective the majors. Less so in the less selective. So civil engineering is not so bad.

So our data. This is very hard for us to get. We worked for three years to get this data out of them. It's a small data set, but the good part is it's extremely detailed. And as I told you the setup makes it very amenable to do that kind of research.

So there are about 450 students who are graduating in 2008. And what we did was we got institutional records from the establishment on GPA credits by semester, gender, cost, age, major. We also did an exit survey where we got some very interesting data. Not just on socioeconomic background and the first wage after graduation but also psychological data in the sense that how happy were you. How stressed did you feel? How comfortable did you feel? I won't be able to say that much about that data today but it's there in the paper. I want to give you an idea of how selective these places are. You sit for these exams to get into these elite institutions. They're called the joint entrance exam. The success rate here is roughly 2 percent. So 2 percent of the applicants get in. Compare this to Harvard and Princeton where like 9, 7 percent is considered very low. Moreover not everybody takes this exam. Only the very best students in each school take this exam. So our questions are targeted. Are these

quarters working? Are they consistent with helping the underprivileged get into college? Once they're in there are they catching up? Moreover, are they actually gaining from going to more selective majors versus less selective majors? So what's the two dimensions we look at here? Wages and stress levels. And why would you think they wouldn't gain from going to more selective majors? Surely if they don't gain why are they choosing to go to more selective majors? And it's not that they're uninformed or something. But it's that when you go to a more selective major you have consumption value. You get to brag. I'm taking computer science. And it could well be that this consumption value outweighs any losses in monetary terms.

Targeting. People we show that about 90 percent of these applicants would not have gotten it without the reservations. So the creamy layer apart, the 10 percent who would've gotten in, that's relatively small. Minority students you'd also worry even if they wouldn't have gotten in, are they actually poorer than the ones they're displacing? Because after all you want to get the underprivileged rather than the privileged ones who just happen to fall into the category. So yes we find very much so the minority students are from poorer districts compared to the ones they displace. One of the things we are not going to be able to talk about very much is that when you look at these minority students the difference seems to be income. The ones who are poor end up behaving very differently from the ones who are rich. And this is part of I think the social mismatch that I'll talk about a little later. Let's look at the first thing which is catch up. And here Peter Arcidiacono, I have a hard time pronouncing this name always, has a beautiful paper which shows that looking at the evolution of GPA over time is not enough

to measure catch up. And his story is based on data --that I'm sure he'll be talking about later. But the idea is that, look, the variance of grades within a major may change over time. So you might have a high grading system in the first year and an easier one in the second, third, fourth years. In which case you might see something that looks like catch up, like the people who started out behind catching up. But it's really just because of grading. The grading criteria across majors may differ and people may choose different majors. So what we do is we look at the final performance relative to initial performance within a major. So we're controlling for a major and we are seeing how they fare. So for example if you start out in the 20th percentile and end up at the 10th percentile you're falling behind. Since we're looking within majors we have far less of a problem than usual papers where you can choose your courses, etcetera.

So I want to draw your attention to the dark lines, which are the general category. So in both selective and nonselective majors we have to group them a little broadly because we didn't have that many data points. We only had 450 odd students. You can see that it's roughly along the 45 degrees line. So you start off in the 60th percentile; you end up roughly in the 60th percentile. Of course the top and the bottom, it's away from this. But this is basically because when you're at the top you have nowhere to go but down. And when you're at the bottom you have nowhere to go but up. So that makes perfect sense. But now look at the second set of lines, the lighter lines. The dashed ones are the Scheduled Castes and Scheduled Tribes in nonselective majors. And those look a little steeper than the ones in selective majors. In the selective majors it's very clear that even if you start out in the 40th percentile you end up in the

20th percentile. So the way we like to think about this is sort of when you think about the Lewis Carroll and the Red Queen's Lamp in through the looking glass you're running as fast as you can to stay in the same place. So if you started out behind, you're certainly not going to catch up, you'll just fall further behind. What about wage gains? Well here we have a really major econometric problem, and that is better students go to better majors. Just like in the U.S. all the work on does going to Princeton or Harvard get you more than going to Penn State? Alan Krueger had this great paper which corrected for where you were admitted, and then said well if you choose to go to Penn State over Princeton, well you started out with six, seven percent less but you caught up in a few years. Well, that's the same problem here. If better students go to better majors, then part of the reason you might be getting higher wages for them would be because they're just better. So look at the mean differences in the general category. You're getting an increase in the roughly $3,600 from going to a selective major relative to a nonselective major. In the Scheduled Castes and Scheduled Tribes is only $1400. This is just -- without correcting for selection. You can control for selection in two ways. One is on observables which is what was your GPA, how smart were you, whatever you have data on. And also on unobservables through correlation in error terms. And then you control for selection, the mean difference falls but it falls a little bit in the general category and it actually becomes very negative, insignificant in the Scheduled Castes and Scheduled Tribes. So it suggests that at least for these students in this environment which is very challenging for them, they would have been better off going to a less selective major in terms of their earnings.

We do the same thing for social mismatch. Here we look at stress. And so in the general category the mean difference in these two is not significant, slightly positive in Scheduled Castes and Scheduled Tribe. It's positive and significant. But again you have to control for selection. It could be Type A personalities were really stressed out and choosing the selective majors and that's why you're seeing them stressed. It may be that it's not the selective majors that are causing them stress. So when you control for selection the general category, it becomes a negative saying actually being in a selective major you're sort of in the zone and you're less stressed. And Scheduled Castes and Scheduled Tribe it's very significant and you are more stressed.

So to summarize our evidence and even though it's on a small group of students it's in a very interesting environment and has very interesting implications. Says if you throw people into a situation where they're completely unprepared it's going to be a disaster. They're not going to be able to catch up. You're not doing them any favors. Secondly, you may be losing not just in terms of monetary considerations, but in terms of psychological considerations. The levels of stress in these places is phenomenal. They used to band the roofs because people used to jump, okay. What does this mean? Does this mean there's no hope? No, not at all. In related work we've been doing on Turkish data we find that the disadvantaged in various ways actually do better, they learn more when they're allowed to retake exams. And that makes sense. If you're right at the frontier of what your abilities, if you've taken the exam 20 times, 100 times, you're not going to learn anything from retaking. But if on the other hand you haven't had all the

benefits, then allowing people to retake makes them learn much faster than people who've had all the benefits. Which suggests that things like summer school, special programs to bring people to catch up, especially the more gifted, this could be enormously valuable.

Thank you. I hope I didn't go too much over time. [Applause]

MR. WILLIAMS: The paper that I'm going to talk about this morning is entitled, Does Affirmative Action Create Educational Mismatches in Law School. And first of all just to restate the mismatch hypothesis. This paper focuses on whether or not racial preferences affect the amount of learning that goes on in school. And we can state that hypothesis as saying that a student is going to learn more if her credentials are similar to those of her median classmate at her institution compared to what she would have learned had she gone to an institution where her academic credentials, her entering academic credentials were significantly less than the median student. The data that's used in this study is called the Bar Passage Study. It's a very unique data set. It tracks 27,000 law students that enter law school in 1991. That's about two-thirds of the enrollees. There were three follow-up surveys. Two of those surveys occurred while they were in law school. And bar exam outcomes are tracked for three years after law school. What makes law students unique to the study mismatch is first there are significant racial preferences at law school, and I'll show you some data about that in just a moment. But also everybody in law school takes an exam. They take the bar exam. This is pretty unusual among institutions. Not every four-year graduate takes an exam at the end of college. So there's actually a way to measure learning because all students

are required to take the bar. How do we use the bar passage study to test mismatch? Well, we have in the bar passage study we have variations of data where we have minority students at institutions of varying amounts of selectivity but with the same credentials. So what the mismatch hypothesis predicts is that those students attending more selective schools will learn less than students with the same academic credentials who attend less selective schools.

The BPS is a very rich data set, has a lot of demographic data about students, a lot of background data. But it does have some major issues. One of the issues is that the law school they actually attended is not identified. This was done to protect the anonymity of the people in the data set. Instead what the researchers did was they combined the law schools into clusters. An important determinant of defining those clusters were the median LSAT and the median college GPA, the institution you're attending. But there were other factors that went into it as well like tuition and the size of school. So it's a decent measure of selectivity but still crude. And you can arrange these clusters into tiers of selectivity. But it's almost certain that the tiers overlap. So it's a variable that's measured with error.

One of the other challenges is unobservable characteristics of students which could bias the results. And in some data sets, non experimental data sets, information is actually there to effectively control for an unobservable differences problem. That information is not in the BPS. You have to come up with other strategies. All these problems make it harder to find mismatch, not easier.

How does this paper compare to previous research? How is it different?

Well, different in two ways. One of the key differences, in this paper I'll focus on outcome measures that directly measure learning. Previous papers have focused more on the production of lawyers. So previous papers have asked the question, does affirmative action increase or decrease the number of minority lawyers. This paper is not looking at that issue but it's looking at the direct issue of how does mismatch affect learning outcome measures such as passing the bar. The second way in which it's different is that this paper attempts to deal with some of the problems of the BPS. I've already mentioned these two. The measurement issues with the selectivity of the law school you actually attended. Now it's called tier. And also possible unobservable differences between the students that are attending more selective schools and non selective schools, even those that have the same observable academic credentials.

So the outcome variables in this paper, two that I focus on. One I call Pass Bar Ever. Success is eventually passing the bar. Failure is failing the bar. And passing the bar the first time, and success is passing it on your first attempt. And failure is failing on your first attempt.

Just to give you a little data here. Here is a table which shows the difference between an individual's academic index and the median academic index at the tier that the student is attending. The academic index has been used pretty widely in this literature. It varies between zero and 1000. 400 points goes toward the GPA. 600 points towards the LSAT. So if you had a perfect GPA and a perfect LSAT you get 1000 points. If you had the minimum of those measures you get zero points. So a hundred points is equivalent to a one point GPA. So from a B to an A or from a C to a B is

equivalent to 100 points. So whites on average are nine points of the academic index above the median at the tier they're attending. Blacks 145 below. And minority which includes black, Hispanic, and Native American is 120.

Here is just some raw data on bar passage rates out of the BPS. So passing the bar the first time, 92 percent of whites, 62 percent of blacks. For the minority group as a whole, 67 percent. Passing the bar eventually, 97 percent white, 78 percent black, and 82 percent minority. Keep in mind a lot of these gaps can just be explained by differences in academic credentials. And if you control for differences in academic credentials, the fact that blacks and minorities come in with weaker academic credentials on average, you can explain about as half to two-thirds of this gap. But about a third to a half remains even after you control for academic credentials. Okay. So here's some results from the paper. The first two columns are using –- the methods in this paper sort of spring from a paper which I consider the best paper in this field in terms of the previous research, which was a paper by Albert Yoon and Jesse Rothstein. And the first two columns really show their analysis. But they did not run their analysis on these two variables. So this adds these two variables to basically their methodology. And in the first two columns what they're comparing is there are 6 tiers. They're comparing the top two tiers and the bottom four tiers. So the question they're asking is if you compare two students with the same academic credentials, how does their success rate on the bar change as they move from a nonselective school to a selective school. Again where nonselective school is defined as the four bottom tier. A selective school is the top two tiers. And what we see is we see all the results are negative. They're pretty small. The

asterisk means essentially significant. So only one of these four results we get significant. In the third and fourth column what I do is I try to correct for the fact that these tiers overlap and it's a crude measure. And the way I do that I just omit the middle two tiers. So now I'm comparing students at the bottom two tiers with the top two tiers. And what you see is the results get a lot stronger. They're bigger. And the interpretation if we look at the .14 or blacks passing the bar the first time, the interpretation of that is that if you take a student from the top two tiers and move that student to the bottom two tiers their chances of passing the bar increases by 14 percent. So that's the interpretation. These results are all strong enough to explain the remaining bar passage gap that we saw earlier.

These are regressions which continue to compare top two tiers with bottom two tiers. But they go a little further and they I try to control for the unobservable differences between the two groups. There's reason to think that if we look at students that have the same academic credentials but one of them is at a selective institution and one them is a nonselective institution we might think, well, the one at the selective institution might be there because they have better unobservable academic credentials. They had better letters of recommendation. They had a better essay. And those unobservable differences, again, make it harder to find a mismatch. So in the first two columns what I do is I just restrict the analysis to students that were admitted to their first choice school. So this is a way of just making the data a little more homogeneous in terms of the quality of the unobservable differences. In the second two columns I use an instrumental variables method where I use whether or not –- and it's restricted to first

second choice students, students that got admitted to their first choice school. But I use that as an instrument to again control for the unobservables. And again what you see is all the results are as mismatch (inaudible) would predict they're all negative, meaning that if a student goes to a more selective school so they're more mismatched, they do worse on the bar. And for the most part most of the results are statistically significant.

So what are the conclusions that I draw from this research? Well, the first conclusion is is that if you focus on bar passage results and you focus on students that actually take the bar there's strong evidence here that there is a mismatch in law school. The magnitudes of mismatch are very difficult to determine from this data set. That will require better data, although the values of those coefficients again appear capable of explaining the racial gap and bar passage rates.

And finally what's really needed to further understand the importance of mismatch and the magnitude of mismatch is better data. And better data would require information about the law school students attended, the state that they took the bar. Their actual score of the bar, not whether they just passed it or failed it but actually what they scored on the bar and a record of schools that they actually applied to and what the application decisions were at those schools. With that sort of data we could really get a lot better information about the magnitudes of these effects.

Okay. Well that's the paper. Thank you. [Applause]

SPEAKER: Speakers, May I invite you to come sit up front.

So we've heard these interesting papers. We have about 25 minutes for questions, and I'd invite you to pose your questions. There's someone circulating out

there with a microphone. And please identify yourselves and state your questions succinctly. If you want to direct them to a particular speaker you can do so.

SPEAKER: Does Professor Antonovics have any data on graduation rates at the UC system before and after 1996 for minority students?

MS. ANTONOVICS: Yeah. That is a part of our data. That's not actually what we are looking at in this paper. I believe that Peter Arcidiacono in the second panel is going to be talking more about graduation rates and how those changed after Prop 209 went into effect. So I'm going to defer your question for him because he is the expert in this room on the impact of Prop 209 on graduation rates.

Is that fair Peter?

SPEAKER: Hi, I'm Rick Lempert, Professor at University of Michigan. Darrell West, the head of this group, assured me there'd be a robust discussion. I hope you'll indulge me for about three minutes of a statement as opposed to specific questions.

For those of you who have not been involved in the debate you probably know the critique that's made of newspaper stories on things like climate change where they feel compelled to have one each side. All papers today are one side of a debate. The other side is not represented even though if you look at the numbers of people involved the people who have written articles that conflict with what you've heard and will hear far outnumber the people who are presenting.

Rick Sander and I go back a very long time. We've been debating this in print and orally since his first article came out. The results of these debates I will confess

depend upon the people we're debating before. When we debated before the American Sociological Association I won hands down. Before the federal society he got wild applause. And too often it's the case that people's views depend on the views they came in with in part because it's very difficult to deal with these technical issues in ways that people not familiar with the data will understand. Rick and I have both said on several occasions that what we'd really like to have happen is to have some first rate methodologist deal with these issues. In fact this has now happened. That in connection with the Fisher case there's a brief which is signed and in fact was written in a large part by people who have had no involvement at the debate, who may not even favor affirmative action. But they include some of the nations leading methodologist in the social sciences. Those who know them will know the name Don Rubén, Gary King, Rick Sander, and Gweto Inbins. And they basically say in their brief -- and anybody really interested in this topic should look at the briefs on both sides from social sciences in the Fisher case, they say that the work that Rick has done and the work that Mr. Williams has done really deserve no credence to the debate because of fundamental methodological flaws. I can't explain these to you in the time that exists, but I encourage you and I actually have a handout I'd be happy to share with anybody interested in just seeing the other side of the debate. I do want to comment very briefly and you can respond. The panel may wish to respond on several of the points that were made. On the first paper I think there's a serious conceptual problem with the paper in its choice of using yield rates as a measure of chilling effects. If you were chilled, you do not apply to a school. If you apply to the school it's because you are willing and interested in

attending that school for whatever reason. It could be your family is nearby. It could be that in California they had something like the 10 percent plan, though not 10 percent and you know you're sure to get in. And for that reason I think the far better measures would be application and other ways. I don't think this deals with -- warming. With respect to credentialing I also would suggest a different interpretation of the data.

SPEAKER: Excuse me. I'd like to encourage you to conclude your remarks.

SPEAKER: I will. I'll take no more than about a minute, okay. Minute and a half.

SPEAKER: 60 seconds. Thank you.

SPEAKER: The credentialing, it means if you have poor credentials you probably didn't get into a better school. With respect to Professor Williams' paper, he has omitted the two middle tiers where most of the minorities are. The bottom tier, the very bottom tier are HBCUs, which are culturally quite different from all the other schools. And in fact minorities who go to HBCUs do somewhat better than you'd expect based on their credentials.

Last bit of data with respect to the bar passage rates of those minorities and blacks in particular who get very large boosts from going to the most elite tier at the top 18 schools, their bar passage rate is 94 percent. Not very different from the bar passage rate of the white students. There's an awful lot of controversy that is not visible from what the panelists have said.

SPEAKER: Thank you very much. [Applause]

SPEAKER: So Rick Sander is going to take a moment to respond to that comment.

MR. SANDER: Yeah. I'm sort of glad Rick raised these issues early on. Most of most of some of the response I think should come from the panelists whose papers he addressed, but I just wanted to make a few general comments.

The panelists that we have today are very ideologically diverse. I'm not sure that there's anyone that we have invited who came into this research with an attitude that they wanted to show that affirmative action was ineffective. Lots of the people who you'll see, you've already seen and will see in other panels, are very agnostic about actual policy issues concerning affirmative action. That's a part of the reason why their involvement in this research was so valuable and why it's so exciting how this research has developed over the last few years. The research that Rick Lempert is talking about unfortunately does not share that characteristic. The studies that he champions tend to be highly ideologically driven studies, and many of them are blatantly intellectually dishonest. To give one example, one of Rick's students Katherine Barnes wrote an article which appeared in the Northwestern Law Review a few years ago. It was very harshly critical of law school mismatch hypothesis. Turned out that all of her data was false. We don't know if it was fabricated or it was just very sloppy work, but it was all incorrect. Doug Williams when he first got involved with this research documented these failures of the research. And after a process Northwestern brought in peer reviewers. Barnes admitted that she cannot replicate the results. The research was redone. And when it was redone with correct numbers it strongly supported the mismatch hypothesis.

So the reason why we haven't invited people from that camp to participate today is that we just feel that they represent a very skewed and not intellectually sound methodology. Rick mentions a brief that was submitted by the court that purports to refute mismatch. It doesn't mention — barely mentions a lot of the research that we talk about today, even though much of that research is cited in the brief. Doesn't talk at all about the first choice second choice methodology that is essential to Doug's paper and some of the strongest evidence for law school mismatch. So this highly selective reporting and debate stuff, we just don't think is particularly productive in the debate. We think that we've got the best group of scholars working on this.

I was going to mention this later but Stuart Taylor and I have written a book called Mismatch that is available for the first time in the lobby of Brookings today. It was just published. And it's about a lot of the research that's discussed today, but it's also about the debate and about sort of what have been the issues in the debate and the stories behind the people involved in it. So if you're interested in that aspect of it you might be interested in the book.

Let me go back to the panelists.

SPEAKER: There were some questions directed about the papers themselves. I'm sorry sir --

SPEAKER: Rick.

SPEAKER: Rick Lempert?

SPEAKER: Lempert.

SPEAKER: I'm sorry.

SPEAKER: That's okay.

SPEAKER: And I think the panelists to the extent that they would like should have an opportunity to respond briefly before we take further questions.

SPEAKER: Since I was the first paper I'll start. I just want to address sort of the broader issue that you raised. I myself personally have very mixed feelings about affirmative action. I'm not part of the pro or con camp on affirmative action. I'm very proud of the intellectual honesty with which I conduct my research and I certainly bristle at any suggestion that I came into this research with a particular point of view because I certainly have and continue to fluctuate in terms of my views about affirmative action broadly. The one particular comment —

SPEAKER: I never said anything about anybody's views. I don't know what your views are. What I did say was that the research presented here presented only one side of a debate and there's a much larger literature that comes out on the other side which I might also note is mainly peer reviewed, whereas I don't believe any of the papers we've heard or have been published by Rick or others have been subject to the kind of rigorous peer review that social science journals have and we expect.

SPEAKER: That's factually inaccurate. So the paper that Rick and I wrote together was peer-reviewed and was recently accepted at the American Law and Economics Review which is a peer review journal. So I just feel the need to defend the intellectual honesty of my work.

The point that you made about the fact that only students who would apply might be those who were actually interested in being admitted I think is a very valid

point. And it's one that I was very concerned about in the paper that the only students now after the ban on affirmative action has gone into place the only students who bother applying are those who are very interested and so would they're admitted they immediately go. But one of the things that are countering that is that it turns out application rates –- and I have a paper with Ben Backus who is also in the audience. The application rates actually were remarkably resilient after Prop 209. I don't think that speaks to the chilling affect per se for the reasons I mentioned in my presentation. But you didn't see a large drop in application rates at all. And so that tends to suggest that it wasn't just only those students who were very interested in applying or in attending who applied afterwards. I don't think we can up completely alleviate that concern that you've raised. But the application data doesn't fully support that hypothesis.

SPEAKER: Doug, do you want to say anything?

MR. WILLIAMS: Yeah. I first got interested in this because I was interested in this topic and it's a very important topic for higher education. That's what I've devoted my life to. And so I started trying to replicate these papers. And I think the brief that Professor Lempert refers to which I've read, it's actually -- if it's a critique of my work it's also a critique of all the other work he refers to in support of the mismatch hypothesis. It's because the methods that I use borrow heavily from that literature. There's a critique in that brief that the data is not experimental. That is, it didn't come from randomized a experiment. Well, there'd be very little research done if we simply depended on randomized experiments. When I reviewed that literature I was struck by a couple of things. There were some very smart people writing these papers. And I

enjoyed the papers. I learned a lot from them. But what was characteristic of the papers was a lack of robustness analysis. So for example (inaudible) and Richard Brooks wrote a paper where they omitted historically black colleges. Well these are historically black law schools. Well, these are law schools where there are a lot of black students who are well matched. So if you're really trying to understand mismatch and you omit that group of students, then you're omitting a lot of the data. Now there is an issue of why those students tend to do better. Is it because they're better matched or is it because there's something about the culture of going to an all black law school. And I think that's an interesting question that needs some further research. But to simply omit it from the paper and not to present the results is a lack of submitting the analysis to a robustness test. All the papers he refers to, none of them restrict the analysis to people that actually take the bar. So all of those papers use variables where success is passing the bar, becoming a lawyer. Failure is either dropping out of law school or not graduating or not passing the bar. So those papers are focused on production lawyers. And that's obviously an interesting question at this debate. But if you're really interested in looking at learning outcomes then let's look at students who actually took the bar and see how their success varies according to how well they're matched. So again I see a lot of my work as attempting to subject a lot of the previous work to more robust tests and to ask, well is there anything here. And I think there's some evidence that there is something there. And I'm not ready to make policy based on my analysis alone. But I think what my results suggest is there is something there and we need to look at this closely. It's not an issue that we simply need to ignore.

MR, LOURY: Well, Doug, can I just ask you something? If you acknowledge that the HBCU law schools are culturally different and that most of the comparison that you're doing when you compare the bottom two tier to the top two tier is also a comparison of people at HBCU to not, then why do you attribute the difference that you find to mismatch since you can't identify the independent effect of mismatch from that of a kind of cultural dynamic that might be going on at these HBCUs?

MR. WILLIAMS: Well, I don't think that cultural dynamic has been really well articulated by anyone. The truth is you cannot identify what the result is. It could be mismatch. It could be something particular to those schools.

MR. LOURY: That's probably worth saying, isn't it?

MR. WILLIAMS: And I say that in the paper.

MR. LOURY: I beg your pardon.

SPEAKER: If you do the first choice second choice analysis (inaudible) and you exclude the HBCUs?

SPEAKER: You still find a mismatch effect, don't you? I mean your test did by doing robust (inaudible) you mean that you checked it both ways. And many of your results that don't rely on HBCUs still find coefficients significant in the outcomes that you're looking at.

MR. WILLIAMS: Yeah. Rick is referring to the work by Ann (inaudible) and Richard Brooks which one of their tests is to focus on the students that got admitted to their first choice. And in their paper again they only present results on variables that have to do with production of lawyers, whether or not you became a lawyer or not. But if

you redo their analysis using students who actually took the bar and you omit those schools as they did in their analysis you do find significant results on passing the bar the first time.

SPEAKER: Because of the importance of this we're going to give Rick a brief opportunity to follow up and then we're going to follow up, and then we're going to allow other people to enter into the colloquy.

Rick: Thank you just two sort of points done with the data. One is for those of you who don't understand, the idea behind this first choice second choice is the people who are going to their second choice law schools are better matched because they decided not to go to the very top law school. But it's assumption. We don't know. They could be in the same tier. But beyond that it turns out when you look at the data that a major reason why people choose a second choice appears to be financial aid. And therefore these are people who are able to give scholarships from their second choice law schools. So in fact they may be every bit as good as the people going to the first choice law schools. The other point just to respond to what Professor Williams, one aspect of what he said. If you don't include those who dropped of law schools you're going to have a situation like this where –- and this is exaggerated for effect. But where 100 people go to let's say a 5th tier next to bottom tier law school, 10 graduate and 8 pass the bar. On the first tier law school 100 people go to the first choice law school, 90 graduate, and 80 pass the bar. Maybe a higher percentage of graduates pass the bar. But if you don't include the dropouts from the schools who didn't make it even as far as the bar you get a very distorted in effect because these are people of a small group who

have succeeded.

Ms. KRISHNA: Can I say something?

MR. LOURY: And forgive me for not calling on you earlier. Of course.

MS. KRISHNA: So the first thing I want to say is I think it's a little misleading to say that stuff that's talked about today is not published because it's also very new. And in economics especially it takes up to two to five years to publish something. I mean we wrote a paper I think in the summer, so we've submitted it. We still have not got it back. But we do hope that it will get published soon. The second thing that I want to sort of say is something more methodological which is if you take the data today and the data available ten, twenty years ago it's a huge change. Today you have administrative data on the population of the people entering all universities. You have data on all the income tax filers in the U.S. and the histories matched five ways. You never had this in the past. So it's very natural that today we should see some of the earlier work which was based on extremely poor data being called into question. The second methodological thing I want to emphasize is that a lot of the work that we see in the past has been what's called reduced form. You play with various versions of the model. You make stories. This is an essential first step to doing what people these days are doing in the frontier which is more structured where you put a store model together, you could estimate the entire story together and see whether it holds up and then do counter (inaudible). So I think it's very inappropriate to say past work is criticized. Of course you're going to criticize. That's how you do better. And I'm not an education person. I'm starting to work in education. I work in trade and development and I hade no

priors. I really wanted to see this happening in the Indian context and it making a difference. Unfortunately that's not what I found. Thank you.

MR. LOURY: All right. We still have some time.

This woman. I'm sorry I don't know your name but you'll identify yourself.

MS. O'CHOWSKI: Peggy O'Chowski. I'm the congressional correspondent for the Hispanic Outlook on Higher Education. Three really quick questions. Did you look at gender? Does it tend to be the majority of the minorities who are being accepted? Are they women? Is this only on undergraduate or are you -– did you look at or are you going to look at graduates?

MR. LOURY: Addressing your question.

MS. OCHOMSKY: And that third one is did you include foreign students, especially foreign students of color in the minority?

MR. LOURY: Madam, to whom are you addressing the question?

MS. OCHOMSKY: Just whoever would answer.

MR. LOURY: I see. To the panel.

MS. OCHOMSKY: Yes.

MR. LOURY: All right.

MS. OCHOMSKY: So gender, foreign students, and graduate?

SPEAKER: I can answer very quickly. We don't have any –– I would have loved to have done more with gender but that was not part of the data. We also did not have information on international students, although I would love to have had that as well. And it was all undergraduates. That was the limitation of the data that were

available to us.

SPEAKER: We just don't have the data. And the graduate admissions process is very different from discipline to discipline.

SPEAKER: (inaudible) affirmative-action ban also for graduates?

SPEAKER: Yes.

SPEAKER: It is, thank you.

MR. LOURY: Any other responses from the panel?

Philip Richards.

MR. RICHARDS: I'm an English professor and I'd like to make an empirically unearned wholly ad hoc question which has to do with your remark. And I wonder about the influence of networks of information in the choice of schools. We sent both of our kids to private schools. I've taught at Colgate for 25 years. And my impression is that the flip side of mismatch is match. That the notion of matches of high school students with college is a incredible topic of upper class conversation and concern in private schools and high end high schools in America. And a lot of I think what you'd call unarticulated kind of insights about match seems to be conveyed in what people end up describing as profiles of certain schools with which they want to match their children. To a certain extent these people are engaged in a market and they have to make decisions. And I'm wondering about the effect that class has to do on that kind of decision making.

MR. LOURY: And you're asking home?

MR. RICHARDS: I'm sorry, sir. Mister Robles.

MR. WILLIAMS: Ed Williams.

MR. RICHARDS: I'm terribly sorry.

MR. WILLIAMS: My work doesn't really address class directly. And I think that's a fascinating question. There are these other dimensions of match. But it's really just focusing on the match in terms of how your academic credentials compare with those of your classmates.

MR. LOURY: But can I just amplify here because it seems to me there is an issue which is to say that the fit of a student's LSAT score or academic index to that of the institution that he or she attends is only one dimension of whether or not that student is well matched to that institution because both the student and the institution have many characteristics other than the academic index or the median and academic index for the school. There may be different teaching styles. There may be whatever. I don't know anything about this really. But the matching process isn't just a matching of —- I know enough to ask this question. I don't know enough to answer it. The matching process isn't just matching test score to test score; it's also matching this whole vector of characteristics of the student to the vector of characteristics of the school. And it may be that minority students are for whatever reasons, class or otherwise, systematically disadvantaged in executing that part of the matching. And you will be attributing to mismatched test scores what's actually due to mismatched ability to manage the other dimensions of the matching process. Am I clear?

MR. RICHARD: yes.

MR. LOURY: Okay. So that's my question to whoever wants to take it

up.

MS. KRISHNA: Well, I think this has two dimensions. One is in terms of applications. You may find people not applying to places where they have a good chance of getting in just because they don't know. And the second is when you do get in are there other dimensions which make you less able to cope than your peers who may look similar in terms of grades or scores.

MR. LOURY: Okay. I think we should take some other questions. This gentleman here? Please identify yourself.

SPEAKER: Good morning. My name is (inaudible) correspondence with Diverse Issues and Higher Education. My question is for, Kala Krishna. I happened to do a tour of India last year around this time where I looked at higher education in general and affirmative action in particular. I was there at a really interesting time because at that time the movie about affirmative action and higher education called (inaudible) was released and it was banned in some of the places –- some of the cities in India. In any event I had a question about just the conclusion that you reached. Were you saying that for the Scheduled Tribes and Castes that it's better for them just not to pursue higher education? Because that was kind of -– the statement that you said could be interpreted that way. And I was hoping you could kind of the elaborate and clarify exactly what you were saying.

MS. KRISHNA: No, absolutely not. I'm saying exactly the opposite. And saying when you take people and put them in a situation where they're out of their (inaudible) it's not unexpected that you should find that they struggle. The right way to

deal with this is to do what some of these institutions are already doing which is trying to have summer courses to bring people up to speed and providing -- maybe they already do this. To provide longer times for people to graduate. But maybe having more mentoring. Having more one-on-one, where are behind? How can you catch up? I actually think that the program to be most effective has to incorporate much more of this bringing people up to speed. What's a year in your life if it will make you better able to deal with the institutions that are willing and need to have people of diverse backgrounds in them? So I'm just for preparation more. And our work in Turkey shows that if you take a smart kid from a backward, bad background whether it's going to bad schools, whether it's having poor parents, give them the input, they catch up faster. So it seems that there is a lot you could do if you just take that approach.

MR. LOURY: All right. Our next panel is going to start in five minutes or so. So I'd like to take this opportunity to thank our presenters and our questionnaires for a robust discussion thank you very much.

MR. SANDER: Welcome back. After the next break we actually get food.

So our next panel will be on "Science Mismatch."

Gentlemen, the speakers are being disobedient here. Phil, Doug, thank you.

Before I get started with panel two, I just wanted to mention a couple other things responding to Rick Lempert's earlier comments. If you do take a look at our book in the hall, we've got an analysis of this issue that Lempert was mentioning between the so-called first and second choice analysis. The (inaudible) are really striking, and

across the board you do find that students who attend second choice schools have much better outcomes in every single category that you examine. And this is true, even if you completely exclude the historically black schools.

It's also the case that just in the law school mismatch area there have been now five papers published that are peer reviewed that have found either strong evidence of mismatch or mixed evidence. None of the critiques that Rick Lempert referred to have been peer reviewed -- published in peer review journals.

All right. So "Science Mismatch." This session is going to be a little more focused. The earlier papers were quite heterogeneous. These are all going to focus on the question of how attrition rates are affected by one's peers in college among those who seek to go into science and engineering fields.

We've got three speakers. Fred Smyth, Peter Arcidiacono, and Mark Luppino. Fred Smyth is going to go first, and Fred has a particularly interesting background, particularly relevant to this paper. Before pursuing his doctorate in quantitative psychology, Fred worked in college admission counseling for 13 years, both on the college and high school sides, including locally here at Georgetown and American Universities. So he observed firsthand before he even kind of got into the academic side what was happening to students who were aspiring to science and engineering majors as they went into college. He was a leader in the National Association of College Admission Counselors, serving as interim chief of the Journal of College Admission and is a member of the Commission of the Role of Standardized Testing in the College Admissions Process. He currently teaches statistics and psychology at the University of Virginia. His

research focuses on the environments and mindsets that foster persistence in STEM fields.

Peter Arcidiacono is probably, I think, preeminent. I think it's fair to say he's preeminent in the field of mismatch research, although that's by no means preeminent in his body of work. He got his doctorate of Economics at the University of Wisconsin, and is now a professor of economics at Duke and an associate at NBER, the National Bureau of Economic Research. He is a labor economist and I think what characterizes Peter's work is that he, like a lot of the really good contemporary labor economists, he's interested in finding unusual ways of trying to get at the absence of experiments in the social sciences. You know, it's a perfectly valid point that with all these things we're talking about we would much rather have experimental data, but it's just hard to persuade tens of thousands of people to submit to six to 10 year experiments with their lives. They have this way of just wanting to live their lives. And so we're stuck with observational data. And so the challenge of -- you know, the fundamental challenge of labor economics is figuring out how to make observational data reveal the things that experimental data would reveal. And Peter is basically a champion of coming up with exciting, interesting ways of doing that. He's going to talk not only about science mismatch but some of his related work because he has now something like six or seven published studies that have looked at various aspects of affirmative action. And come to, you know, a wide range of conclusions about it. But an overall very interesting pattern.

Our third speaker is going to be Mark Luppino. Mark is young so I can't say as much about him but he worked with me at UCLA where he did his doctorate in

economics. He's now a staff economist at the Federal Trade Commission, and he's come up with a really interesting methodology for looking at the same dataset that we'll feature in part of Peter's comments and that was also used in Kate Antonovics research.

So welcome our speakers. We'll start with Fred Smyth.

(Applause)

MR. SMYTH: It works. Test 1. How's my sound? Good.

Good morning. If not for some of the questions from the last session, I would not have mentioned that the work that I'm going to share with you has been peer reviewed and was published in 2004. And I definitely wouldn't have mentioned that it won the Best Master's Thesis award presented by the Psychology Department at the University of Virginia, which I would guess is not a conservative leaning body and probably, I would guess, a pro affirmative action body on average if we were able to survey. That's just a guess. The award is a fact.

So the selective colleges I'm referring to today are those studied by Bowen and Bok in their famous work, The Shape of the River. And the students matriculated in 1989. I'd like to thank the Mellon Foundation for giving us these data. We focus on 23 colleges with data for students' initial declared major, as well as their high school grades and test scores, their college admission test scores.

Let me define STEM really quickly. Science, technology, engineering, and math. STEM success is race blind, but not preparation blind. I'm not suggesting that we didn't find race differences in STEM graduation rates; it's just that they weren't about race per se. They were about differences in relative preparation. By relative, I mean

where you stand in your college compared to other STEM students on measures like high school grades and admission test scores.

This graph is about relative standing on SAT math. This line, called a box plot, shows the scores for just one of the College and Beyond schools. The College and Beyond is another name for this dataset used by Bowen and Bok. The scale along the bottom is the one you're used to for SATs. This school's box plot is positioned over the 540 because the mean for this set of students at this school was 540. It's marked by that red mark.

The vertical scale here, -1 to 3, shows how this school's scores compared to the full national population of SAT math takers in terms of standard deviations. So from here up nationally, only about 16 percent of the test takers are above this -- well, this is about 16 percent of the test takers at this level are one standard deviation or more above the mean which that year, 1989, eight or nine was 476 on the Math SAT.

At two standard deviations or higher, 2 percent nationally of students score in that range. The yellow box shows the middle 50 percent of the scores at this college among STEM-interested students. So we have the 75th percentile student at that school, the 25th percentile student. And the white lines and hash marks extend to show the range of the top 5 percent and the bottom 25 percent at that school.

So we can see graphically what we know intuitively; that all students interested in STEM at a particular school do not have the same SAT math. At this school, for instance, there are students below the national average on SAT math, and

there are ones in the top 2 percent on SAT math at one school interested in STEM.

Here are the other 22 schools in our sample, and we can start to appreciate the meaning of relative scores. For example, a student at the 75th percentile -- let's see. Yeah. A student here in School 14, at the 75th percentile. At schools 22 and 23 would be at the 25th percentile. Okay? So relative to your institution, absolute school over here. And another example, the 75th percentile student at this school would be at the very bottom among these 22 and 23 schools.

It turns out that being relatively high among your STEM-intending peers at your own institution was more important to staying in STEM than your absolute standing nationally. In other words, when it came to graduating in STEM, having a top half score at your school, like this student in School 14, trumped a higher absolute school but lower relative school at Schools 22 and 23. This was true no matter what your race. Because admission decisions at these schools were not race-blind, however, race and lower STEM preparation became -- relative preparation became correlated.

I'm going to present now some more box plots of Math SAT scores, but this time separated by gender and race. U stands for underrepresented minority students, W for white, and A for Asian students. We combined American Indians, of whom there were 13 in this dataset, with black and Hispanics because the latter two groups did not differ in their patterns of STEM graduation. Scores at the zero line tell us that the score was right at the institutional mean, while a score of -100 tells us the score was 100 points below the mean. I'm back to the regular SAT metric.

Here are the scores for women. Those of whites and Asians are

distributed right around their school's means, while those for underrepresented minority women averaged more than 100 pounds below their institutional means with that kind of middle 50 percent spread. The pattern for me is similar, albeit with the means all higher than for the women of the same racial category. Relative high school grades followed a similar pattern of race gaps, but less extreme than for the test scores. So again, underrepresented minority women and men were relatively below their institutional means and whites and Asians were above.

Now, let's look at the actual STEM graduation rates by gender and race. So this is what happened. This is what was observed. Here are the rates for underrepresented minority women and men, showing standard error limits that reflect the sample sizes. Here are the white student rates and the rates for Asian students. White students averaged 1.8 times more likely than underrepresented students, while Asians were 1.4 times as likely as whites, and 2.6 times as likely as underrepresented minority students to graduate in STEM.

Now, let me show you a graph of our statistical analysis that took into account students' relative SAT math scores. One variable. The bottom scale shows increasing relative Math SAT. So these are the students who are 150 points above their institutional mean. These students at the mean, and so on. And along the vertical axis we see the estimated odds of graduating in STEM. So they go up with higher probability.

I'm going to put up two lines at first. One showing how white students' chances of graduating in STEM go up when they have a higher relative Math SAT, and another line showing how it works for underrepresented minority students. Here are both

lines. They are statistically indistinguishable. And this is what I mean when I say that STEM's success is race blind. If we know College and Beyond student's SAT math standing among his or her institutional peers, race is no help in estimating the likelihood of attaining a STEM degree.

For Asians, we see the same basic pattern, but with a boost at every level of score. Recall that Asians were actually 1.4 times more likely than whites to graduate in STEM. The gap you see here after taking relative SAT math into account is still 1.4 times. It makes sense that this gap hasn't changed since the same admission criteria were used for both Asians and whites. But the actual Asian versus underrepresented minority difference of 2.6 times was substantially reduced by accounting for their relative Math SAT differences. Also down to 1.4 times. Thus, there is a race effect still to be explained in the College and Beyond data; namely, the higher rate of Asians compared to everyone else.

Our model estimates that for this one cohort of entering students, had the underrepresented minority students who were below their institutional STEM peers on grades or SAT math attended schools where they were at the mean on these measures, 72 more women and 62 more men would have earned STEM degrees. These are estimates based on the statistical model and they reflect the assumption that the relation we found between relative preparation and STEM graduation would hold in a less selective tier of colleges. To the extent that that assumption holds, however, projections beyond this subset of selective institutions and this one cohort of students suggests losses measured in thousands over the 20 years since these students graduated.

We reanalyzed Bowen and Bok's data because of their surprising report of no observed race differences in STEM graduation rates. They wrote, "Blacks and whites were equally likely to have majored in the natural sciences and engineering." This finding differs dramatically from the extent literature at that time. Not only did many researchers document substantial race differences at the collegiate level, they also identified differences in academic preparation as important explanations.

Here are the differences, for example, reported by Astin and Astin for a large sample of students entering four-year colleges in 1985. And Elliot and colleagues found this pattern for students entering a group of Ivy League schools in the same year as our College and Beyond cohort.

I'll let you read that while I drink.

Of all the variables you can measure at the start of college, declaring a major in STEM is by far the most powerful predictor of actually graduating in STEM. The other STEM researchers I just cited all accounted for such declarations in their analyses. This potent relationship between intent and outcome was recently underscored by my UVA colleague, Robert Tai, who found that eighth graders intention to pursue a STEM career was more predictive of their earning a college degree in STEM than their measured math ability in eighth grade.

It turns out that the underrepresented minority students in the College and Beyond data were more likely than their white peers to initially plan a STEM major. So by focusing only on the majors earned at graduation, Bowen and Bok missed the greater STEM attribution rate of underrepresented minority students.

This is the mismatch hypothesis as articulated by Bowen and Bok in The Shape of the River. A student with a given SAT score, high school grades and so on, who attends one of the most selective schools, should be expected to have a lower rank in class than a students with the same credentials who attends a school that enrolled a smaller number of top-rated students. This is precisely the pattern we found. Competing against fellow students with very strong academic credentials naturally affects one's class rank. Even though this disadvantage may well be counterbalanced by other benefits.

Bowe and Bok argue -- oh, skipped ahead.

When it comes to staying in STEM though, a group that is systematically less well prepared does not end up lower on a continuous scale. But instead, is more likely to be on the losing side of a quit or stay decision.

Here is what Bowen and Bok recognized about race gaps in overall grades and class rank at these institutions.

While the majors chosen are similar to those chosen by their white peers and provide no cause for concern, their college grades present a more sobering picture. This difference "is very large when seen in the context of the overall distribution of grades." Bowen and Bok argue that these lower standings for minority students may be offset by other benefits of attending these schools. Unfortunately, they missed another important cost; greater attribution from STEM.

So to reiterate, it is your relative standing among STEM students at your school, not your race, that is predictive of making it in STEM. Bowen and Bok recognize the same dynamic for general achievement at these institutions.

The Mellon Foundation tanked us when we submitted our pre-publication report and they did not criticize it. But we were not invited to discuss our findings further, and I am not aware of efforts they may have made to spread the word about the different conclusions we reached about The Shape of the River and STEM. Without awareness that affirmative action admission policies may inadvertently pit one national priority against another; that is, increased opportunity at selective college on one hand against increased opportunities in STEM on the other. Institutional leaders cannot consider whether they need to find a balance between these objectives.

With such awareness, leaders can pursue self-study to identify the extent to which mismatch may be contributing attrition at their own institution. They also can and should provide such information to prospective students so that they can play an informed role in deciding what level of STEM risk they are willing to accept in return for the other possible benefits of attending a given school. Our research has demonstrated that this information needn't be qualified by race. The basic functional relation between relative preparation and STEM gradation was race blind. Thank you.

(Applause)

MR. ARCIDIACONO: All right. So I'm going to be talking about four papers in a very short time, so we'll see how well I do with that. Three are published, but the one I'm most excited about is very related to the paper we just saw and comes to a lot of the same conclusions.

In the talk I'm going to hope to partially answer the following questions. First, how does affirmative action affect college enrollment? That's going to be very brief,

just as more of a background. And how can affirmative action be harmful to its beneficiaries? And then more of the meat of the talk is about how does time to degree and choice of major depend on what college you want to attend? And thinking about what makes mismatch particularly relevant for the sciences as opposed to other majors. And then finally, we're going to talk a little bit about mismatch of a different variety, which is how individuals sort within a school in terms of the relationships they form.

So this is a quote from The Shape of the River. Many people are unaware of how few colleges and universities have enough applicants to be able to pick and choose among them. And basically this quote says that only about 20 to 30 percent of all four-year colleges and universities are in this category. That's not to say that affirmative action is small potatoes here because it's a big deal at a lot of these schools, but it's to point out that affirmative action primarily affects where individuals go to college, not whether they go at all. And so when we think about how -- what institutions we want to diversify, there really is a tradeoff there about which ones. And here's sort of how it looks right now. So what's on the X-axis is the share of African-Americans at the different colleges and what's on the -- sorry, it's on the Y-axis. On the X-axis is the average SAT scores of the schools. So over here we have Duke where I'm at, and then maybe over here is Harvard. (Laughter) But the point is that the very top schools are over here and they're actually more diverse than the schools we have in the middle range. And then as we move more over here, we're talking about schools that are sort of less likely to be even practicing affirmative action because they're not really selective in the first place. And so affirmative action actually leads to sort of this U-shape pattern in

terms of how it's currently practiced. So when we think about the value of diversity, you really have to think about, well, maybe it is very important that Harvard is more diverse than a school more at the bottom, but I think that those tradeoffs need to be made clear.

So with that sort of as background, this is something that actually stopped me from even beginning to look at this issue for a while, which was the whole idea of affirmative action potentially being bad for its beneficiaries seems very strange. Economists in particular balk at this idea a lot, and the reason that they balk at this idea is affirmative action is increasing the choices available. So increasing choices ought to be good because you can always choose to go to the other school. And it still may be the case. I'm not going to solve that issue here, but the way in which you put this actually can make beneficiaries bad, worse off, is when individuals -- when schools have private information about how well you're going to perform.

And so what I want you to be thinking about as I go through this talk is what do you think students know when they're making their decisions? Do they know these persistence results that we just saw? And if you think that they do, then they're making those choices and then really they're not worse off. We may not like the outcome of that, which is a less diverse -- less diversity in STEM fields, but they're not going to be worse off. Worse off is if they knew that information ahead of time they would have made a different decision. So that's something just to keep in mind as we're going through.

So we started to try to get at do universities have this private information? So this is one of the papers that was published in Quantitative Economics. And this is from Duke data, and what you find, and this is sort of true throughout, is that

students dramatically over predict how well they're going to do. What was sort of surprising, in this data we actually have what students expected their grades to be, what their actual grades were, and we have all this private information that Duke has. So we actually have the private rankings of the applicants by Duke. And Duke students had virtually no private information. When I say that, once you give their test scores, they know their test scores, they know their parental background and such, the additional information from asking them what their expected grades are is zero. But Duke had substantial information about how well students were going to perform.

And I think that's one of the themes that I would really like to see going forward, is providing information. Because what happens is bad grade surprises -- so you come in expecting to do well and things don't work out result in students being less satisfied with themselves, much more likely to move away from STEM Fields, and actually they have sort of the ex-post regret. Would you have attended Duke again? So information I think is a real key component to everything that we're going through. And what you believe about this information is key to evaluating the mismatch argument in terms of whether individuals are better or worse off.

So now I move into "Graduation and Major Choice in California." This is a new paper and we're using the same data that Kate talked about. And what this actually has is how a student's choice of major changes over time and we're also going to be looking at how time to degree also depends on this match between your preparation and the school that you're going to.

So this was mentioned a bit before. For every student who applied to the

UC system within these years, we have their application and admissions decisions. We have broad racial categories, and we have some measures of preparation. And we've got this data at three-year intervals before Proposition 209 and after. In the pre-period, in the three years before Prop 209, this gives you the average SAT scores for a majority of students, which are going to be Asians, whites, and unknowns, and then for the minority students.

So you can see that one of the things to notice is that the minority students here at Berkeley, you know, their average SAT scores are actually worse than at Santa Cruz. Okay? And you can see that there are significant differences in graduation rates as well. But some cross things are happening. So minority students who are at Berkeley that have the 68 percent probability of graduating in five years, that's actually higher than the majority graduation rate at Santa Cruz. Now, there are other ways which people are different in terms of the characteristics of people at Berkeley and such. This is just to give you an idea.

The four-year graduation rates look a lot different. And that's one of the things that's going to come out of this, is that time to degree is affected by the (inaudible). And you can see that all the numbers -- well, I guess we've got one here, the 37.5 percent is bigger than the 36.9, but the four-year graduation rates of minority students at Berkeley are lower than majority rates at Riverside and Santa Cruz and such. And you can also see that U that I was talking about. The three most diverse schools are the top two schools, Berkeley and L.A., and the lease selective school, which is Riverside. Okay. So there is a sense in which diversity at one school comes at the expense of diversity at

another school, even within the UC system. Riverside is still selective. I mean, there's a whole Cal State system in there as well. But you can sort of see where that U is coming from.

So what we're now going to look at is the characteristics of individuals who start out in the sciences and see the characteristics of those who stay with the sciences versus don't finish. And when I say don't finish, it's within five years here. Maybe they finished after that but this is the general structure. What you'll notice about here is the people who stick with the sciences all have, from a majority of students, all have higher SAT scores than those who decide to switch to the non-sciences or who don't finish. Okay. But the gaps are not huge. So at Berkeley, you know, if we look at this gap here, we're talking about 21 points. Okay. But when we look at for minorities, the gaps are a lot bigger. Okay. You know, this gap here, we're talking about 100 points, okay, compared to the 20 point gap that we saw above. And you can see that the persistence rates are very different. So for a majority of students it's not quite twice but it's pretty close to twice as many majority students are persisting in the sciences relative to minority students.

And so this gets at this point about how much of this is relative SAT versus absolute SAT. We're going to find they both play a role but relative SAT is going to matter as well. And so when we look at something like persistence in the sciences here, you know, persistence in the sciences for minority students at Berkeley sort of is like that at Riverside. For a majority of students, SAT scores are higher for the minority students here. Okay.

What this table does is it's now going to take the full distribution of SAT scores in the UC system and break it up into four quartiles. So these are not quartiles of the minority SAT score distribution; this is quartiles of the total SAT score distribution. And what you find at all these schools is that there's a spread. So you're going to get people who are in the top quartile of the SAT score distribution in minorities who are attending Riverside. And you're going to get people in the bottom quartile of the SAT score distribution that are attending Berkeley. What's interesting is at Berkeley they're evenly spread across those four population quartiles.

This table -- this is just raw data, and this was actually, to me, one of the more convincing tables on mismatch in terms of my own work. And why do I say that? Because if we think about somebody who is in the bottom quartile at Berkeley, and compare that to somebody who is at the bottom quartile who attended Riverside, we would expect that the people who went to Berkeley, they're probably pretty good along the other dimensions relative to the guy at Riverside. And yet, at Riverside, they actually had a higher five-year graduation rate. I'll show you the four-year graduation rates in a little bit, and it's much -- the gap widens quite a bit.

And what you can see as you move down the quartiles, you get this crossing. Part of this is, again, you've got to keep in mind we haven't accounted for selection. All we've done is broken up this into these four quartiles. So these guys at Berkeley, they are going to look different but you can see this crossing where at the bottom two quartiles Riverside as higher graduation rates, but the top two quartiles Berkeley has the higher graduation rates in STEM fields. If we go to graduate in any

field, you'll notice that Berkeley has a higher graduation rate.

And so what we're interested in is how much of that is due to selection and how much of that is Berkeley is really good at doing the nonsciences? But one of the themes that is going to be going on here is that graduation rates in the end, once we account for selection, you're not going to see that much differences. You'll see a little bit of differences across the schools, but it mainly has to do with persistence in the STEM fields.

This is what it looks like for four-year graduation rates. And here you can see Berkeley bottom quartile. If you're interested in STEM fields, the probability you graduate in four years in a STEM field is 3.1 percent. Okay. Did they know this going in? Maybe. You know, but it seems like at least you want to have that sort of information provided so that they can make informed decisions if we're going to do this, compared to 10.7 percent at Riverside with no adjustments for selection. But even now when you see the four-year graduation rates, these guys are going to be more likely to graduate in four years at Riverside than at Berkeley.

So what we do is we estimate sort of a model of persistence in the sciences where we can sort of control for different observable characteristics, such as SAT score, high school GPA, and we also control for things like whether or not you were admitted or rejected from particular places. And with this model we can get predictions to sort of take into account what the selection effect is. And we're going to look at SAT quartiles, but now the way you want to think about this table is all the people, all the minorities who had an initial major in the sciences, now I'm averaging across all the

minorities who are in the bottom quartile. So every cell, it's the cell individuals just getting their predicted probability of persisting in the sciences. And this is accounting for sort of the selection effect. And what you can see is, well, one, Riverside just happens to be fantastic at graduating people in the sciences relative to total, but the general thing is that big gaps are found among the bottom quartile, and the gaps tend not to be quite as big once you go to the top quartile for persisting in the sciences. Now, if you look at the probability of graduating in any major, again, you might see actually Berkeley is pretty good at that at the top quartile. So you're getting this tradeoff at least in terms of shifting students to the top institutions. If you're not quite as well prepared, probably graduating in the sciences is going to be low.

Here's what it looks like for four-year graduation rates once you account for selection. And you can see that same pattern of you're going to be much more likely to graduate in four years in the sciences at Riverside if you have that level of preparation than otherwise. And in general, the graduation rates are that way.

SPEAKER: Could that be because Riverside is just easier to graduate because the courses are easier?

MR. ARCIDIACONO: That's right. No, that's right. And that's the fundamental tradeoff is, you know, in what sense -- how do you want to make that tradeoff? How much is a Berkeley degree in the sciences worth relative to the Riverside degree? And that's why I don't think I can, you know, I can come to a policy conclusion based on that. I can just tell you here's what the persistence rates are like. We don't have any information on earnings, for example.

All right. So I want to talk just a little bit about then what happens at Duke. So we're going to see similar things here. With Duke we have better data in the sense it is individual-specific in terms of we've got their gender, we have their actual race as opposed to being lumped in these categories, and we have Duke's private ranking of the applicants. But it's only one institution. And what we're going to see is how persistence in the sciences varies by race, how much of the racial gap is due to preparation, and how majors differ in the demands they place on students. They also ask why students switch out of particular majors.

So this is the initial and final major. And what you can see is what you just said. African-American students are actually coming in more interested in the sciences. But check out what's going on between white males and black males here. So black males come in wanting to do the sciences more at Duke. We include Econ because Econ acts like the sciences at Duke. But then it flips. Why is Econ like that? Because we don't have a business major, and so we have tons of students. We can't handle all of our students, so what we do is we put in a lot of math. So we start weeding people out just like the sciences do.

All right. I've got to really go fast here. But the sciences are different. I mean, the only way to fix this would be to change the sciences. Good luck with that but, you know, the fact is that the sciences give lower grades, they require more study time, and they will much more likely be reported as the students' most challenging course. Okay.

Once we control -- so what we see in the data is that African-Americans

are much more likely to leave the STEM fields. Asians are actually the least likely to leave. Actually, once we control for academic background in this data, we find no racial or ethnic differences at all in terms of persisting in the STEM Fields.

So why do students say they switch? They are asked if you're switching majors, was it due to -- there are other categories here, too -- but two of them were lack of pre-college preparation or academic difficult in the major course requirements. African-Americans and Hispanics were more likely to switch because of lack of preparation or academic difficulty, as were those who were leaving the sciences, once again controlling for preparation renders those differences moot.

Last little bit here. Mismatch of a different variety. Remember I showed you that U, right? The diversity at one school comes at the expense of diversity at the other. Well, how do individuals sort within the college in terms of their relationships? In terms of their friendships? It turns out people end up sorting in part based upon their backgrounds. And so with the College and Beyond data, we actually looked at this, and basically if you increase the SAT score of a white person within a particular school, they end up becoming more likely to know Asians well and less likely to know African-Americans well. And so you get this tradeoff where the last guy admitted under affirmative action isn't going to be hanging out with cross-racial relationships as much as if they would have attended the school without it because the backgrounds are very different. So that's another tradeoff in terms of mismatch is thinking about the sorting into different friendships and such.

So that was way too fast but here are sort of the answers to those

questions as we're getting ready for the next thing. Thanks.

(Applause)

MR. LUPPINO: Hello. So I think it's great that I get to go after Peter's paper because I think it's really a nice segue into this line of research.

So the overall topic that we've been addressing this afternoon has to do with evaluating racial preferences, affirmative action, and how it affects outcomes of students in college. But we have this broad policy that we're talking about here and there's a fundamental question of how this policy works. Affirmative action is possibly changing the type of academic institution that students go to, but we need to know what is it about academic institutions that affect student outcomes? So here I'm looking at a specific type of institutional characteristic, major competitiveness. And I'm going to look at how that affects attrition from the sciences.

So one aspect of a college is the competitive levels that you see at this college, and here in our study we look at this based on measure of peer ability. And there's a question of whether that's going to affect the likelihood students persist in the sciences, which we think is interesting. And this is a general question that is not as race-based at all. It's based on your ability. And we're going to look at two characteristics of competition. We're going to look at absolute competition of the sciences. So some academic institutions are just more competitive relative to others and we're also going to look at relative competitiveness of the sciences to the non-sciences. So I think this kind of speaks to some findings of Peter from some other work that students are particularly sensitive to the grades that they get at their academic institutions and this affects how

they feel about themselves and kind of what fields they decide to choose. And we find that, you know, when the sciences are extremely more competitive relative to the nonsciences at their academic institution, that they're more likely to opt out into the less competitive field.

So we use similar data to Peter. And to kind of give you a sense, typically when we think about institutions we think about institutions having one characteristic. There's these really elite awesome schools and then there's these non-elite, less awesome schools. But schools have a lot of different characteristics, right? They have differences in faculty. They have differences in locations and student characteristics, et cetera. So here I'm talking about competition. You see the ordering of these schools is based on their kind of U.S. News and World Report rankings, this one-dimensional way that we typically think about colleges. And this tracks really well with how competitive you see the sciences are at these different schools. Okay, but there's this second dimension that we also look at, which is relative competitiveness.

So in the first column you see the kind of general competitiveness of STEM fields at these academic institutions, and the second column show you the relative competitiveness of the non-STEM fields of these academic institutions, and the third column gives you the difference. So we think of a school like Berkeley and we see that Berkeley is extremely competitive in both the sciences and the nonsciences, but then we look at this difference and we see that some of the UC campuses, you know, actually have greater imbalances between the sciences, like Irvine and Davis relative to Berkeley, even though they're lower ranked. So these are two ways in which these institutions are

fundamentally different. And we're going to find out for persistence in the sciences that both of these dimensions matter.

Now, these are obviously not the only dimensions that matter. There's a host of dimensions that matter. There's academic and social norms of an institution. There's the faculty quality. There's evidence that faculty that spend more time on instruction relative to research, right there students typically do better and persist longer in the sciences.

And this is a fundamental challenge, I think, in trying to evaluate policies, is that it's really kind of a black box as to what is it about institutions that allow students to do better. And I think that affirmative action in particular, we have this idea, we have this end kind of policy goal of improving certain outcomes and that's the end, but we really need to think about the mean and whether affirmative action is effective in doing so relative to some alternatives. And some alternatives are kind of changing the educational system and the structure of institutions and also institutions possibly investing in other of their characteristics that might better serve certain types of students as Kala Krishna mentioned earlier. You can think of things like student services and tutoring. You can also think of the orientation of faculty possibly towards more instruction and less research and things of the like. So there's a lot of different characteristics of institutions. I'm not going to pretend to look at all those today.

The goal of the study is to focus in on peers and to evaluate whether, you know, there's some literature that having great quality peers is really great for you because they're these study buddies and they're going to help you and you're going to do

better otherwise, and there's this competing idea that particularly in some types of academic settings, and the sciences being one of them, where these are particularly competitive in nature and that being in extremely competitive environments are not necessarily conducive to achieving better outcomes in the long run.

These are very difficult things to assess out. It's really difficult to figure out whether your institution as a whole has any effect on your longer life outcomes or whether it's just something inherent about yourself. You were super smart and that's why you got into that school, right? And that's why you do well later on in life. Or did the school actually give you some value at it? So that's something really hard to deal with.

A second issue is: how do I distinguish between all these things, because all these things are highly correlated. So in order to do that we take advantage of this UCOP data and kind of the wealth of information in the data. We use a lot of information about students in order to kind of rule out that student characteristics that are driving both your enrollment decisions or outcomes are kind of driving things. And similarly, what we do is we use information about the schools that you attend to kind of rule out that what I'm showing you has to do more with these other characteristics of institutions that we might think would affect student outcomes as opposed to competition.

So this is to give you a sense of -- because I'm going to show you this graph in a second that looks at different outcomes for science students, for intending science majors in the UC system for the period that we look at, which is between 1995 and 2003. And it's going to look at different types of students. So for UC students, UC science students, this is 25th, 50th, and 75th percentile. And you can see that the 25th

percentile is very close to the national median. So even the lower kids who are interested in the sciences at the UCs compare very well too, nationally.

So this is kind of a summary of results, a way of presenting results. And what we're doing is we're changing the levels of competition that students experience and make them similar to these other academic institutions, but we're kind of ruling out other differences between these institutions as kind of driving results. So I don't know if you remember some results from Peter. You look at Santa Cruz and Santa Cruz is particularly terrible in graduating science students. What these results are suggesting is that the reason is not necessarily because of the competitiveness of Santa Cruz; there's other factors involved.

So going from left to right, these are kind of more absolutely more competitive to less competitive schools. You see this kind of general trend where kids are more likely to graduate with science majors at less competitive schools in an absolute sense, but we also see that their relative competitiveness matters at these schools. So these schools that are more balanced between the sciences and the nonsciences have more success in graduating science majors relative to these schools that are more skewed like Davis and Irvine and Riverside.

So these are the results here. We're looking at mismatch and mismatch we typically think it's important to look at the observable characteristics of students based on math scores which we think is particularly relevant for the sciences. But of course, you know, there's a host of characteristics as Glenn Loury said earlier that determine match. Match is this multi-dimensional thing. And so those things are really hard to

measure. So we look at the sensitivity of minorities which we think will probably have a different set of unobservables for this particular academic setting relative to nonminorities to see their sensitivities to competition at the academic institutions that they attend. And we see the general trends are very similar in this context, just the magnitudes are a lot higher, so a lot more sensitive.

So in conclusion, we see that both absolute and relative competitiveness of the sciences matter I determining attrition. You know, what we further find in the paper and what I haven't shown here is that nonminorities tend to respond to greater competition by switching out. So they just change fields. They switch out of the sciences but they graduate. What we find for minorities is instead they persist in the sciences even when they face greater competition and then they suffer in terms of grades and graduating.

Now, it's not really clear why that's the case. I mean, this is not an expected result that we had prior to conducting this study and it definitely begs the question of further research. I mean, I definitely think that there's a growing literature that looks at the expectations of students about the college environment before they enroll as Peter also mentioned previously and that college students don't necessarily have perfect information about how they're going to fare when they actually attend college. And differences in how much information that they have prior to enrollment, how informed they are is going to affect the kind of subsequent decisions and how they handle the academic environment and what subsequently happens.

And so a great benefit of this is trying to put forth this information, again,

as Peter highlighted about providing people with information so then they can make choices. I mean, if you want to make the risky choice of attending a harder school because you're going to get more money possibly in the market, then you can make that choice, but just be informed of what the actual risk is that's involved of possibly not graduating.

So thank you.

(Applause)

MR. SANDER: So those presentations, particularly Peter's and Fred's were a little longer than slotted because there was so much substance on them that we really wanted you to hear. So we have a little less time for discussion but I'm going to try to manage it so that we go quickly.

I have about five questions I want to ask to start, and then I'm going to open it to the audience for broader discussion. So while you're being mic'd, maybe you can just talk louder.

So Fred, you talked about the general race blindness or the relevance of race after you control for other people's characteristics, and yet there was this Asian effect. And Kala mentioned to me as we were listening that possibly the Asian effect might have to do with immigrants. Do you look at that or do you have any other hypothesized explanation of why there does seem to be a positive race effect with Asians?

MR. SMYTH: Of course, that's the obvious question, isn't it? What's that gap, that remaining boost about? And my bet is it isn't about race either. But of

course, I was doing a reanalysis of Bowen and Bok's data. And that dataset was not rich with respect to answering that kind of question. I had high school grades, SAT scores, intended major, race. Just a relative handful really. And frankly, I was stunned that one variable, the relative SAT math, entirely accounted for the white and underrepresented minority effect. That's kind of unheard of. One variable explains the whole phenomenon. Surprising. So anyway, that's the great question. It would need other data and there are certainly lots of hypotheses about why Asians are doing better with the same relative credentials. They're getting more bang for their buck. Lots of hypotheses.

MR. SANDER: Peter, so in the Duke study you did, what happens after enrollment you generally found race effects also going away when you controlled for other factors, right?

MR. ARCIDIACONO: Yeah, and for Asians as well. It held for everybody. We have a richer set of characteristics and the time period is later. So I don't know to what extent that played a role.

MR. SANDER: Okay. So more recent data with more individual variables you can observe, this Asian difference went away. Okay.

Peter, in the last session a question came up about how did Prop 209 affect graduation rates at the UCs for underrepresented minorities. Can you briefly address that?

MR. ARCIDIACONO: So I think that the effects in five-year graduation rates are fairly small. I think where you see a bigger difference is on the four-year graduation rates. I think it certainly matters there. And then the persistence in the STEM

fields. So what a place like Berkeley is really good at is taking somebody who is in the STEM fields who doesn't have a very competitive academic background for the STEM fields and then shifting them over into another major. There are small effects in the graduation for five-year but the big effects are on four-year graduation rates.

MR. SANDER: So big effects on four-year across the board; large effects everywhere in STEM fields?

MR. ARCIDIACONO: Yeah.

MR. SANDER: And then Peter, there was also an issue in the last session about what happens when you control for class? And that may have come up.

MR. ARCIDIACONO: Yeah, I should have mentioned that the model that we did to predict all the different graduation rates controlled for lots of things in terms of family income, parental education. All that was embedded in those models, with allowing those things to differ for the payoff to a nonscience major versus a science major. SAT is very important for going into the sciences. SAT verbal is more important for going into the nonsciences.

MR. SANDER: Do you find class has an important independent explanatory effect?

MR. ARCIDIACONO: Yes. But I think that's because of the noisy proxies that we have for --

MR. SANDER: In other words, class is capturing lots of other information about people?

MR. ARCIDIACONO: Right.

MR. SANDER: Kala found out there was a strong class effect in India. In the Indian data.

I'll come back to you, Phil.

Okay. And then so Mark, you've looked at some of the other peer effects research. And I think what you've told me is that there are some other studies sort of looking at peer effects on STEM persistence but they tend to look at things like roommates.

MR. LUPPINO: Right.

MR. SANDER: Can you just talk about that for a minute?

MR. LUPPINO: Right. So the general peer effects literature is pretty interesting in that it looks at -- there's multiple different ways in which you can define peers. People in the economics literature, in the comps in general, are very concerned about identifying what exact -- what effects are going on to make sure that what they are showing doesn't have to deal with the types of individuals that go to specific institutions. It's their own intrinsic characteristics that we observe or not observe or things about the institution per se. And so I tended to focus on lower levels of or smaller peer groups, like roommates which are more plausibly randomly assigned to students and have nothing to do with their own characteristics or looked into service academies for squadron assignment, things like that.

But if you're looking at a grander scale and while you think that a roommate or a study group could have great benefits for you in having stronger students in that group and when we're talking about the grander scale of your entire cohort of

people that are interested in your field, we think that possibly these more competitive dynamics are going to kind of overrule the helpful dynamics that peers can have at a more local level.

MR. SANDER: Another issue that hasn't come up in any of your presentations is what happens after graduation. So there's this issue of persisting to getting a BA in a STEM field, right? But what about the issue of whether, you know, even if you have a much lower chance of getting a BA in engineering at a more elite school, you'll have higher earnings afterwards. I mean, my sense is that what the earnings will ensure is (inaudible) there are studies that have found both benefits and disadvantages from eliteness? I think you've looked at it a little bit specifically, Peter.

MR. ARCIDIACONO: Yeah, I mean, there are definitely big returns to majoring in the sciences or in economics. And there are also returns to college quality. And I think it's a mix as to what effect dominates there. We had, I think Dr. Loury's quote keeps coming up about it's not so much the college you go to but the grades you get and the major that you choose really matter, and at least with that paper found was more along the lines of the major and the GPA mattering more than the college quality.

MR. SANDER: All right, good. General questions. Yes, sir.

MR. NADEL: My name is Mark Nadel.

I agree with all of you that disclosure would be beneficial, but one other thing that I'm wondering would appear to be very helpful is to give some of the lower scoring students who might be able to have scored higher if they had better preparation the chance for, say, a summer program or extra -- some way to catch up a little bit. So

I'd wonder whether somebody who scored 650 in their junior year but after the summer course they got that up to a 690, whether they would perform at the level of nonminority who were -- or anybody who was 690. And I wonder whether Bowen and Bok talked about this because I know those programs have existed in law schools and elsewhere at some of the better endowed schools. Have any of you looked at this or thought about it?

MR. ARCIDIACONO: I haven't done any research on it but that is definitely the case. MIT has a program; Stanford has recently started a program. Duke does not have a program right now. For Ph.D. programs this has been hugely successful to have summer programs designed to prepare students that way.

One thing I didn't mention is one of the things that you see for the Prop 209; there are a couple of effects on graduation rates. You have the effect in terms of getting a better match, but you actually see the graduation rates go up after Prop 209 independent of the match. That could be for a variety of reasons. It could be that the labor market for college graduates is better and so more people are sticking with college, but another reason could be that these schools were sort of forced to figure out, okay, I want to invest. I need to invest more in the pool that I have to make sure that they graduate. And to the extent that that holds, you may actually -- any dire effects may be overestimated because the schools are going to work to undo that with the students that they have there.

MR. SANDER: So part of the issue here is creating institutional incentives to create academic support programs. And, you know, a common theme in a lot of these papers has been let's have greater transparency. Great transparency not

only helps students make more informed choices, but it also has the salutary effect of embarrassing universities. You know, if it becomes known that universities -- well, you know, like the 3 percent success rate that you cited at one point, if those rates become widely known, then it's likely that universities will invest much more aggressively in providing academic support.

MR. SMYTH: I would just piggyback on that, I feel, to the extent that you as an institution are aware of this phenomenon, this very intuitive phenomenon, someone is relatively lower. They're not going to do as well on average, and you are systematically offering admission to students from a group at a lower level. So you're creating this correlation. If you are doing that, you better -- you better be working very hard to help bring them up to speed. I think that's a moral obligation and I think there's a lot to be learned about what it takes to close a gap that's accrued over an academic lifetime. A summer intervention is going to be a steep challenge but we need to do what we can do.

MR. SANDER: Sir, in the back.

MR. GIBBS: I'm Kenneth Gibbs. I'm an AAAS policy fellow at the National Science Foundation. And I come to this from the perspective of an African-American who has a Ph.D. from Stanford in Immunology. And I went to the University of Maryland-Baltimore County, where they have a program called the Meyerhoff program. I want to contribute more to the conversation because so much of this conversation has been on individual deficits and matching the individuals. And there you have it known that institutional support, cohort models, things that we know work for all students,

including students of color, can increase rates for students of color and for students from the majority.

And so I know you said you can change the culture of science -- good luck with that -- but there, you know, it's not Harvard, Stanford, whatever, but it's an institution that has been able to over the last few decades show that when you have support, all students do better. And I want to really contribute that to the conversation because science and STEM as a whole does not have a culture of potential cultivation. It's talent winnowing, right? And we weed people out. We put more math in and we push people out. Right? And so yes there are deficits and those need to be addressed, but the deficits are not solely on the individuals. And I just want to contribute that from the perspective of an early career actual person with a STEM degree to the conversation that we've had so far.

(Applause)

MR. SANDER: Thank you. That is really important. And if I had more time I was going to invite the head of the Meyerhoff program to come down, so I'm really glad that you jumped in. That's a wonderful national model.

Yes, sir. In the back.

SPEAKER: Generally, this has been you would come to the conclusion that affirmative action is not very successful. That would be the bottom-line of this presentation. But when you look at The Shape of the River, are you challenging their conclusions? Because generally Bowen and Bok were very positive about how well the minorities did after graduation from Ivy League schools. Are you challenging these

conclusions based on your research?

MR. SANDER: Just to say one thing, yeah, I don't think Bowen and Bok's findings have held up well at all. On the point you raised, earnings after graduation, Stacy Dale and Alan Krueger -- Krueger being Obama's chair of The Council of Economic Advisors -- wrote in a 2002 paper that using the same data Bowen and Bok used, when they used a control method similar to what Mark used in his paper, the earnings differentials generally went away. You didn't have an earnings premium. In fact, there was evidence that going to a more elite school hurt your long-term earnings. They've come up with a more recent paper that argues that may not apply to affirmative action students. But in any case, their findings are very different and their methodologies clearly more sophisticated than the Bowen and Bok. But Fred should also address it because he specifically used Bowe and Bok's data.

MR. SMYTH: Yes. I would challenge some of the general findings as well as what you saw in terms of our analysis of their STEM conclusion. They, of course, as we talked about already, none of these are experimental studies. The students in College and Beyond were not randomly assigned to those selective schools. Bowen and Bok recognize that, but they tend to come down on the side of the students at the most selective schools in their sample have the highest graduation rate. So we're doing something right at those most selective schools.

Well, probably those students, those are just amazing students. And they would have done okay and probably graduated at very high rates no matter where they went, but it wasn't an experiment. And on a technical point in my paper on our

STEM analysis, we wanted to look. Our second hypothesis was following up on Bowen and Bok. Does the effect of institutional selectivity give a boost? Do people do better when they're in the more selective environments? And that's what they claim for their general finding. Well, we looked at that for the STEM data and we used what's called multi-level analysis, which takes into account the clustering of students in institutions. And when you do that, the statistical effect that they found when they didn't do that for overall selectivity effect goes away. So there's some methodological criticisms I would have and also just the correlational nature of the research and drawing causal conclusions I would question.

MR. SANDER: Just one other simple point about Bowen and Bok. A lot of their basic methodology involved comparing super elite, very elite, and elite institutions. And their reasoning was if Bok students do as well or better at super elite institutions than at elite institutions, then preferences are helping them. But a lot of evidence suggests that preferences are actually smaller at the super elites than at the elite schools for reasons probably related to Peter's graph that he showed you. The super elites have the first crack at admitting students. They're able to get African-American students or Hispanic students at the very top of the score distribution. Schools that come after are starting at a much lower point in the distribution. So if you compare these schools you find much larger preferences being used by tier two and tier three schools than by tier one schools. So you could easily get into a fallacious reasoning that I think exists in The Shape of the River that the tier one schools are succeeding despite using preferences when they're actually using smaller preferences.

So why don't we stop there and break for lunch and we'll come back for the roundtable. Thank you.

(Recess)

MR. TAYLOR: (in progress) -- ninety-two amicus briefs filed in this case, which probably puts it in the top five of all time. Seventy-three of them were filed in support of the University of Texas, and a couple of those are critical of our brief, including one signed by Professor Lempert and others, which he referenced earlier. But the Supreme Court has not seen this litigated throughout the process. There hasn't been adversarial testing of these arguments, and therefore it would be surprising to see the Supreme Court saying mismatch, therefore Fisher wins. They won't do that, and I don't think they will do that. But it's possible that some justices aware of this evidence, aware that there's at least a debate, may be less inclined than they have been in the past to presume that of course racial preferences are an unqualified benefit to all of their recipients all of the time. That may seep into their thinking whether or not it seeps into their opinion writing.

In addition, it's quite possible the court will move the law in a direction that would alleviate harms to under-qualified students to mismatch harms; those admitted because of racial preferences, as well harms to passed-over, well-qualified Whites and Asians.

A paraphrase from the last major affirmative action decision, the 2003 Grutter case involving University of Michigan Law School, helps explain this point. Justice O'Connor wrote that use of race as a factor in admissions is unconstitutional if it --

and I think this is a quote -- "unduly harms any racial group." Well, it's the harm to passed-over Whites and Asians, which is presumably what she was mainly thinking about -- is they didn't get into the school they wanted to. I happen to think that the harm most Whites and Asians in that position suffer from not getting into their first-choice school is less than the mismatch harms we're talking about. But that's probably debatable.

So, what would increase harm? What is Justice O'Connor talking about, "too much harm"? Well, it's hard to think of what it would mean except unduly large preferences. The larger the preferences, the more well-qualified White and Asian students are passed over in order to make room for less well-qualified, preferred classes.

So, the Supreme Court might consider whether large preferences are doing undue harm to Whites and Asians. It just so happens that the harm done by preferences under mismatch theory to Blacks and Hispanics is also attributable to their size. I don't think many people would seriously argue that a rather small racial preference, a tiebreaker preference, or a little more than a tiebreaker preference would be harming its intended beneficiaries. But when the preferences are on the order of those at the University of Texas, which I'll mention in a minute, the question is rather different. And we've heard some of the evidence.

So, for example, among freshmen entering the University of Texas at Austin in 2009 who were admitted outside the top 10 percent system, the mean SAT score on a 2400 scale of Asians was 467 points above the mean Black score. The mean White score was 390 points above the mean Black score. And those are pretty big

differences in terms of percentiles or whatever. These are not tiebreakers, and they're not close to being tiebreakers, and if the Supreme Court decides that they're too large for one reason, if the Supreme Court may decide they're too large because they're excluding too many well-qualified Whites and Asians, it would have what I think to believers in the mismatch theory is the happy effect, reducing the size of the preferences and thus reducing the harms to the Blacks and Hispanics of the mismatch problem.

With that, I'll introduce our panelists in the order in which they are going to speak, and we have a very qualified panel, and I've invited them to talk about any aspect of this broad subject that's on their mind whether or not it relates directly to what's been said before.

The first to speak will be Richard Kahlenberg. He's a Senior Fellow at the Century Foundation, where he writes about a variety of education issues. He's been called the intellectual father of the economic integration movement in K-12 schooling and, arguably, the nation's chief proponent of class-based affirmative action in higher education admissions. He's also an authority on teachers' unions, private school vouchers, charter schools, turnaround school efforts, inequality of higher education, and many other things. Richard is the author of five books, and the only one I'll mention now, in the interest of brevity, is -- two -- *Altogether Now: Creating Middle-Class Schools through Public School Choice* -- Brookings Institution Press, 2001; and *The Remedy: Class, Race, and Affirmative Action* -- Basic Books, 1996.

The second to speak will be Glenn C. Loury, who was introduced earlier, but for those who weren't here I'll briefly reprise a little bit of the introduction. He's a

Merton P. Stoltz professor of social sciences and professor of economics at Brown University. He has taught previously at Boston, Harvard, and Northwestern Universities; the University of Michigan. He holds a BA in mathematics, Northwestern; a PhD in economics, MIT. Professor Loury is a distinguished academic economist who has contributed to a variety of areas in applied microeconomic theory, welfare economics game theory, industrial organization, natural resource economics, and the economics of income distribution. He's also lectured before academic societies throughout the world.

Professor Phil Richards is the Arnold -- is it Sio, Phil?

MR. RICHARDS: It's Sio, right.

MR. TAYLOR: The Arnold Sio Chair of Diversity and Community in the Department of English at Colgate University. He has written two books -- *Black Heart: the moral life of recent African American letters,* the critique of the reigning hegemony in African American literary studies, and, most recently, *An Integrated Boyhood: Coming of Age in White Cleveland*. He has written literary journalism about race and education in *The Chronicle of Higher Education*; *Dissent*; *Commentary*; *Harper's*; *The Journal of Blacks in Higher Education*; and *The Massachusetts Review*. And if anybody else has an eclectic -- a collection of outlets as that, I'd like to hear who it is.

Peter Schmidt is senior writer for *The Chronicle of Higher Education*, where he covers affirmative action and has covered education research. He's also author of the critically acclaimed *Color and Money: How Rich White Kids are Winning the War Over College Affirmative Action*, published in 2007 by Palgrave McMillan, St. Martin's Press. Schmidt came to the *Chronicle* from Education Week where he was a

staff writer, and his reporting has earned him numerous awards from the National Education Writer's Association and other journalistic organizations.

I've asked each of our speakers to take about seven minutes, hopefully no more than seven minutes, to say whatever's on their mind. Then I'll ask some questions, and then we'll have Q&A from the floor. Thanks.

MR. KAHLENBERG: Thanks very much, Stuart. I'm delighted to be here.

For the non-economists in the room, this panel may be a little easier on the brain, although Glenn Loury is still up here, so I'm a little nervous. He's going to throw an equation out at us. But this is meant to be a broader discussion than the morning discussions, and I found those to be fascinating.

For those of us who study affirmative action, this issue seems to come back every decade or so, and each time it manages to survive challenge. You may remember the angry White males in the 1994 election that brought Newt Gingrich in, and a lot of people thought affirmative would end there. It did end in California a couple years later. But Bill Clinton had "mend it, don't end it," which allowed affirmative action to survive at that point. Then in 2003 you had the Grutter case out of the University of Michigan, and again many people expected affirmative action in college admissions to end, because Justice O'Connor had not been a friend of affirmative action in the past, and yet she extended the ability of universities to use race in admissions for at least 25 years -- or so we thought at the time. And, you know; now in 2012 there's the *Fischer v. University of Texas* case, which I think may end the pattern by which affirmative action

manages to survive and because of one key difference.

So, in the past, affirmative action survived barely, because Americans are torn over the issue, and the Supreme Court is torn over the issue. On the one hand, you find very few people who like the idea of racial preference, like the idea of deciding who gets ahead, considering things like skin color, ethnicity, or national origin. That goes against the American grain.

On the other hand, most Americans of good will want our universities to be diverse ethnically and racially, and there's some evidence to suggest economically as well. And up until now, kind of the trump car that supporters of affirmative action always had was that you cannot achieve racial diversity without using race. You know, going back to the famous Bakke decision in 1978, Justice Blackman said, "I suspect that it would be impossible to arrange an affirmative action program in a racially neutral way and have it successful. To ask this to be so is to demand the impossible.

In order to get beyond racism, we first must take account of race. There is no other way. But in the current case, the challenge to the University of Texas, they did find another way. So, many of you may know at the University of Texas they have two programs of nonracial affirmative action that they used between 1996 and 2004 and actually continue to use today, throwing race into the mix as well.

So, the first program is a socioeconomic affirmative program. So, they give a leg up. Let me get the language right here. They look at grades and test scores in the context of special circumstances, which include: "Socioeconomic status, whether the applicant is from a single-parent home, language spoken at home, family responsibilities,

socioeconomic status of the school attended, and average SAT or ACT scores of the school attended in relation to the students' test scores. So, that's their one race-neutral affirmative action program.

The second, which has gotten a lot more attention and which you probably already know about, is one in which students who are in the top 10 percent of their high school class in Texas are automatically admitted to U.T. Austin, which effectively allows students who have lower test scores to be admitted who otherwise might not be.

Now, these two programs in 2004, when Texas was temporarily banned from using race, produced a freshman class that was 4.5 percent African-American and 16.9 percent Hispanic. This was higher than the rates of admission using race in 1996 when the percentages were 4.1 percent African-American and 14.5 percent Hispanic.

So, it seems to me the good news here is that Texas didn't just give up on diversity altogether. They provided these two race-neutral alternatives and managed to produce considerable racial diversity -- racial and ethnic diversity -- in fact, marginally greater than they had using race in 1996.

Now, I want to acknowledge that's in part because there's been a change in the demographic situation in Texas, but the Supreme Court in the past hasn't looked at the larger demographics of the state. They looked more precisely at the question of whether there is a critical mass of students of color who will help inform the education of others in the school. And so they were able to get a critical mass in Texas.

Texas is not unique. On October 4th, the Century Foundation where I

work is going to be releasing a report looking at seven states that have been banned from using race, and in most of those states they were able to achieve a critical mass of students, or at least to match or exceed the levels through race-neutral means that they had achieved using race in the past. Rick Sander is going to be there at this forum and Ward Connerly and Lonnie Queneer. So, there will be some interesting fireworks.

So -- now, significantly, in Texas and these other states they did a number of things that progressives like me -- you know, okay, I'll call -- you know, liberals -- liberals like me, I'll admit it, are normally supportive of a -- right? So, they gave a leg up to low income students. They increased financial aid for students. They got rid of legacy preferences in three instances -- those preferences that go to the children of alumni. So, they didn't want to look hypocritical. So -- in other words, I think that if we do see a curtailment to the use of race in *Fischer*, there are alternatives out there that we can look to.

Okay, so I've got one minute. Let me wrap up here.

Now, Glenn Loury has made the important point that this is not a particularly efficient way of getting racial diversity if your sole concern is with getting race and ethnicity, getting a certain representation based on race and ethnicity. But, as I say, I think these are good things that we -- it will push universities to look more broadly at the class dimension that's been missing so far.

Let me end by suggesting that this new affirmative action -- what I think is a better affirmative action based on class or economic status -- has important and honorable roots. So, this is the 1964 from Martin Luther King, *Why We Can't Wait*, and

King was torn, as many of us are, about the issue of affirmative action, and said we do need to address our egregious history of discrimination. So, he writes, "The nation must not only radically readjust its attitude toward the Negro and the compelling present but must incorporate in its planning some compensatory consideration for the handicaps he has inherited from the past, for it is obvious that if a man has entered in the starting line in a race 300 years after another man, the first would have to perform some impossible feat in order to catch up to his fellow runner." So, that sounds like the traditional support for race-based affirmative action.

But then King, instead of arguing for a bill of rights for Blacks, suggested that we need a bill of rights for the disadvantaged of all races, and he says, "While Negroes form the vast majority of America's disadvantage, there are millions of White poor who would also benefit from such a bill. It is a simple matter of justice that America, in dealing creatively with the task of raising the Negro from backwardness, should also be rescuing a large stratum of the forgotten White poor."

Now, almost 50 years after King wrote this, it seems to me that we may finally be headed in that direction. But, ironically, in order to get universities to care about socioeconomic diversity, it may be that a conservative Supreme Court curtailing the ability of universities to use race will bring about this vision of an affirmative action program that really reaches out and helps the disadvantaged students of all races.

Thank you.

MR. TAYLOR: Thank you, Richard.

Glenn, you're next.

MR. LOURY: Thank you, Stuart.

And thank you, Richard, for making that point that I would have otherwise had to make that the 10 percent plan and other such schemes that move toward achieving diversity in a non-explicitly, racially biased way by introducing devices into the admissions process that can have the predictable consequence of yielding more Black and Latino students without separating them out for a different and lower admission standard also has the consequence of changing the criterion for selection into the university population of every single person who was selected. And in view of the fact that the underrepresented minorities are indeed a minority of the overall student body, the consequences for selection efficiency of allowing representation goals to drive the general criteria used to select students can be very deleterious to the efficiency of the selection.

And this brings me to the larger point that I'd like to emphasize at the outset here, which is that there's one debate, and that's about the instruments used by the institution to select students: Are they to be color blind? Is it legitimate that they be explicitly racially discriminatory? And so forth.

There's another debate about what the objectives of the institution should be with its admissions practices. Also, for example, should we even care about the racial composition of the student body at the school? Those are indistinct things. One can be blind without being indifferent to the race of the students who attend the school. Blindness would govern the criteria for selecting students. We don't introduce explicit racial discrimination into that process. That would be blindness. Indifference

would be the position that there's no moral significance to the racial composition of the school. And the only thing that I would like to ask here is that we have those conversations and we keep them clear. We don't allow judgments about one to implicitly drive our view about the other. So, for example, if the empirical research shows, as it seems to me it is coming to show, that some of the negative consequences for minority students from racially explicit admissions policies are larger than many of the advocates for affirmative action had thought them to be.

That's a very important finding, and it ought to feed back to affect the way in which universities conduct their affairs or perhaps even the way in which courts make judgments about the propriety of universities' conduct. But it doesn't reach the question of what our goals should be in terms of the racial impact of what it is that we're doing in higher education, okay?

I want to hold out for this idea that there is, apart from the imperative of a narrowing of class differences of opportunity in the society, an independent, historically justified, morally compelling imperative to address the problem of the legacy of racial subordination and racial discrimination in the society. When our most prestigious institutions, which are venues for globally significant affairs and are a window onto our society, are devoid of the active and effective participation of people of color, of Blacks and Latinos, in our institutions, that's a bad thing for us, especially given our history.

So, I'm now talking to you about what we should be trying to achieve with our admissions policies, not about the propriety of particular policies or about the effectiveness of particular policies. I'm talking about the goal, and I'm making a plea,

okay? Let us not allow the adversarial process in which a court proceeding is necessarily embedded to cause us to forget the unfinished business even now, nearly a half century after Martin Luther King, Jr., wrote those words of dealing with the consequences of our racial history. Okay, so that's the end of that.

I have a couple of other points that I'd like to make in my remaining three minutes, and if I go over by a minute, I'm sure that Rick is going to allow that. (Laughter)

I want to remember here my wife, Linda Datcher Loury, who died, literally, one year ago tomorrow from breast cancer and who was a pioneer researcher in this field. Her 1995 *Journal of Labor Economics* paper on the mismatch problem in higher education, written with David Garman, was a, you know, breakthrough and pioneering paper. I'm really very proud of her, and it just seems a shame not to mention her in memoriam at this time. She should be standing here and not me. Everything I know about mismatch I learned from her, and that's my wife, Linda. Thank you for indulging me with that.

Now, I just have a couple of more points that I'd like to make.

I was struck by the intervention of the young man who has an immunology PhD from Stamford and who did his undergraduate work at the University of Maryland, Baltimore County, that intervention being to the effect that in addition to asking questions about the characteristics of individuals and how they fit with an institution and how they're correlated with the outcomes associated with affirmative action programs, we can also ask about the extent to which there exists modifications or extensions of the pedagogic methods that are used to prepare students for these careers that might be

particularly effective at abetting the success of underrepresented minority students.

In other words, you can think about affirmative action purely in terms of this individualistic competition. Many want to come. Only a few can be accommodated. Which ones do we admit? And then we can jigger that process in order to favor or disfavor this or that group.

Or you could think about affirmative action as posing a challenge to the institution. We lack the extent of racial diversity that would be best for our pedagogic or for our civic responsibilities and so forth. Not enough Blacks and Latinos being trained in our institutions. Can we re-think what we're doing in some more systematic way or integrate what we do into what might be done elsewhere at other points in the supply chain, so as on net to have a more effective outcome in terms of increasing the number of underrepresented minorities who succeed. That's a different kind of question, and it challenges the institution in a different way.

My time is up, so I'll end with an anecdote. Somehow I don't think I got as much time as the other guy, but anyway I'll end with this anecdote. (Laughter)

Way back when, when I taught at the Kennedy School of Government at Harvard and we were doing affirmative action -- and that was in my neo-Kahn phase, I must say -- my colleagues there entertained the possibility of hiring a Black lecturer who was going to be a practitioner in the public health field. And an applicant came from a large state where he had been serving as the director or commissioner of public health for this large state, and he gave a talk with PowerPoint. And his i's were not all dotted and his t's were not all crossed in terms of the statistical inference and the quantitative

aspect of what he was doing. And yet he'd been running a statewide agency and had a tremendous amount of ideas about how to do that well and how to reach these people in these inner-city communities and how to deliver public health more effectively. At the end of the presentation, and then in the faculty deliberation afterward, we decided to make him an offer. And I objected on the grounds that we were making him the offer for the wrong reasons. My colleagues were holding their noses and saying even though he doesn't meet our typical standards of, you know analytic precision and whatnot, he's Black and we need more Blacks around here and let's make him an offer. And my objection was that man just gave a talk that ought to cause all of us to think really, really hard about what a public policy school is about and how it can be most effective in meeting its objectives and whether or not the mix of people that we have in our faculty is suited to that mission. This guy, who's a practitioner running a public health thing in a state, had been thinking really hard about a lot of things that we more point-headed academics didn't give any thought to, and one could ask the question of a public policy school, does the lack of having African-American lecturers on our faculty reflect perhaps not only the deficiencies of the population of African-American would-be lecturers who apply to us but also, to some degree, a miscalibration or misdirection of the very enterprise that we're running here, which should be thought about a little bit differently.

Okay, so here's what I'm trying to say, then, on past time. In my ideal world, the questions of affirmative action would not be rightly put and answered only by asking the kinds of questions which this fine conference is devoted to asking and answering about individual impacts. It would also include reflection at the level of

institutions about whether or not the way in which they conceive their mission overall and conduct it is compatible with the largest social objectives of narrowing the differences and rectifying historical consequences of racial discrimination. And I think the University of Maryland, Baltimore County, gives us one kind of answer to that question.

Thank you.

MR. TAYLOR: Thank you, Glenn, and now we'll hear from Professor Phil Richards.

MR. RICHARDS: Can people hear me in the back? I'll shout. Am I fine? Okay, fine, that's fine. Thanks a lot.

You know, I think it's right that economists should dominate this conference. There are a lot of misconceptions about affirmative action, as Professor Loury's and Fryer's clarifying paper show, and I think the macro-view, which we are getting in this conference, is particularly useful for sorting out the complexities of this subject and making us think more rigorously about it.

I'm an English professor, and my expertise is 25 years of professorship at Colgate University, and my plea of evidence is not a peer review journal, at least not peer-reviewed in the sense that is meant here by professional economists. But I do want to say that individual institutions have cultures and that in my 25 years I've watched the mismatch develop a culture of inequality, and that culture of inequality is played out in very explicit ways, which is that Blacks don't turn up in calculus courses or physics courses or chemistry courses, that I have not seen an Afro-American proceed directly to medical school. And I rarely see Blacks in the foreign languages, that I don't really see

Afro-Americans in the fields that demand the kind of high-powered analytic and synthetic cognitive skills, which are central to performing in a restructured economy.

I often find myself advising Afro-American women who are coming into the English department because they can't meet the chemistry, math, physics requirements of pre-med, and I'm not in a position to tell them that they should leave Colgate immediately and that they should go to one of the SUNY schools that have programs for students who are interested in not only pre-med but in other health fields that they might succeed in, be very prosperous in, and perhaps even go to pre-med -- go to medical school later on. And I talked extensively over the last 25 years to my colleagues in the sciences, and they told me explicitly that we take students who, although they are in the top 10 or 20 percent of boys high school, don't meet the challenges or don't have the abilities to meet the challenges of science programs that are designed to weed out pre-med candidates who have gone to Shaker Heights High or Hotchkiss and that they know that they need at least a two-year program to learn basic computation in college algebra and trigonometry before they learn calculus. And yet our department starts at calculus.

And so what's developed in the culture of the school that I see is the secondary meaning of diversity that everybody snickers at, which is basically a two-tier system of racial inequality that reproduces the notion of Black intellectual inferiority. Schools reproduce social structures and reproduce knowledge. Knowledge has social structures and social knowledge, and it's not hard to figure out the social knowledge that's being reproduced here, and I dare say it's not hard to say that that social

knowledge is very evident when someone like Governor Romney says that he wishes that he were a Latino. (Laughter) I mean, I myself wish that I were Governor Romney. (Laughter) Not really. I've written for commentary, I don't -- but that was before the switch. (Laughter)

I'd like to double back, even though I'm making a kind of, I guess, ethnic-graphic-journalistic account of my experience here, and I certainly can't offer it as a paradigm for all universities. Although I think people can recognize elements of this paradigm in many integrated schools and within the profession at large. I mean, I believe in very deep ways that this inequality has exacerbated disciplinary trends to the rationalization of knowledge in law, in religion, in literature where we have people creating canons based on race. I mean, it's not hard to see the rationalization of knowledge throughout the culture, and it's not hard to see the symmetry of that rationalization to the racial inequalities that are being discussed here.

I know I only have a minute here, but Glenn got more time (laughter), and I'd like to say that I know I'm in English but I'll be asked for a policy consideration anyway, which is that schools who want to practice affirmative action are going to have to find compelling reasons, compelling interests to offer the kind of remediation that their students need in order to participate legitimately in the intellectual life of the school. If schools can't find those compelling interests and reasons, then I don't think that any affirmative action plan will work. I'm not sure that legislation can defeat the ethos of an educational institution, which is maybe the one insight that I, as a fuzzy-minded humanist, can offer.

The second point is that what's at stake is not only the opportunities of minorities but also their human capital. I mean, the Black students who are in the bottom of the class at Duke are still strong students from the Black population as a whole. They're still part of a mobile group of Black people who are largely imprisoned and who are largely marginalized from this society. I think that one of the things that's happening is that we're reproducing inequalities through the limitation of the opportunities of middle classes who've bought the ideology of meritocracy in America who go to the best schools and expect to do well in the highest majors. And we've created something that is deleterious to that middle class. I mean, I think the Black middle class has a deep interest in learning how to make intelligent market choices about its selection of schools and professional training. And what's ultimately at stake is the human capital of that middle class, not just how much money they're going to make but how much worth they are in American society, their ability to accumulate property, their ability to pursue their own interests, and I think ultimately their position in the American social contract. I think that the same thing goes for the lower 10 percent, too.

What's at stake in these discussions is the human capital of the lowest part of the American and most mobile disadvantaged middle classes, and I think that this is an important moment even from my somewhat marginal point of view.

Thanks a lot. I appreciate it.

MR. TAYLOR: Thanks, Phil. I saw nothing marginal about that.

And now we'll hear from Peter Schmidt.

MR. SCHMIDT: Hello. I'd like to thank the Brookings program for

hosting this event and Rick Sander and Stuart Taylor for their role in organizing it.

While I don't think we're going to settle the debate over the educational impact of race-conscious admission policies any time soon, it's always worthwhile to have this discussion.

In the interest of time, I'm told you've all been given zip drives with some background information, and I want to just briefly go over some clips that I've included in that. Several have come from what I have come to think of as a brief golden era of research on diversity and racial preferences. The period after the Supreme Court handed down its 2003 Grutter and Gratz decisions involving the University of Michigan's race-conscious admissions policies and before anyone had any idea that a Texas student named Abigail Fischer would file a lawsuit that would reach the Supreme Court and leave the future of such policies in question once again.

I call this a golden era, because people during it thought the question of the legality of such policies was largely settled and they few comfortable producing research that took a nuanced, realistic look at such policies without worrying so much about the potential impact of their findings on public opinions or the conclusions of the court. Their focus was not on changing people's minds but on determining what policies actually work and have educational benefits.

You'll find on your zip drive an article called "New Research Complicates Discussions of Campus Diversity in a Good way." In it, some researchers who have been quite supportive of race-conscious admissions policies and had a hand in arguing in support of such policies in the Grutter and Gratz cases acknowledge that they're under

pressure to skip the nuance and produce sound bites that would help Michigan's case. This clip and others in your package will show that researchers who had supported Michigan became comfortable once the Grutter decision was rendered in saying that diversity only sometimes produces educational benefits and only if handled in the right way with the right mix of students.

Heavy-handed policies that send the entire student body a signal that the admissions office substantially lowered the bar for diversity's sake often serve to stigmatize even the most bright and talented Black and Hispanic students on campus, undermining their performance in race relations.

Not all the studies covered in these clips support the conclusions put forward by researchers here today. You'll find, for example, a 2005 clip and research from Douglas Massey of Princeton and Mary Fischer of the University of Connecticut, which dispute the mismatch hypothesis and argues that Black and Hispanic students who got their biggest break in admissions actually do better than others.

I'm not going to settle these questions here today or any time soon, but you'll have to say arriving at the truth has become a much more daunting task now that the pending Supreme Court decision has left the issue politicized once again.

On that note, I want to point your attention to another clip based on coverage of the 2010 National Conference of the American Educational Research Association, a group that has weighed in on behalf of the University of Texas in the Supreme Court with a brief that claims research overwhelmingly supports race-conscious admissions policies. At the time the 2010 meeting was held, Arizona had just passed a

controversial new immigration law, and the AARA's leadership and many of its members were mounting an effort to produce research showing that the law had negative consequences. When I wrote the piece on referencing, questioning whether a group that claims to value objectivity should be championing research for the sake of advocacy, I was told that I was naïve to think educational researchers would do anything else. We are now again, alas, in a period where the line between objectivity and advocacy has become blurred where researchers are less focused on finding the truth and unchanging minds. While I won't pass judgment now on the research discussed today, much of which I've not had a chance to read thoroughly or run past potential critics, I will note that critics of race-conscious admissions policies have, themselves, at times been guilty of producing shoddy studies or using (inaudible) to advance their cause.

I would like to also throw out the idea that both sides of this debate show some (inaudible) in terms of the questions they ask. I see few if any studies questioning whether mismatch may occur or students might otherwise be harmed when colleges substantially lower the bar for athletes or legacies or applicants cannot get the big donors or wealthy politicians or valued faculty members. I see very little research on the question of whether the educational environment benefits from socioeconomic diversity, even though I see plenty of research showing the students whose families lack cash or connections are increasingly being squeezed out of our selective colleges.

I recognize that the legal questions before the Supreme Court are distinct in that they deal with the nation's history of racial discrimination and the special focus of our law on preventing racial discrimination. But if we look beyond these legal

questions and at the basic values that cause people to care about the Texas case, I'd like to look beyond them at these basic values.

Many people here espouse a belief in meritocracy, but no matter what happens in the Texas case, college admission systems will remain far from meritocratic. People might have different concepts of fairness with some saying it lies in treating everyone the same, others saying it lies in accounting for disadvantaged to level the playing field. But by either definition, college admissions policies remain far from fair, and they will remain far from fair no matter how the Fischer case is decided.

People claim to champion social mobility, but selective colleges are thwarting social mobility with their policies. In upholding the Michigan Law School's policy in the Grutter decision, Justice Sandra Day O'Connor spoke of the need for a path to leadership to be open to everyone, regardless of race, so that our leaders are seen as having legitimacy. But there's plenty of reason to believe that the path is not open and confidence in our nation's leadership is at a low. It saddens me that the debate over race-conscious admissions has taken our eye off the bigger picture, and I'd welcome more research looking more broadly at policy questions related to how college admissions can be made more open and fair.

Thanks.

MR. TAYLOR: Thanks to all our panelists for stimulating remarks. I'm going to ask some questions in the order in which the panelists spoke, and then at about 1:15, if not sooner, I'll invite questions from the floor for as long as everybody wants to stay and can stay.

So, my first compound question, Richard Kahlenberg, is for you. It's three parts. One, I'd love to hear you elaborate on what you were saying toward the end about how curtailing use of race might actually increase outreach to the disadvantaged. Why is that? How would that work?

Second, I've heard the Texas top 10 percent plan and similar plans attacked on at least a couple of grounds. One is that it creates worse mismatch problems than traditional affirmative action, because the 9th percentile kid at the worst high school in the state may be less prepared than the 11th percentile kid at the best. And what about that?

And also what about -- you know, there's a view of some people that there's a constitutional problem there, too, since the entire purpose of these 10 percent plans is to increase the number of racial minorities. Take those in whatever order you like.

MR. KAHLENBERG: Sure.

So, the research suggests that universities, for a variety of reasons, care about racial and ethnic diversity, and I think that's a positive thing about our university system. For a complicated set of reasons, universities appear not to care much about economic diversity. We put out a study a few years ago that found that rich kids outnumber poor kids by 25 to 1 on the nation's most selective 146 campuses. You know, that would not be tolerated with respect to race. You would not see an enormous disparity like that. It may be that universities are more cognizant of race because it's more visible and they're more easily embarrassed by lack of racial diversity than they are

of economic diversity.

Studies by Bowen and others have looked at the weight that's given to various disadvantages. There are large preferences based on race. Basically, there's no preference given for socioeconomic disadvantage. And the one set of exceptions is in the universities that are barred from using race. In other words, when a university is barred from using race, it will look to socioeconomic disadvantage as a way of indirectly creating racial diversity. And so for those of us who care about both racial and economic diversity, ironically a Supreme Court decision that curtails the use of race may have the effect of forcing those universities that want to continue to achieve racial diversity to bring in lots of low-income Whites and Asians as well, which I think is a positive thing, and also to reach out to many more low-income African-Americans and Latinos who, for the most, do not benefit from current racial affirmative action programs. Eighty-six percent of the African-Americans at the selective colleges are middle class or upper class, according to Bowen & Bok. Now, the Whites are even richer.

But the point is that if universities cannot use race explicitly, that will force them -- if they continue to care about racial diversity, it will force them to do some things that I wish they were doing anyway with respect to economic disadvantage. So, that was your first question.

Your second question had to do with Texas and whether there'd be a mismatch problem there, and the research that I've seen from Princeton and elsewhere has suggested that the top 10 percent students have done quite well. I don't know whether the research has looked at this secondary question of whether they're switching

majors. But in terms of graduation and retention rates, I think people have been pretty pleasantly surprised at those students who were in the top 10 percent and so basically whose SAT scores and ACT scores were ignored, right? They're automatically admitted based on grades, so they've done much better, better than expected.

In terms of the legal question, I can speak more forcefully with respect to the economic disadvantaged. You know, the Supreme Court has long held that race has held up to strict scrutiny, so you need a compelling purpose and you need to narrowly tailor your means. It's a hard test to meet. Economic differences are subject to the most relaxed form of traditional scrutiny, rational basis. And so, for example, there's no legal problem with a graduated income tax in this country where rich people pay a higher marginal rate than poor people. There might be a very big legal problem if African-Americans had a different marginal rate than Whites or Latinos.

It becomes a little bit more muddy if your purpose is explicitly race, but even in that case -- I mean, Justice Thomas and Justice Scalia, the two most conservative justices on the Supreme Court, have said that they affirmatively favor class-based affirmative action, and part of the reason is that they indirectly know this will produce racial diversity. So, I don't think that the class-based program, at least, would have any serious legal challenges.

MR. TAYLOR: Thanks very much.

Glenn, I'd like to ask you -- I'll go with two parts for now -- have universities, in your view, responded candidly and constructively to the evidence of the cost of affirmative action to intended beneficiaries and others?

And, number two, to what extent does the kind of diversity value, if I may call it that, that you were referring to of this kind of having racial diversity different -- you know, the White and Asian kids learning from Black and Hispanic kids from different backgrounds -- to what extent does that hold true, given what Richard said about most beneficiaries of affirmative action and missions being relatively well off economically?

MR. LOURY: Okay, university candor and how much real diversity. Can I -- well, what I'm going to do first is just say a little bit about what Richard just said, because I don't agree that a class-based system will generate a great deal of racial diversity. I would like to see the numbers on that. And what gives me pause is recognition of the fact that the achievement gap -- racial achievement gap in secondary education is especially large amongst low-income African-American students. I can recall back in the '90s during the heyday of all these debates, people quickly pointing to the fact that middle-class and upward middle-class African-American families were generating students with SAT scores comparable to -- at the median discourse they were being generated by lower and lower middle-class White families. So, if that's true, the disadvantage of low-income African-Americans in terms of their academic achievements will leave them very poorly placed to compete effectively against low-income Whites. So, I'd just like to see how that's going to work. It looks like, to me --

MR. KAHLENBERG: Can I just jump in for a second, Glenn?

MR. LOURY: Yeah.

MR. KAHLENBERG: And then we'll come back to you.

MR. LOURY: Fine.

MR. KAHLENBERG: So, I think how you define economic disadvantage matters a great deal. So, if you look at income, it is true that low-income African-Americans are scoring lower than low-income Whites. But that doesn't recognize the full complexity of the economic disadvantaged that in the aggregate African-Americans face. So, African-Americans are much more likely controlling for income to have lower net worth, so, you know, the wealth gap between African-Americans and Whites is -- well, African-Americans make 5 percent -- have 5 percent to the wealth of Whites, 60 percent of the income. So, if you looked at wealth, that would have a disparate impact -- a positive disparate impact on students of color. If you look at concentrated poverty, that would make a big difference. So, poor Whites are much more likely to live in middle-class neighborhoods --

MR. LOURY: Okay, I got the point, Richard. This is my time. (Laughter)

MR. KAHLENBERG: Yeah.

MR. LOURY: I got the point. Thanks for the intervention, because this is just going to make my point again, because look at what's going on here. We're searching for proxies for race in the definition of economic disadvantage. So, we're still looking for race. We're just not wanting to say that that's what we're looking for without meaning to impugn your motive. But I'm just saying I can define "disadvantaged" in a hundred different ways, and based on how I define "disadvantaged" -- so, a person has all these different characteristics, and I can create a disadvantage index weighting these characteristics in a lot of different ways -- family income, single head of family. How about if the father wasn't at home? Okay, that's disadvantaged. Okay, that's going to

have a big racial kicker. Concentrated poverty in urban -- what zip code did you live in, okay? I can get a lot of race traction out of that. So, I'm going to define "disadvantaged" in this way or that way, but how I define it is going to be drive by my forecast about how that definition would generate racial diversity. So, I'm still looking for race without saying that I'm looking for race.

MR. KAHLENBERG: Or by fairness that, you know, those are real obstacles. If you have low wealth, if you live in a concentrated poverty neighborhood. There are some Whites who live in concentrated poverty. They would benefit from -- so, it wouldn't -- it would have a -- but it would have a big racial impact.

MR. LOURY: My point here is this. There is no objective definition of "disadvantaged." And to the extent that the criterion that is used to implement a disadvantaged-based program is calibrated with the idea in mind of achieving racial representation, we're still doing a 10 percent plan kind of thing, which is proxying for race by changing the significance that we give to nonracial factors that we know to be correlated with race. That's all I'm saying. So, you know, we can do that, and if we're doing it in order, as an institution, to get around limitations that the court has placed on us, then we're forced to do it. But if we're standing here as scholars trying to think about how do we design an ideal program and what are we trying to achieve, I think we ought to be candid about the fact that we're trying to achieve, in addition to other things, racial diversity.

So, I'm just going to go back to my remarks before. The mechanism that you use to select is one thing, for goals that you're trying to seek is another. Don't let us

throw the racial representation goal out -- that baby out with the bathwater of trying to get nonracially discriminatory admissions practices.

Okay, that leads us into -- okay.

MR. RICHARDS: I want to come back on the next --

MR. LOURY: Now, let me address your questions. Okay, just very briefly --

MR. RICHARDS: Could I come back on the next round of those, because I'd like to have everyone else to get a chance to talk.

MR. LOURY: Well, address them briefly if you want.

SPEAKER: Glenn, how do you feel about dumb, rich Black kids?

MR. LOURY: Dumb, rich Black kids? (Laughter)

SPEAKER: Should they be allowed --

MR. RICHARDS: There are none.

MR. LOURY: Another way of putting that is that if you do the calibration that Rick is talking about, if you do the calibration based on SES rather than race, you may be having a racial agenda. Maybe it's a heavy racial agenda; maybe it's a light racial agenda. But you're clearly going to admit different Blacks and Hispanics than you do under current programs.

MR. RICHARDS: Right.

MR. LOURY: So, that's (inaudible), I think, Rick's point. It's not that you just end up in the same place, you know, using a less efficient mechanism.

MR. RICHARDS: Well, I would imagine it's also part of your point -- you

correct me if I'm wrong, Rick, and then we'll go back to Glenn -- that there's something to be said for socioeconomic diversity for its own sake, even if the people who benefit from that focus are White or Asian.

MR. KAHLENBERG: Absolutely, and the -- so the -- and to go to Rick's point, the profile -- I mean, the research we're going to be releasing in a week or so suggests that you can get a fair amount significant amount of racial diversity using nonracial means. But looking at the aggregate racial numbers masks the fact that it's a very different set of African-Americans and Latinos who would benefit.

To my mind the ones who deserve the biggest leg up are those who, you know, actually grew up in a disadvantages neighborhood and a single-parent household, and that's not who's tending to benefit from affirmative action today.

MR. TAYLOR: Now, let's move on.

Glenn, would you like to address the other parts of my question. If you remember them, you're a better man than I am.

MR. LOURY: I want to say just one more thing about this. No, no, here's what I'm saying. You take a disadvantaged African-American kid from an inner-city public school system and you put him in Brown, okay? And you watch what happens, all right? You take an advantaged African-American kid who's not at top of the top of top but who went to the (inaudible) High School in North Chicago or the Brookline High outside of Boston, whatever, and you put them in Browning, you see what happens. That latter kid's going to do better than the former kid, okay? That latter kid is better equipped to survive in that environment than the former kid is.

Now, if you want to have some Black kids in Brown and you don't want to have a complete fiasco in terms of a separate qualitatively separate intellectual experience with these two kids, you'd darn well better go for those middle- and upper middle-class African-American kids, if that's what you want.

Now, on the other hand, if you want a program that reflects our ideals about social inequality and that represents which people we should be trying to help, then you might want to do something else. It's the effectiveness of the selection that I'm concerned about. And you interact low-class with race -- just take a look at the landscape of our public education in this country -- you're asking for trouble. This is just my humble subjective opinion. I haven't run any numbers, but I think that there's reason to be concerned along the lines that I'm -- and I'm sorry, Stuart, I know I'm not following your program, but, you know, I just want to jump in.

MR. TAYLOR: I didn't really expect to you.

MR. LOURY: I want to jump in on one other point. Low-income Blacks with high SAT scores are 1/12th as likely to apply to an Ivy League school as high-income Blacks with the same SAT scores.

MR. RICHARDS: But how many of them are there?

MR. LOURY: Well, there are not a huge number, but there are many more than we're admitting. So, the point is that, you know, it's partly -- there is partly a greater achievement gap with low-income kids. But there's also a lot of diamonds in the rough that are being totally missed by the current system, because they're not the focus of admissions officers.

MR. LOURY: Fair enough. I want to know how many of them there are. I mean --

I don't know, but --

MR. TAYLOR: But we should -- it's worth looking at.

Okay, very briefly, then, Stuart.

MR. LOURY: Heck, no, universities haven't been transparent in my -- you know, I've been doing this since 1976, so that's getting on to 36 years, and it's a striking thing, the lack of transparency in the general university political world about these programs. I mean, this is not news to anybody, right? Because there is scandal that's looking right around the corner, right? I mean, they didn't want to admit that the Asians were being, you know, discriminated against by these programs until people forced them to admit it by bringing the data out, and to the extent that there are mismatch problems and whatnot, no, university administrations, given my subjective experience without a systematic historical inquiry, haven't been transparent or candid about that.

And I just want to make a larger point. There's a really big public goods problem here, what we in economics would call a collective action problem, right? Because the individual institution's interests and the social interests are not at all aligned, okay? So, for example, this cascading problem where the top-tier schools can get by, they can get the racial diversity at a relatively low price because they skim the cream, okay? So, they don't sacrifice very much to get their racial diversity, except by doing so the whole allocation problem in terms of matching kids to schools is thrown way off. And that's because every institution is individually deciding what it wants to do in a rat race -

type competitive environment, okay?

Another observation along those lines: I've often thought that selection into universities ought to be based not on a forecast of the student's performance at this place but on a forecast of the value added to the student's performance by being at this place relative to the counterfactual alternative.

You guys see this point? I mean, there's a difference between -- I mean, I can create a great class if I can get all the great students here, right? But I may be adding very little to what they would have achieved if instead of being here at Harvard they happen to be at State U. I may be adding very little to that, okay? But my interest is in creating the best class for Harvard period. That's every institution's individual interest, and the result of that is that they may be maximizing the wrong thing from a social point of view. And there is no center. There is no centralized authority of coordinating decision-making that can offset that. So, that seems to me a point worth making.

MR. TAYLOR: Thank you --

MR. LOURY: And finally on the diversity question I just want to say this. This is an anecdote, but I think it gets at the point. I'm teaching my undergraduates in Brown, okay? I've got this African-American young man there who went to a public high school in the District of Columbia, okay? And I've got my other Black students, and we're talking about affirmative action, and there's mostly White and Asian students in the class, because it's Brown, you know, and the Black students are from the upper-class background. Or, you know, they're right in there about affirmative action, and they're fighting for affirmative action and whatnot, and then suddenly this kid from D.C. raises his

hand and he says -- oh, we're talking about the special orientation that we have for African-American students at the beginning of the freshman year when they come in. There's, like, a three-day thing before the school year starts where they go through, like, person of (inaudible). And he says, oh yeah, man, I remember that orientation; I remember those Black people. I haven't -- he's talking about the other African-American students at Brown. He says, I haven't seen those people since orientation week, I guess they're off skiing with their buddies somewhere. (Laughter) Okay? In other words, he was keenly aware of the fact that racial diversity didn't mean a kind of diversity that he was looking for, because even amongst the African-American students, he was an outsider.

MR. TAYLOR: And, Phil Richards, my three-part question to you derives a little bit from there.

SPEAKER: -- three-part questions.

MR. TAYLOR: Well, I can remind him of the second and third parts, or they can skip them if they want -- they can pick whichever one. But part one is, at Colgate how many Black students truly excel academically. Part two is, if Colgate were transparent about that, would fewer Black students choose Colgate? And number three is, how much racial interaction is there among the students at Colgate? How much of this diversity value is actually happening?

MR. RICHARDS: Okay, fine. Well, the first question can be answered by the fact that Colgate doesn't keep records. (Laughter) And each time I went to the university looking for records, I was told -- you know, they were kind of holding their nose:

No, we don't do this kind of thing. And, secondly, they don't keep longitudinal records about how well the Navy students do as they progress through the school. So, if you're looking for a kind of record for courses they take, what courses they drop, how they switch into majors, then you're not going to find that kind of information. And, thirdly, I guess I would say, well, you know, in whose interest is that information? I guess that would -- I guess you're kind of driving at that question. You know, would Colgate -- you know, number one, why does Colgate keep doing it over and over and over again? And, secondly, would Colgate kids come if they knew? I guess is the question of, you know, in whose interest is it to hide the information. Obviously, it's in Colgate's interest to hide the information. Clearly, it's not in the kids' interest to hide VA information, which means that diversity is in Colgate's interest.

Now, in what way is diversity in Colgate's interest? I think. And diversity is obviously, you know, what Glenn was talking about, this three-day kind of period where White people learn how to get along with Black people where they learn how to extend common civility to other people. And, you know, it's hard for me to believe that that's socialization for Black people. I mean, the majority of Colgate people are upper-class White people, and it's hard to believe, for me, that a racial socialization of that kind would be in the political interest of Black people. I mean, why should White people and -- wealthy White people who make huge amounts of money and drive Acuras all over town don't have the same interest as these kids whose parents may even make a hundred thousand dollars.

So, I guess the heart of the problem is that diversity as it's defined here

is a kind of political socialization that serves another interest. I mean, my thinking -- one of the things I notice is culture -- Black culture -- we have a Black cultural center, an Atlanta center; we have a Black studies center. They all work together. We invite charismatic Black speakers. And, well, I, as you can imagine I'm not welcome at any of those places. (Laughter)

MR. TAYLOR: Let me --

MR. RICHARDS: But I'm not really -- well, what I'm saying is I'm not really sure that they would be given all this money if they weren't in the interest of the school. And if Black kids knew, I mean, the information we have here about middle-class life, about professional life, about how you get the kinds of things that Colgate is supposed to be about, then they would have real interest in going. And to the extent that there's a chance that they might have interest and realize that they're being gypped, they'd be angry. I don't see how (inaudible) cannot play a role and how the whole business of social control cannot play a role in diversity. You have two really unequal groups of people, one of which has really incredible prospects. I see all of them jogging around DuPont and another group of people that doesn't, and this kind of social manipulation is very bothersome to me

MR. TAYLOR: Yeah.

MR. RICHARDS: It's deeply bothersome to me. I've been to Africa. I've seen third-world states. It's under manipulation of intellectuals, the manipulation of middle classes. This is all deeply bothersome to me.

MR. TAYLOR: Thanks.

I have just one last question, one-part question, then we'll go to the audience, and for you, Peter. One would think from the '73 briefs file on behalf of the University of Texas every major educational group is in it, a gazillion universities are in it. One would think that everyone at the universities is all very happy about the way racial preferences are shaking out. What's -- from your experience, how do university faculties or many of the people on them -- what do they really think? Are they as enthusiastic as one might think, from this universal brief-writing exercise?

MR. SCHMIDT: Well, if you're going to talk -- speak narrowly of university faculties, I think there is a large degree of support for race-conscious admissions and, more broadly, for maintaining the status quo in admissions. As Rick has pointed out, when affirmative action goes away colleges become under pressure to tinker with their admissions in other ways. And, you know, when the Grutter & Gratz case came up, there was a lot of talk of legacy admissions, doing away with them. Those discussions the colleges' bottom line and they threaten the money going to the faculty and what have you. And -- I mean it's important to keep in mind that among the various -- I mean, I actually think of college admissions as basically a two-track system -- an insider track and an outsider track -- and faculty members are from way on the insider track. Their own children get preferences in applying typically just to colleges -- give them free tuition and if you promise them somebody free tuition for their children and their children don't get in, especially if there's no reciprocal agreement where the kids can go somewhere else, you have a very unhappy faculty member on your hands.

Now more broadly, of course -- I mean if you look at the success Ward

Connelly has had in promoting state initiatives to ban the consideration of race by public agencies, in the public in general these policies remain quite unpopular. Most of his initiatives have won by a large margin. And so in the court of public opinion I think race-conscious admission policies -- and if you look at poles as well -- race-conscious admission policies are losing. But, you know, campuses -- selective college campuses are a skewed sample. It's people who have not been hurt in any way by these policies.

MR. TAYLOR: Right.

I'd like to invite audience questions and ask that both questions and the answers be brief. We've slid behind schedule. We have about 17 minutes left.

So, Professor Lempert?

MR. LEMPERT: I thought that several of these presentations reminded us of something it's really important to keep in mind, and that is that people on both sides of these debates often share core values, but they think they'd be realized in different policies. And that's why empirical research, sound empirical research, is so important.

In this connection, just two quick points. One, I think Professor Loury has a bit of the argument with Mr. Kahlenberg that I'm going to share your value about the virtues of more class-based integration, if you will, but that does not solve the problem of race-based integration. I think there's a large literature, which goes into that, and I think the Texas 10 percent plan is a particularly good example, because it depends on segregation, depends on a racial situation we'd like to be passed in order it to work, and I just don't think it's tolerable to have a situation we depend on for racial diversity that depends on segregation.

It is also the case, as I know you well know, that the University of Texas itself has done substantial survey research, and they believe they do not have a critical mass under their prior system, which is why the did add a (inaudible) system.

MR. TAYLOR: Sir, could you bring it to a question so that some other people get to ask question?

MR. LEMPERT: Okay, one other point --

MR. TAYLOR: A question, please.

MR. LEMPERT: Okay, I'll ask this question, then, of Mr. Schmidt.

Mr. Schmidt, your last remark suggested the university faculty support for racial integration was self-serving because their own kids (inaudible) financial circumstances. Don't you believe that the primary reason university faculty support affirmative action and (inaudible) many people who deeply believe in racial equality who want to see more integrated society and want to see more Blacks, Hispanics, and minorities use education to succeed in this country?

MR. SCHMIDT: There's a values element of it, yeah, absolutely. I'll acknowledge that, but they're not doing it with the cognitive dissidents that would come from seeing their own children, a fact that (inaudible).

MR. KAHLENBERG: Stuart, can I respond to the --

MR. TAYLOR: Sure.

MR. KAHLENBERG: So, you know, Anthony Carnevale and Steven Rose at Georgetown did a simulation of what would happen if the most selective 146 institutions -- if you switch from race-based to affirmative action to class-based

affirmative, and they did find -- so, if you admitted students based on grades and test scores, the selective institutions would be 4 percent combined African-American and Latinos. At the time they were looking at the data, with race-based affirmative action it was 12 percent. Using class-based affirmative action got you to 10 percent. So, it was a substantial jump from where grades and test scores would get you, but it didn't quite you to where race would. I mean, kind of by definition, the most efficient and good way to guarantee a certain racial result is to use race. Having said that, Carnevale and Rose didn't look at some of the factors I was talking about, like wealth, that could have an enormous impact or positive disparate impact on racial admissions.

We know in the seven states where they've banned race, we looked at 10 universities. In seven of the cases they had the same racial and ethnic diversity or greater levels of racial and ethnic diversity using class and other methods.

With respect to the 10 percent plan, of course it's based on the fact that the schools were segregated. That's why it has a positive racial dividend. But I spend a lot of time studying K-12 education, and unfortunately that problem's getting worse, not better. And so I think that reality can be harnessed to produce a positive racial result in universities.

MR. SCHMIDT: Stuart, I'd like to throw out a quick point related to the issue of segregation in K-12 education.

MR. TAYLOR: Sure.

MR. SCHMIDT: And that is I think it's worth looking at the question of how much college admissions policies were actually perpetuating segregation in broader

society. It seems to me if you want your child to go to Harvard or Yale or a top college, about the worst thing you could do is move into a setting that is integrated by race in class and raise your kid in a normal mid-American setting. Their admissions policies systematically word isolating decisions, decisions to send students to the most elite backgrounds possible.

MR. TAYLOR: Phil?

MR. RICHARDS: I think that one of the consequences of our local school system is a really radical distribution of wealth when it comes to public schools that the high-end suburban schools have much more money, can afford much better guidance counselors, and have a much better realistic and more realistic view of this landscape than lower-class schools. Actually, very good work was done on this by one of the people in Howard's education department, Carol Miller, who wrote a very good article on high school education counselors in the inner city.

Again, knowledge of the landscape is possessed by people who have access to wealth, and I think that this is -- I don't think we can avoid this reality in the way money is -- if you look at the Washington, D.C., system and so forth, professional people don't send their kids to these schools. I notice now that in the private schools not only are they asking for huge tuitions almost as much as the colleges, but they're asking people to will their trusts -- put provisions in their trust and to put money in perpetuity from generation to generation to ensure money at the top. And so it seems to me that, you know, this kind of class is consolidating itself in the most explicit kind of economic ways.

MR. TAYLOR: More questions?

MR. LOURY: Excuse me, but -- I know we're running out of time, and I have an analytic observation that I'd like to make before the proceedings close, which is this. We've been talking about affirmative action as a policy question in a kind of 0-1 way: You either have it or you don't have it. And I was stimulated by the observation that let's take those numbers at face value. At elite schools they're getting 12 percent combined Black and Latino enrollment, and without any affirmative action they get 4 percent. So, that's a huge range, okay?

Now, the empirical studies that we've been reviewing here are against a set of data that have been generated by the actual practices of the universities, which are doing, if you will, aggressive affirmative action, aggressive enough to bring 4 percent up to 12 percent. But we oughtn't give a yes/no answer to affirmative action in general based on data that have been generated by especially aggressive affirmative action when the alternative could be less aggressive affirmative action. Suppose they aim for 6 percent or 7 percent instead of for 12 percent? Maybe the ill effects that people have identified in the data would be much more attenuated under that circumstance. So, by framing the question as either affirmative action or not affirmative action, we're perhaps biasing the answer against what the relative alternative might be, which is less affirmative action.

MR. TAYLOR: Let me just add a footnote to that and then invite another question. We have a little more time.

If I may mention the Sandra Taylor book that's out there. I think it's very

consistent with what you're saying in terms of what the effects of the remedies rate we recommend would be, one of which is transparency and the other, which is basically putting a socioeconomic cap on racial preferences.

Now, there were -- at the far back right.

MR. CLEGG: I'm Roger Clegg with the Center for Equal Opportunity. The largest minority group in the United States now is, of course, not African-Americans; it's Latinos. And the fastest-growing racial groups in the United States, according to the last census, are Latinos and Asians, who are growing even more rapidly. African-Americans and Whites are growing at a relatively low level. Americans who are themselves multi-racial, or multi, I think are growing at a much faster rate than Blacks and Whites are. Increasingly we're seeing, then, affirmative action that displaces Asian kids in favor of Latino kids. My question is, as the face of America changes in this way, does it become harder to defend a legal regime where state institutions, state universities, are sorting people according to skin color and what country their ancestors came from?

MR. TAYLOR: Why don't I invite Peter to respond first, since I think he hasn't in quite as few shots as everyone else, if he's so inclined to that, and then anyone else?

MR. SCHMIDT: I mean, surely as a practical matter, it's going to be more difficult to defend that if for no other reason than because you can get into the whole classification issue, and, you know, how do you deal with students who are multi-racial or mixed. The, you know, morals (inaudible) to giving racial preferences in terms of the nation's history. It becomes clouded when you are dealing with, you know, students

who've come from Africa or Jamaica or what have you who now, you know account for a large share of the Black enrollments at these top colleges. So, especially politically and somewhat as a matter of law, I think it is going to be more difficult to do that.

MR. TAYLOR: By the way, one of the 17 amicus briefs in the Supreme Court against the University of Texas was filed by an Asian-American public interest group. I'm not sure I'll have the name correct, and there are several on the other side. But it's -- I read it. It's a very powerful brief, the basic argument of which is that Asian-Americans are and always have been discriminated against in admissions to American universities that the reasons change but the discrimination doesn't. It's quite -- and also that when you take away racial preferences or reduce them, the major beneficiaries turn out not to be Whites; they turn out to be Asian-Americans. Those are the people who are disproportionately passed over.

Now, I think there was another --

MR. KAHLENBERG: But may I -- can I answer.

MR. TAYLOR: Yeah.

MR. KAHLENBERG: There's, I think, two more points. On the growing Latino population -- two quick points on the growing Latino population I think as a legal matter does create problems for affirmative action. The first is that the Supreme Court doesn't say, you know, that universities should be in some way proportionately represented of the state as a whole. They only say you need a critical mass of students. And as the Latino population grows, it's going to be easier and easier to get a critical mass, whatever that number is, without using a preference.

The other is that in the Croson case, which involved contracting in the City of Richmond, the Supreme Court said one of the reasons they were uneasy about affirmative action was that a majority of the city was African-American and that at that point affirmative action looks less like a policy to remedy past discrimination and may look more political. And so as we become a majority-minority nation in the not-too-distant future, that raises legal issues about affirmative action to the extent that the Supreme Court disfavors any program in which a majority is benefiting itself with respect to race and ethnicity.

MR. TAYLOR: Now, there was a hand up back there in Roger Clegg's neighborhood.

Yes, ma'am.

SPEAKER: (Inaudible), doctoral student at GW in policy. In full disclosure I worked for Rick this summer, so I might be a little bit biased in my question. But given that racial preference and affirmative action is ostensibly to overcome historic discrimination and, you know, the structures in our society that disadvantaged groups of people -- Professor Loury, I might be misinterpreting your argument, but would you be supportive of similar preferences for other groups that have been historically disadvantages -- so, women, LGBT people, gender minorities, having also proportional representation on college campuses?

MR. LOURY: No. (Laughter) I mean, I'm not against their being women or LGBT people on college campus, but I wouldn't be in favor of using the historical victimization as a basis for expanding the regime of preferences that we're in to be more

broadly applicable. I don't personally mainly think about affirmative action in higher education as remedial or compensatory, vis-à-vis, past historic violation. I mainly think of it as oriented toward the civic goal of creating elites within the society that are racially diverse on behalf of what I think would be a better, you know, sort of social order; that is, elite universities without the presence of African-American and Latino students with their presence in very much reduced numbers would be, to that extent, ill-serving the society in the function of producing elite cadres to lead us in a variety of different areas. So, I'm looking at it as good for America that there'd be at a place like Princeton or Harvard or Brown or U.C. Berkeley or the University of Virginia or Duke or other places some presence of people who come from these communities who might not otherwise be admitted if the admissions were based purely on academic characteristics. Am I clear?

I'm speaking for myself. I don't see this program as compensating people for having been discriminated against in the past. After all, we're not talking about the same people. I see it as creating elite cadres in the society and wanting them to be racially diverse as a public good.

MR. TAYLOR: We're almost out of time. We have one minute, and I think that's -- I was going to say one more question, one more answer, but then I wouldn't get to say anything. (Laughter) So, let me just be brief and say I learned a lot. I thank all of our panelists, both these and previous panelists, for wonderful contributions. I take full responsibility of some if you had questions you didn't to answer. I'm not a good traffic cop at these things. When people are saying very interesting things, I don't like to stop them. But thank you all for coming. Thank you for listening. Thanks to our panelists.

Thanks to my co-author, Rick Sander, for putting this together.

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