

Did the War on Poverty Cause Race Riots?

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September, 2010

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Abstract

This paper examines the relationship between government spending and riots. In particular, I consider how the Community Action Program (CAP) and other forms of federal spending responded to and impacted the occurrence of the 1960s race riots. I find that government spending increased significantly in response to rioting necessitating the use of an instrumental variables strategy and a semi-parametric panel analysis to determine the causal impact of CAP spending on rioting. The results indicate that federal spending, in general, decreases riot occurrence and severity. Funding for the Community Action Program, in particular, decreased the number of riots by 10-25%. Additionally, I find that politically motivated empowerment programs such as community organizing were the most effective in preventing rioting.

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Acknowledgements

I have been able to pursue this research thanks to the support of the Social Sciences and Humanities Research Council of Canada and the Economic History Association. I am grateful to William J. Collins, Robert Margo, and Greg Lee Carter for providing the comprehensive riots data necessary for the study and to Martha Bailey for providing the raw data and documentation from the Office of Economic Opportunity. I would also like to thank the following people for their valuable comments: Raj Arunachalam, Warren Whatley, Paul Rhode, Matt Hall, Bert Lue, Brad Hershbein, Jesse Gregory, Clara Blakelock and participants at the University of Michigan Economic History Seminar, the Midwest Economics Association, and the Canadian Network for Economic History.

1 Introduction

Rioting is a regular event in many developing countries. Riots, racial or otherwise, also remain a part of life in many developed nations. In the Netherlands, anti-immigrant riots are a fairly common occurrence. There have been regular riots in France that in many ways resemble the American riots of the 1960s: poor, disadvantaged ethnic minorities rising up and destroying their own communities. And, in America, the rioting continues, although infrequently as it did on July 8th, 2010 in Oakland following a controversial verdict in a racially charged court case.

Given the enormous destruction of the American riots in the 1960s (Collins and Smith, 2007; Collins and Margo, 2007) and the LA riots of 1992 (DiPasquale and Glaeser, 1998), it is surprising that so little is understood about what caused the riots and what actions may prevent them. Social scientists have described many of the societal conditions that are correlated with riot occurrence. Riots tend to occur in moderately poor areas (Carter, 1986; Chandra and Foster, 2005; Myers, 1997) facing ethnic competition for resources (DiPasquale and Glaeser, 1998; Myers, 1997), which have either too few or too many police officers (Carter, 1987), but considerably less research evaluates programs to discourage rioting. This study is twofold in its purpose: it evaluates one approach to halting or preventing rioting and it considers the general relationship between government spending and rioting.

In particular, this article examines the relationship between the race riots of the 1960s and the expansion of federal spending under the War on Poverty with a particular focus on the Community Action Program (CAP). A massive expansion in federal government to community funding, the War on Poverty was intended to aid 35 million Americans and amounted to over 15 percent of the federal budget by 1970. While its primary mission was an end to poverty, President Johnson tasked the CAP with ending the race riots after the devastation in Watts (Cazenave, 2007). The CAP used a two-pronged approach: they empowered local citizens through community organizing and coordinated federal grants targeting a proximate cause of the riots, poverty. Critics, however, have argued that the CAP may have actually had a perverse effect and helped to trigger many of the riots (Cazenave, 2007; Sowell, 2004). Using data on federal outlays under the CAP from 1965 to 1971, I examine whether this large influx of federal funding prevented riots and whether the type of funding mattered.

In order to understand the relationship between rioting and either gross federal spending or CAP spending, I conduct a four-step empirical analysis. Firstly, I employ Poisson, negative binomial and Tobit regressions to determine the correlation between riots and spending. All three specifications find a negative correlation between CAP spending or aggregate federal spending and rioting. These estimates, however, may be subject to a significant endogeneity problem, as the federal government may have altered the level of funding immediately following a riot or in anticipation of a riot. Thus, in the second empirical stage, I perform an event study analysis and utilize the instrumental variables approach from Collins and Margo (2007) to test for a funding response to rioting. This analysis finds evidence for a significant reverse causality problem as spending increased drastically in response to rioting. To deal with this problem, in the third stage of the empirical analysis, I correct the estimates from the first section using an instrumental variables strategy based on

the “closeness” of the congressional elections of 1964 and 1966. The results from the IV analysis indicate that funding for the CAP significantly decreased the number and the intensity of riots. Finally, in the fourth and final empirical stage, I perform a semi-parametric panel analysis using the imprecise timing data for CAP outlays. The panel analysis confirms the results from the IV analysis.

The results of the empirical analysis show that federal spending tends to discourage rioting and spending on the CAP decreased the number of riots by 10-25% and all of the associated social and economic costs (Boustan, 2010; Chandra and Foster, 2005; Collins and Smith, 2007; Collins and Margo, 2007). The panel specifications show that community organizing was the most effective method of preventing riots, rather than the provision of direct anti-poverty services. The results are important beyond the implications for preventing rioting in the future. Academics (Ginzberg and Solow, 1974) and politicians (Germany, 2004) have generally doubted that President Lyndon Johnson’s Great Society improved the welfare of America’s poor. In fact, the War on Poverty is often thought of as the first ‘failure’ of the American government after the Great Depression, which, in tandem with the race riots, helped drive the growth of the American conservative movement. The results suggest that the War on Poverty was, to some degree, misjudged as a failure and had the support been larger it may have prevented the race riots and itself been viewed as a success altering the course of American ideological development.

2 Historical Review

2.1 The 1960s Riots

Between 1964 and 1971, race-related rioting broke out in hundreds of cities across the United States.¹ The riots occurred in both large and small cities, but the worst rioting occurred in Detroit, Los Angeles, Newark and Washington, DC.² The riots first came to national attention following the Harlem Riot of 1964 and the devastation of the Watts riot in Los Angeles in 1965. They continued to intensify, peaking in the aftermath of the assassination of Dr Martin Luther King Jr.³ In Figure 2 of the Appendix, I plot the occurrence of the riots. The number of riots reached their peak in 1968, from which point they began to dwindle after the election of Richard Nixon.

The riots left dozens dead and thousands injured.⁴ Furthermore, there were thousands of arson cases and other destructive acts. While it is difficult to quantify many of the effects of the riots it is surely the case that hundreds of millions of dollars in property damage occurred⁵ and the

¹These were not the first race riots in the United States. The severity of the rioting was matched by the race riots that occurred during World War II. However, the 1960s riots were more frequent and occurred across the nation.

²The Detroit Riot of 1967 proved the mostly deadly of the era with 43 persons losing their lives. This is followed by the Watts Riot in Los Angeles, which left 34 dead.

³In the aftermath of the assassination of Dr King, the extent of the rioting was so great that Collins and Margo (2007) are able to use the weather following the assassination as an instrument for riot occurrence.

⁴According to the database assembled by Carter (1986), 228 people were killed, 12,741 were injured, and 69,099 were arrested.

⁵Estimates of the property damage have been created for some of the larger riots. For example, it is estimated that

majority of the damaged property was that of African Americans (Sears and McConahay, 1973). There were also long-term consequences for the African American community in addition to this property damage. Collins and Margo (2007) and Collins and Smith (2007) find that the rioting caused a depression in the value of African American property in cities and worsened labour market outcomes for inner city African Americans. The riots may have also hastened the white flight from many of America's largest cities (Boustan, 2010; Collins and Margo, 2007).

Anecdotal and survey evidence (Sears and McConahay, 1973) collected in the aftermath of several of the riots suggests that the race riots were generally not planned occurrences. Rather, the historical evidence indicates that the riots were spontaneous events that were triggered by some form of perceived injustice (Bauman, 2008). In many documented cases, the spark was provided by a perceived injustice against the African American community by a police officer.⁶ The Detroit Riot of 1967, for example, was triggered by a police raid on a "blind pig" in the inner city.⁷ The club, however, had more occupants than the police had expected and, as they were taken out onto the street, it drew the attention of people living nearby (Singer et al., 1970). The situation escalated into the most deadly riot of the 1960s. Similarly, the Watts riot was triggered by the arrest of a young man for driving under the influence. During the arrest, his mother appeared at the scene (Sears and McConahay, 1973); a crowd gathered and the Watts riot began.

2.2 The Community Action Program

The War on Poverty was designed and coordinated in Washington under the direction of Sargent Shriver and the Office of Economic Opportunity (OEO). The program had its historical roots in many programs of the New Deal and its contemporary roots in Kennedy's Committee on Juvenile Delinquency, which formed the basis for the War on Poverty. The Community Action Program and its physical manifestations, Community Action Agencies (CAAs), were charged with coordinating the fight against poverty. The Economic Opportunity Act of 1964 generally defines a CAP as a program that: "mobilizes and utilizes resources, public or private, of any urban or rural [area]", "provides services, assistance and other activities of sufficient scope and size to give promise of progress toward elimination of poverty..." and "is developed, conducted and administered with the maximum feasible participation of residents of the areas and members of the group served" (USA, 1976). The CAP was intended to differ from traditional approaches to combat poverty in that the poor themselves were to serve as the organizers.

In the formation of the War on Poverty, Community Action Agencies were not envisioned as service providers. Rather, they were designed as coordinating entities, which were to give voice to the poor. They would be independently governed by local government officials, members of anti-poverty groups, and community residents. In theory, each board was to consist of at least one-third local residents, one third local government officials, and at most one-third representatives of the private sector. In practice, this division often held, although the members were typically

the Watts riot resulted in 40 million dollars in property damage. The Detroit Riots are estimated to have resulted in 45 million dollars in damage (Harris and Wilkins, 1988).

⁶Carter (1987) has studied the u-shaped relationship between the size of the local police force and riot occurrence.

⁷A blind pig is an after-hours club that illegally sells alcohol.

appointed rather than elected. CAAs could be very different on the ground; some were controlled by local political machines while others were genuine, grass-roots organizations. These CAAs were tasked with three general goals: to coordinate service providers, to organize the poor towards social action, and to empower the poor by giving them agency over the War on Poverty at the local level. Sargent Shriver altered this initial vision for CAAs and transformed them into the actual service providers (Sundquist, 1969) and de-emphasized their coordination role. Even critics of this transition recognized that service provision by CAAs would have a dramatic impact at the local level (Brauer, 1982) by bypassing the existing bureaucracy and getting resources directly to the poor. CAAs were able to apply to the OEO for funding to offer these services to the community.⁸ A vast array of funded programs tackled poverty from every angle: VISTA (Volunteers in Service to America), the Jobs Corps, Head Start, birth control, consumer services, legal support to challenge existing institutions, health services and many more (Levitan, 1969). There is evidence, however, that the focus on service provision may have discouraged the organizing role that CAAs were intended to play.⁹

2.3 The Interaction of the CAP and the Riots

The CAP likely influenced the race riots through its mission to economically and politically empower the poor.

The primary goal of the War on Poverty and the Community Action Program was to economically empower America's poor. And it was the belief of President Johnson that "the only genuine, long-range solution for what has happened [the riots] lies in an attack-mounted at every level—upon the conditions that breed despair and violence" (Harris and Wilkins, 1988).¹⁰ Economic empowerment, acting through programs such as the Jobs Corps or health services, may have discouraged rioting through several pathways. For example, if CAAs provided an exogenous shock to the income of individuals facing the decision to riot they would face a higher opportunity cost of imprisonment. Another potential mechanism is that rioting was simply a signalling mechanism for services and their provision removed the benefits of rioting.

CAAs' efforts to politically empower the poor may have also acted to prevent rioting. CAAs were governed by the local poor and may have discouraged rioting by allowing the grievances of the poor to be addressed. The poor were guaranteed at least one third representation on each CAA council. However, if disenfranchised they had the ability to form a new private CAA that could then compete for federal funding. If rioting was intended to make a silenced voice heard, CAAs may have been able to meet that goal. This mechanism would be consistent with the "social disorganization"

⁸Governors had the right to veto local allocations, however, all funding allocations were made directly to the local CAA. In addition, the director of the OEO could override these vetoes.

⁹In a survey of more than 50 CAP program directors, Clark and Hopkins (1969) find that while most CAPs offered programs such as Head Start or health services, only five CAPs operated programs with the goal of "organization for community social action".

¹⁰This mechanism would be consistent with the "deprivation" hypotheses presented by sociologists. The two most prominent "deprivation" hypotheses are the "absolute deprivation" hypothesis proposed by Olson (1963) and the "relative deprivation" hypothesis proposed by Gurr (1971). These theories argue that living in a condition of absolute poverty or poverty relative to others encourages people to riot to improve their living conditions.

hypothesis of rioting proposed by Downes (1968) under which there exists a group of individuals who are somehow isolated from society. As such, they are not significantly influenced by social norms and do not have access to the institutions established to consider grievances. It would also be consistent with Lieberman and Silverman (1965)'s "political representation" hypothesis in which a politically excluded group turns to rioting or other violence to have their demands heard. Additionally, it would be consistent with many political economy models in which the policy emphasis is placed upon the "median" voter or factions are able to capture rents prior to their reaching the community.

However, it is possible that the efforts by the CAP to empower poor African Americans may have helped trigger the riots. In particular, it is possible that CAAs created economic and political expectations that they were unable to meet, resulting in frustration and rioting.¹¹ This idea is raised by contemporary scholars such as Clark and Hopkins (1969) who argue that "where such programs themselves have been subverted or diluted, the response of the poor and their surrogates may be a rising frustration and militance or a return of apathy". For many of the poor, there was reason for frustration. The one third representation they were promised was not generally elected, but rather appointed by government officials (Clark and Hopkins, 1969). In many cities, there were power struggles between the municipal government and the poor¹² for control of the CAAs. There is evidence from Watts that unmet expectations for the War on Poverty helped drive the riots. According to Bauman (2008), early commentators agreed that the failure of Los Angeles to settle on a leadership for its CAA contributed to the Watts Riot, as Mayor Yorty struggled for control of the CAAs. Yorty himself stated that "one of the riot inciting factors [was] the deliberate and well publicized cutting off of poverty funds" (Bauman, 2008) to the city of Los Angeles.

The form of political empowerment itself may have provoked rioting as the CAP tended to promote anti-establishment organizing. According to Clark and Hopkins (1969), CAAs' effectiveness depended "on challenging that same order and transforming society itself," which could take on a variety of forms, including a riot. In 1965, CAAs throughout the United States were issued a *Community Action Program Workbook*, which provided suggestions for aiding the poor. It suggested that increasing the political clout of the poor was essential to community action's success and argued that "organizing protest demonstrations" (Cazenave, 2007) was an effective method.¹³ Mayor Shelley of San Francisco cited this workbook at a US Conference of Mayors meeting, claiming that "OEO officials were attempting to incite the poor to engage in social protest at both the local and national levels" (Cazenave, 2007). In the aftermath of the riots, many politicians and pundits came forward placing blame for the rioting on CAA employees that the CAP had to defend itself against (Cazenave, 2007). At Congressional hearings, members of the Newark city council and others accused CAA members of playing "an important part in setting off the riots" (Cazenave, 2007) and inciting hatred against whites. In addition to the potential for violence against local authorities, there was competition for scarce War on Poverty resources amongst official and unofficial CAAs in the same cities. Since many of these unofficial CAAs tended to be based on ethnicity (Bauman, 2008), this competition could lead to violent confrontations between these rival groups

¹¹This would be consistent with the sociological theories of Berkowitz (1968).

¹²The poor were not without allies in these struggles; the federal government often sided with community members rather than municipal or state officials.

¹³This workbook was referenced during congressional hearings as evidence that the Community Action Program was politically motivated and militant.

(Cazenave, 2007; Olzak et al., 1996).

These potential mechanisms for CAAs influencing riot occurrence are not mutually exclusive and it is likely that they all played some role. In the following empirical analysis, I am able to determine the aggregate effect and I attempt to tease out the relative importance of economic versus political empowerment programs.

3 Empirical Analysis

In the following four sub-sections, I consider empirically the relationship between rioting and spending by the federal government. This includes aggregate federal spending, spending on Community Action Agencies, and spending on particular CAA programs. I bring multiple empirical strategies to bear on the problem: a basic correlational analysis, an event study analysis to detect reverse causation, an instrumental variables strategy, and a semi-parametric panel analysis.

3.1 Correlational Cross-Sectional Analysis: Spending and Riots

In this first stage of the empirical analysis I employ Poisson, negative binomial, and Tobit cross-sectional regressions to determine the correlation between riot occurrence or riot severity and spending.

3.1.1 Data

The cross-sectional data contains over 900 cities with a population above 25,000 persons. For each city, I have a range of economic and demographic covariates covering population, ethnicity, income, unemployment and other variables. These cover the full range of covariates traditionally used in the sociological literature (Myers, 1997) examining the 1960s riots. I also have detailed information for each city on the over 700 riots that occurred across the United States from Collins and Margo (2007). I construct two dependent variables using this riots data. The first is simply the number of riots that occurred in each city from 1964-1971. The second is an index of severity which is equal to the sum of the total share of arrests, deaths, injuries, and arson cases that occurred in each city from 1964-1971. The independent variables of interest (total federal spending, CAP spending, and CAP program spending) are created from the archival records of the Office of Economic Opportunity. The CAP and CAP program spending data cover the period 1965-1971. In addition, I construct an indicator variable for the presence of a CAA in each city. Total federal spending covers 1968-1971. As such, when using total federal spending as a variable of interest I restrict the riots data to riots from 1968 onwards; I use the complete riots dataset in specifications with only CAP spending.

3.1.2 Methodology

The basic cross-sectional empirical strategy follows two distinct paths depending on the outcome variable, as the number of riots is a count variable while the severity index is a continuous variable censored below at 0.

When considering the number of riots, it is not appropriate to perform an OLS regression analysis. The riot occurrence variable is a count variable that has finite support and is bounded below at 0, meaning that OLS estimation is inefficient for small sample estimation. As such, I perform my regression analysis with Poisson and negative binomial regressions. The negative binomial approach is generally more robust than the Poisson as the quadratic variance specification deals better with count data heteroskedasticity than the Poisson.

When using the riot severity index as the outcome variable, I employ a Tobit regression framework, as the severity index is continuous and censored below at 0. In this specification, I treat urban discontent as the latent variable which is censored at 0, as we are unable to view discontent unless an actual riot occurs. Additionally, I perform the Poisson, negative binomial and Tobit regressions with outlays divided by spending type.¹⁴

In general, I include regional fixed effects and correct the standard errors for heteroskedasticity.

3.1.3 Results

In Tables 1 and 2, I present results from the Poisson and negative binomial regressions of the number of riots in a city on total Community Action Agency outlays, an indicator for the presence of at least one CAA, and a vector of socioeconomic covariates.

The results from these regressions provide consistent estimates of the treatment effect of the presence of a CAA and an additional thousand dollars of CAA outlays to a city. The estimated marginal treatment effect at the mean of CAA outlays is negative and significant in nearly all specifications.¹⁵ The estimates indicate that CAA outlays are correlated with a total decrease in the number of riots by approximately one to two hundred; this equates to a 10-25 percentage point decrease in the number of riots. The estimated treatment effect of the CAA indicator is not generally significant and it is consistently small and negative.¹⁶ The remainder of the covariates tend to match results obtained in other studies,¹⁷ although with greater significance as a result of

¹⁴The included CAA spending types include: health, legal, community organizing, youth development, CAA administration, and migrant services.

¹⁵The size of the treatment effect is greater if we instead calculate the average marginal effect.

¹⁶To ensure the robustness of the cross-sectional results, I perform several additional tests. I perform the regression analysis with the sample limited to outlays issued prior to 1968 and riots that occurred after 1967. This should improve the estimates if there is a short run endogenous spending response to riot occurrence. It should also increase the estimated effect of outlays if we believe that CAA spending only impacts riot occurrence in the long run. As shown in Table 4 this is the case. Furthermore, I check the results with a higher population cut-off (50,000) and removing the largest city from each state. I also control for labour-demand shifts using industrial composition in 1960. The results are robust to all of these tests.

¹⁷Refer to Myers (1997), DiPasquale and Glaeser (1998), and Spilerman (1976).

the increased sample size in this study.¹⁸

These results are altered, however, when I introduce total federal spending per person as a control variable and restrict the sample to riots from 1968 onwards.¹⁹ As shown in Tables 5 and 6 CAP outlays per person lose statistical significance. To some degree, the prior significance is captured in the CAA indicator variable, which increases in significance and remains negative. Aggregate federal spending per person is negative and significant.

The Tobit results, as presented in Table 3 of the Appendix, using the continuous severity index as the dependent variable are similar to those above. The estimated treatment effect for CAP outlays is relatively smaller and carries less statistical significance. Of note, if the number of riots is included as a control the result persists indicating that CAA outlays decrease severity on both the intensive and extensive margin.

As is the case in the count regressions, introducing total federal spending per person and restricting the sample to riots from 1968 onwards decreases the significance of the CAP outlays variable and increases the significance of the CAA indicator.

Finally, I present results in Table 7 in which I repeat the Poisson, negative binomial, and Tobit analysis with CAA outlays divided by program type. This is not an exhaustive list of program types, but rather a list of CAA spending areas, which I predicted, ex-ante, to be the most important. CAP administration outlays are large, negative and significant while legal outlays are smaller in magnitude, positive and significant. These program-specific results are economically and statistically robust to the inclusion of aggregate federal spending as a control variable.

3.2 Does Spending Respond to Rioting? Rainfall and an Event Study Analysis

The estimates presented in the last section could be subject to bias from any number of sources. However, it is likely that most prominent amongst these is a causal relationship running in the reverse direction with rioting driving changes in government spending. President Johnson specifically designated the Community Action Program as an anti-riot initiative making it likely that the federal government would have responded to rioting with additional funds. The government may have also responded by boosting funding in a variety of federal agencies. In this section, I employ an event study analysis and the instrumental variables strategy from Collins and Margo (2007) in an effort to detect the degree of reverse causation.

¹⁸The treatment effects for the total population, African American population, median income, African American median income, and home ownership are all consistent with previous studies. The insignificance of the percentage foreign born differs from prior estimates. Similarly, the significance of percentage change in the black population is a new finding, but is consistent with accounts that recently settled black were the least likely to riot (Singer et al., 1970).

¹⁹I restrict the sample as I only have access to total federal outlays from 1968 onwards.

3.2.1 Event Study Analysis

In order to determine whether there was an immediate funding response to rioting, I perform an event study analysis of rioting and spending. Since the information on aggregate spending is only at the level of the fiscal year I limit this analysis to CAP outlays. Below, I plot the raw data from this analysis of outlays provided x months prior to and after each riot

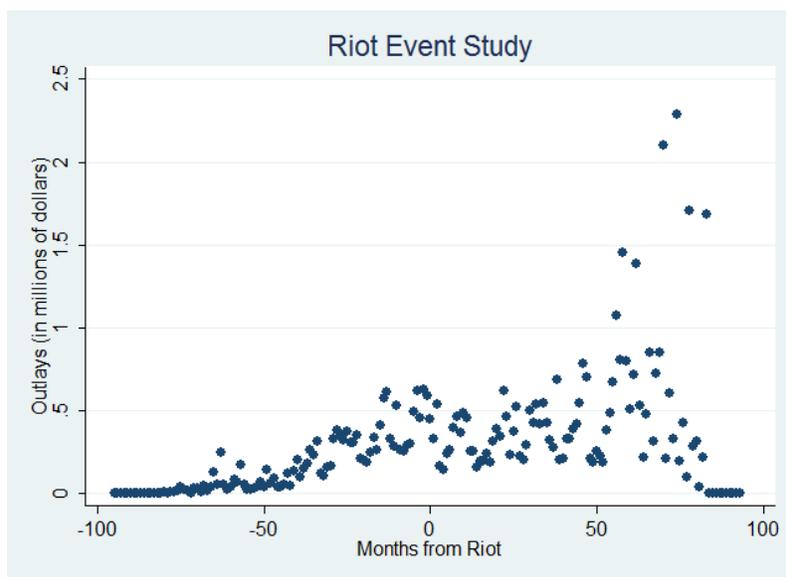


Figure 1: This figure depicts outlays provided to a city that experiences a riot at time 0. Points to the left indicate outlays provided in advance of the riot and point to the right indicate outlays provided after the riot.

As displayed in the above graph, there is a short run negative fiscal response to rioting followed by a long run increase in CAP outlays, which overwhelms the short run decrease. These results are confirmed when restricting the sample to only include the first riot for each city. A similar pattern is present when performing this analysis for community organizing outlays and other program-specific outlays.

3.2.2 IV Analysis

I also employ the cross-sectional IV strategy from Collins and Margo (2007) in which rainfall²⁰ in April of 1968²¹ is used to instrument for rioting to determine whether race riots increased aggregate federal spending and CAP spending. As argued in Collins and Margo (2007) the average rainfall in April of 1968 is a strong predictor of the severity of rioting. There is no reason to believe that rainfall in April of 1968 would be endogenous to War on Poverty spending or CAP spending, particularly when controlling for historical rainfall averages. It is possible that rainfall in April could proxy for drought or some other weather condition that could require a government response.

²⁰ I have collected the rainfall data from the United States Historical Climatology Network.

²¹The month in which Dr. King was assassinated prompting hundreds of riots.

Introducing additional rainfall controls, however, should be sufficient to deal with this potential problem.

I present the results from the IV analysis using both the severity index and the number of riots as outcome variables in Table 8 of the Appendix. The results from both specifications confirm that rioting led to increases in CAP outlays and aggregate federal spending. As a robustness check, since the rainfall instrument is taking advantage in variation in rioting in the aftermath of the assassination of Dr King, I also perform the regression analysis with outlays limited to those following April 1968. The results are robust to this restriction.

The results in conjunction with those from the event study analysis confirm that CAP outlays and federal spending more broadly responded to urban rioting. This indicates that the basic cross-sectional results are subject to an endogeneity problem. In the following sections, I employ an instrumental variables strategy and a semi-parametric panel analysis to correct for this reverse causation problem.

3.3 Causal Estimation: Elections, Spending, and Riots

In the prior section, I show how government spending increased in response to rioting, which should upwardly bias the results from the initial cross-sectional estimation strategy. In this section, I employ an instrumental variables strategy based on the closeness of electoral races to get a better idea of the impact of federal spending on riot occurrence and severity in the cross-section.

3.3.1 Data

The data used in the IV analysis is the same as that employed in the basic cross-sectional analysis with the addition of the instrumental variables. The data for the instruments are gathered from the “General Election Data for the United States, 1950-1990” (ICPSR, 1984) dataset. This is linked at the county level²² and contains congressional vote totals for all counties in the United States from 1950 to 1990. From this data, I construct a measure of whether the 1964 and 1966 congressional house elections were close. For each county in the United States for both 1964 and 1966, I create an indicator variable for election closeness. I assign a value of one if the difference in the vote total between Democrats and Republicans in the house elections was less than five percent of the total and assign a value of zero otherwise. The majority of cities are comprised of only a single county, however, some cities contain multiple counties. Thus, the instrumental variables are defined as the share of each city’s counties in which the above indicator has a value of one. This measure is used as an instrumental variable for spending on CAAs.

²²Working with county level electoral data is not ideal, but is difficult to reconcile district electoral results with cities. The success of the IV strategy suggests that close county-level electoral results tend to be highly correlated with close races at the actual district level.

3.3.2 Methodology

In order to accurately estimate the treatment effect for CAP outlays and federal spending, I employ an instrumental variables strategy to isolate exogenous variation in the level of federal spending on CAAs. I instrument for the level of CAP outlays and federal spending with an indicator variable as to whether the elections of 1964 and 1966 were “close” in that city, meaning that the total vote difference between the parties was less than 5 percent. The logic behind the instrument is that the War on Poverty and other federal spending tends to be, at least in part, politically motivated. In particular, while the War on Poverty was designed to end poverty in America, it was also designed to shift the electoral balance in the United States (Brauer, 1982). If targeted funding increased the popularity of the Democratic Party they would choose to direct these funds to regions of the nation with close electoral races rather than regions with one-sided elections in order to ensure victory in the next election.

I perform the Tobit IV regression using a two-step procedure. The first step is to perform a regression of

$$O_i = \delta_1 C_i^{64} + \delta_2 C_i^{66} + \gamma X_i + v_i$$

Where O_i is the value of federal outlays (or CAP outlays) for city i , C_i^{64} and C_i^{66} are the shares of counties for city i in which the respective election was close, X_i is a vector of city specific covariates, and v_i is an error term. I calculate a predicted value for the level of outlays and fit the Tobit model with predicted values. I then draw bootstrap samples and compute the standard errors from the distribution of the estimates.

3.3.3 Instrument Validity

In this section, I first discuss the strength of the instrument and then the instrument’s exogeneity. The F statistic in the first stage regressions is generally around twenty, indicating that the results are robust to a weak instruments criticism. The strength of the instrument is evident when comparing mean CAP outlays for cities which witnessed at least one close election in 1966: cities with a close election received, on average, \$28.27 million while cities without a close election received \$20.404 million. This effect is even more pronounced when comparing based on the closeness of the 1964 election. This result is displayed graphically in Figure 4 which shows outlays over time in close and non-close cities; from 1964-1966 cities witness to a close election received a statistically and economically significant funding advantage. The instrument is similarly strong for aggregate federal outlays.

There is a literature on riots and elections that suggests that one should worry about the exogeneity of the instruments and the external validity of the results. In particular, there are a number of studies²³ considering the relationship between violence and elections in India. These

²³Chaturvedi and Mukherji (2005), Chaturvedi (2005), and Wilkinson (2004) have all studied the relationship

studies tend to show that elections encourage rioting and other violence.²⁴ In theory, competing parties may have some control over their supporters, allowing them to instigate mob violence for political purposes, resulting in political polarization. It appears, however, that riots in developing nations are very different phenomena than their American counterparts. In particular, Indian riots are generally “preplanned and well organized and are not instantaneous” (Vadlamannati, 2008), which is the opposite characterization of American riots (Sears and McConahay, 1973). Additionally, there is minimal evidence that the 1960s American riots were orchestrated by political parties while Brass (2003) shows that Indian riots are driven by political parties. Furthermore, there is a clear seasonality of American riots, which occur largely during the summer months and do not occur close to election dates. As such, it is unlikely that the 1960s race riots are similarly driven by an electoral cycle.

This scheduling literature does not tend to focus on the interaction of election scheduling and the closeness of the election. However, this is perhaps the largest potential weakness facing the IV strategy. For instance, it is possible that cities with close elections experience outbursts of violence either immediately preceding the election, in an effort to influence the result, or immediately after the results are announced in frustration of the outcome. However, as displayed in Figure 5, there is not a significant difference in riot occurrence between close and non-close districts immediately before or after a riot. It is possible, however, that riots only occur if it is a Democratic candidate loses a close election. I decompose riots by the victorious party, as shown in Figure 6, and there is no evidence of such an effect. Thus, it appears that the instrumental variables are exogenous.

3.3.4 Results

The results from the instrumental variables regressions are presented in Table 9 the Appendix. These results confirm those from the basic cross-sectional analysis. The estimates indicate that both CAP outlays and aggregate federal spending discouraged rioting. The most important result is that, when instrumenting for both CAP outlays and federal spending, CAP outlays prove to be the dominant force in preventing rioting.

The results from the IV strategy are robust to all of the robustness checks imposed in the correlational analysis.²⁵ The IV results are also robust to expanding or contracting the band for “close” elections.

between rioting and elections.

²⁴In particular, a study by Vadlamannati (2008) considers the relationship between the timing of elections and the occurrence of riots over 16 Indian states from 1958-2004. Vadlamannati’s results indicate that scheduled elections are related to an increase in riots and that more riots occur as one approaches an election year and decreases after the elections, resulting in a cyclical riot pattern.

²⁵This includes: removing cities under 50,000 population, removing the largest city in each state, restricting outlays to those pre-1968 and riots post 1967, and controlling for industrial composition, city welfare spending, total city spending, the form of municipal government and rainfall.

3.4 Semi-Parametric Panel Analysis

In this section, I make use of the imperfect timing data available for CAP outlays in an effort to take advantage of the rich temporal variation in rioting and CAP spending. I only consider the impact of CAP spending as I do not have access to monthly data for federal spending.

3.4.1 Data

The panel analysis spans 1964-1971 and includes all of the 900 plus cities present in the cross-sectional analysis. Time periods are divided by month. The riots data have precise timing, which indicates the exact date of riot occurrence. However, the CAA outlays data from the OEO does not have the same degree of precision. The only date available for the OEO outlays is the signing date of each individual outlay; there is no information available as to when those funds are spent on a particular program. As a result, I use this date as if it is the actual date at which the money was spent, but attempt to minimize the bias in the empirical strategy.

3.4.2 Methodology

I consider two sets of semi-parametric OLS fixed effects regressions. These are conducted using a monthly panel based on the date at which the director for the OEO officially signed off on outlays. In the first specification I regress

$$R_{it} = \alpha + \beta O_{it} + \sum_{j=1}^J \beta_j O_{it-j} + f_i + g_t + e_{it}$$

Where e_{it} is the error term, g_t is a time period dummy, f_i is a city fixed effect, R_{it} is the number of riots in city i at time t and O_{it} are the outlays assigned to city i at time t . Lagged outlay terms are also included that divide funds into those assigned from 1-3 months prior to t , 4-6 months prior to t , 7-12 months prior to t , 13-24 months prior to t , and outlays provided more than 24 months before t . In the second panel specification, I perform the same exercise except that outlays are divided into 6 different types of outlay (health, legal, community organizing, youth development, CAA administration, and migrant services) and allowed to have unique treatment effects.

3.4.3 Results

The results from the panel regression with monthly and city-specific fixed effects are in Table 10. The results indicate that there is a large positive correlation between CAP outlays and riot occurrence in the the actual month that the outlays are allocated by the director of the OEO; however, in all of the following months CAP outlays are negatively correlated with riot occurrence, resulting in an overall negative relationship between outlays and rioting. Figure 7 provides a visual interpretation of the effect of a single outlay dollar. These results are consistent with the

endogeneity problem facing the cross-sectional estimates, as the strong positive correlation between outlays at the current time period and riot occurrence suggests that these outlays are being assigned in response to a riot. However, even with this positive effect in the first month, the results from this semi-parametric panel specification indicate that outlays provided in the past helped prevent riot occurrence.

Finally, I present a similar analysis with outlays divided by expenditure type in Table 11 of the Appendix. The majority of the outlay type estimates are statistically insignificant, as the data is being pushed to its limits with a full range of city and time fixed effects. Outlays for community organizing and the administration of CAAs have the greatest impact in decreasing the occurrence of riots, while outlays on services appear ineffective.

The panel results are generally robust to removing the variable for outlays provided in month t and only allowing for a lagged treatment effect. Furthermore, the results are robust to switching the time period to the week or the year.

4 Discussion and Conclusion

The results from the empirical analysis provide clear evidence that funding for the Community Action Program and federal spending, in general, decreased both the occurrence and the severity of the 1960s race riots. The results vindicate Lyndon Johnson’s belief that the Community Action Program would deter the riots and, although the results do not allow us to rule out the testimony from the city councillors from Newark, they allow us to reject any overarching narrative suggesting that the War on Poverty or the CAP was a driving force behind the race riots. Furthermore, the results suggest that the War on Poverty was not as ineffective as some commentators (Ginzberg and Solow, 1974) have suggested and add to a growing literature suggesting that the War on Poverty was, at the very least, a limited success (Almond et al., 2008; Bailey, 2010; Hoynes and Schanzenbach, 2009; Ludwig and Miller, 2007).

It is important, however, to consider the relative magnitude of this effect. The estimates suggest an approximate reduction in riot occurrence of 10 to 25 percent. Given the billions of dollars spent in the War on Poverty, at first glance, this does not appear to be an overwhelming effect. However, the attempt to discourage the race riots was a secondary goal of the Community Action Program and funds were not allocated to programs in a manner that would have maximized riot reduction. This is particularly clear when considering the “cost” to prevent a riot in a particular city; for example, the results suggest that it would have taken a 7-fold increase in the size of Detroit’s CAP program to prevent the Detroit riot. However, this increase would be much smaller if the spending were limited to CAA administration and community organizing.

We may also draw conclusions about the impact of community action on the welfare of African Americans. Economists tend to use variables such as wealth, income, consumption or measures of happiness as proxies for human welfare. The occurrence of riots should make a suitable addition to this list of proxies for human welfare, as nearly all theories intended to explain the 1960s riots rest

upon some form of displeasure or disenfranchisement in the African American community. As such, we may view the differential occurrence of riots as a cross-city measure of welfare. Thus, the causal negative relationship between CAA spending and riot occurrence indicates that the Community Action Program improved the quality of life for those living in poor African American communities.

It is of particular interest that, in the analysis by spending type, it is not the funds dedicated towards the provision of direct anti-poverty services that appear to make the difference. Rather, it is the spending on community organizing and the administrative aspects of the CAAs that appears to have driven the decrease in rioting. This result speaks to the internal debate that raged within the CAA movement regarding the relative importance of organizing and service provision and indicates that Shriver's push towards service-oriented CAAs was not the correct policy to prevent rioting. While the results indicate that empowerment was the essential factor, it is difficult to be certain of the precise mechanism. For example, it is possible that the outlays provided for community organizing or administration are proxying for the inclusiveness or democratic nature of the CAA. It seems likely that community organized CAAs, rather than institutionally supported CAAs, would be applying for these community organizing grants. In addition to being democratic, it is likely many of these same CAAs carried on the non-violent tradition of the civil rights movement, pushing for political equality with federal funds, which may have discouraged rioting as a valid form of protest (Andrews, 2001; Quadagno, 1994).²⁶ This view is supported by Sirianni and Friedland (1995) who argue that CAAs "appear to have often been captured by the civil rights movement and caught up in the dynamics of political struggle." If it was indeed the traditional leaders of the civil rights movement taking control this struggle would likely have been a non-violent one. Regardless, the results indicate that community empowerment was the active mechanism through which the CAP lessened rioting. This is a clear rejection of the argument that CAAs encouraged rioting through their anti-establishment organizing. Additionally, this finding supports those sociological theories in which communal violence is driven by disenfranchisement or frustration.

While riots are a relatively rare phenomenon in the United States, many nations, particularly developing ones, are faced by regular rioting and other forms of communal violence. Many papers have focused on the relationship between declining income and communal violence (Bohlken and Sergenti, 2009; Miguel, 2005; Muller, 2008); these results suggest that, while anti-poverty programs may be effective in discouraging this violence, it is important that attempts be made to empower the poor to make these programs as effective as possible.

The success of the close election instrument is also interesting on its own account. It suggests that the War on Poverty was not solely directed towards alleviating poverty, but that there was a political motivation behind the allocation of anti-poverty dollars. This is fortunate for the researcher given the serious endogeneity issues faced, but also helps to lift the altruistic curtain from the War on Poverty.

The analysis presented in this article shows that aggregate federal spending and spending on the Community Action Program during the 1960s served to ease the rioting in the 1960s; there is no empirical support for claims that the Community Action Program served to encourage these riots.

²⁶However, there are accounts of "black militants" running some of community-controlled CAAs, which may have accessed community organizing funds (Flanagan, 1998).

While there are certainly elements of the CAP that can be criticized, the CAP's discouragement of the riots should be considered one of its great successes.

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5 Appendix

Figure 2

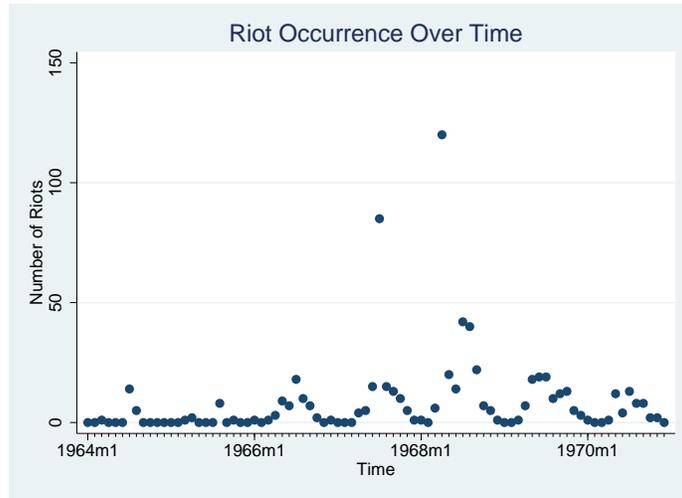


Figure 2: Monthly riot occurrence from 1964 to 1971. Source: Carter, 1986

Figure 3

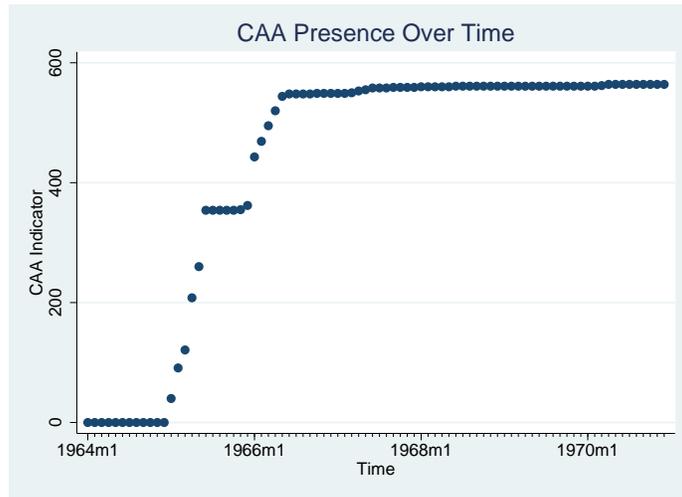


Figure 3: This figure displays the best approximation possible for the number of cities with access in to at least one CAA. It is assumed that a CAA exists in a city if at any prior point in time the city has received a CAA outlay.

Figure 4

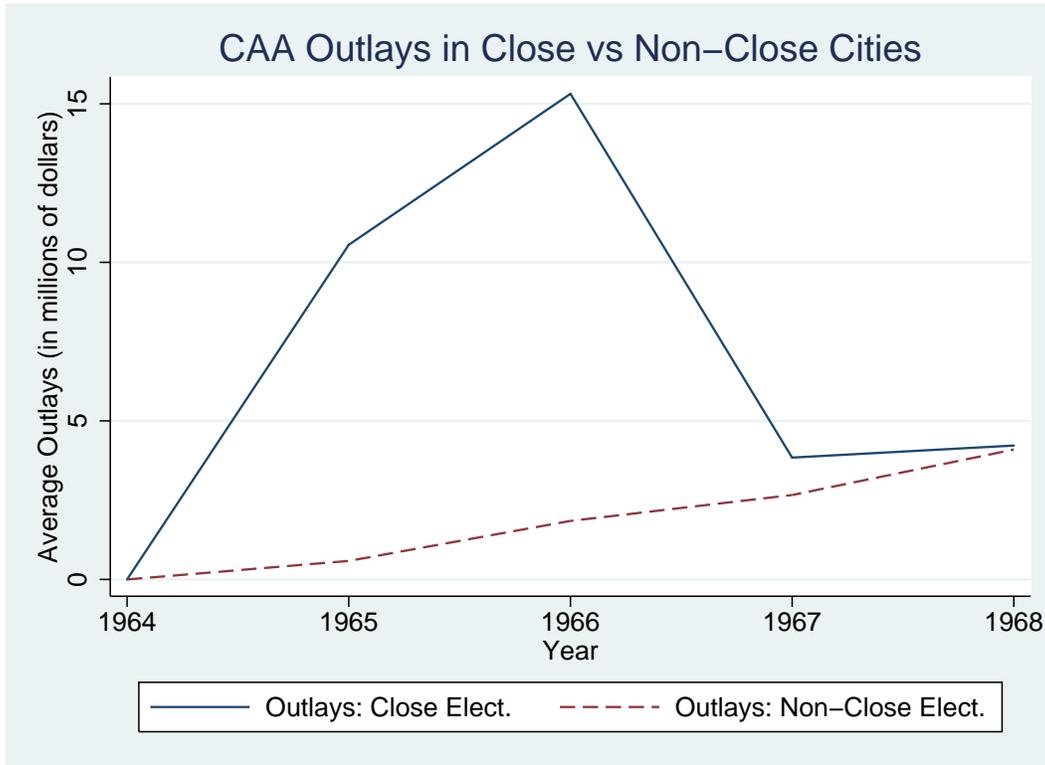


Figure 4: This table displays the mean value of outlays over 1964-1971 provided to a city for which the most recent past election was close in contrast to the mean value of outlays in a city in which there was no close election. The solid line is the sum of all outlays in a year provided to cities that had a close election in the last election cycle divided by the number of cities that had a close election. The dashed line is is the sum of all outlays in a year in cities that that did not have a close election in the most recent past election divided by the number of cities that did not have a close election. A city is defined to have a close election if, in the last election cycle, the vote difference in the local county between the Democrats and Republicans was within 5 percent of the vote total. Cities that include multiple counties may have a partial close tally. Such partial cities are excluded from this graph, although, in the empirics, they are included

Figure 5

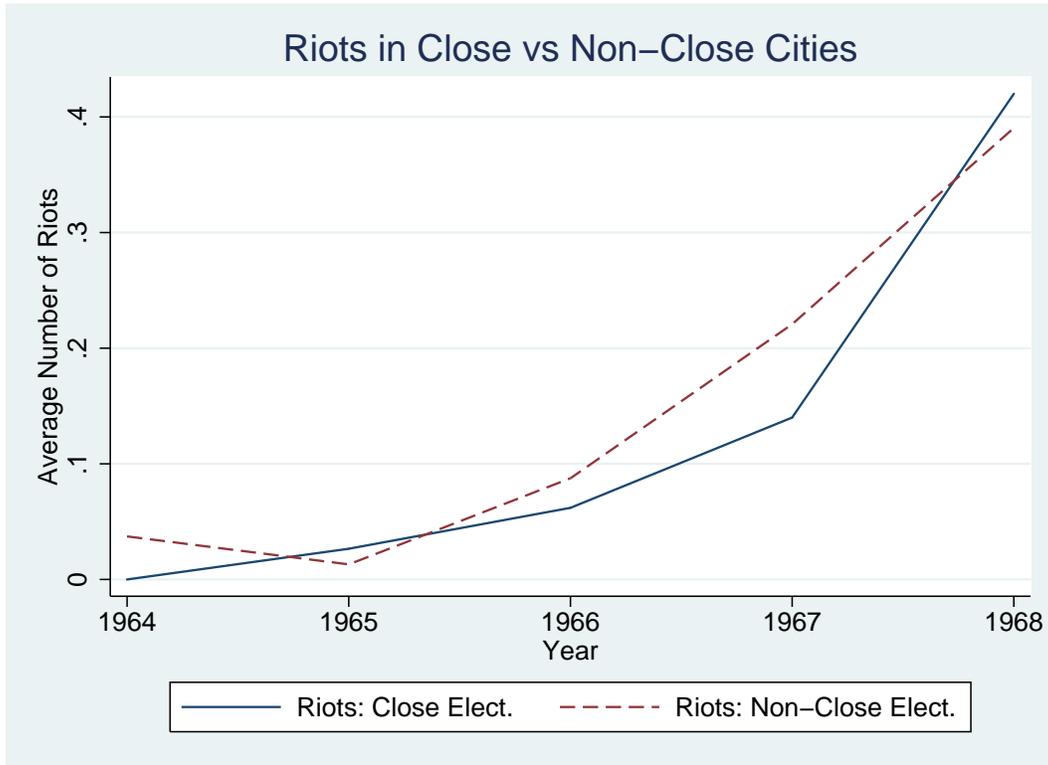


Figure 5: Using the same close election criteria as Figure 4, this graph compares mean riot occurrence over time in cities that faced close elections in comparison to those that did not. The solid line is the sum of all riots in a year in cities that had a close election in the most recent past election divided by the number of cities that had a close election. The dashed line is the sum of all riots in a year provided in cities that did not have a close election in the most recent election cycle divided by the number of cities that did not have a close election.

Figure 6

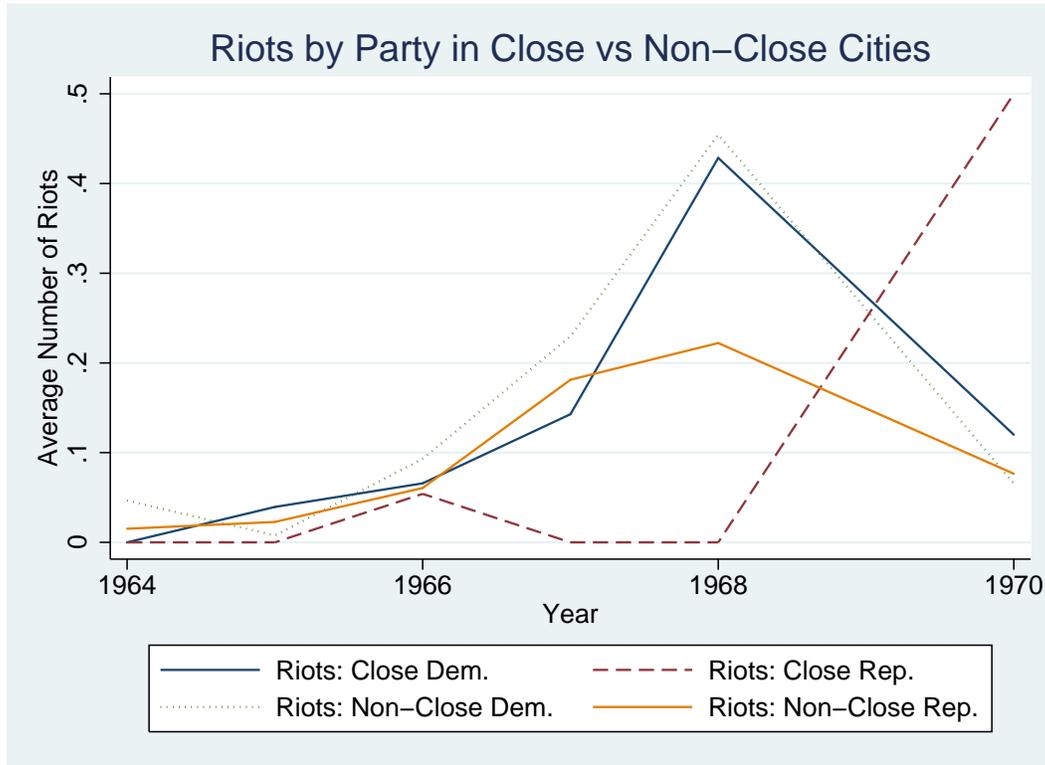


Figure 6: This graph again uses the same election criteria as Figure 4 and Figure 5, but now decomposes riot occurrence based on whether Democrats or Republicans were victorious in the elections. The graph only includes cities in which all seats were won by either Democrats or Republicans. The meaning of the values on the graph is the same as Figure 7, however, the categories are now simply subdivided by party.

Figure 7

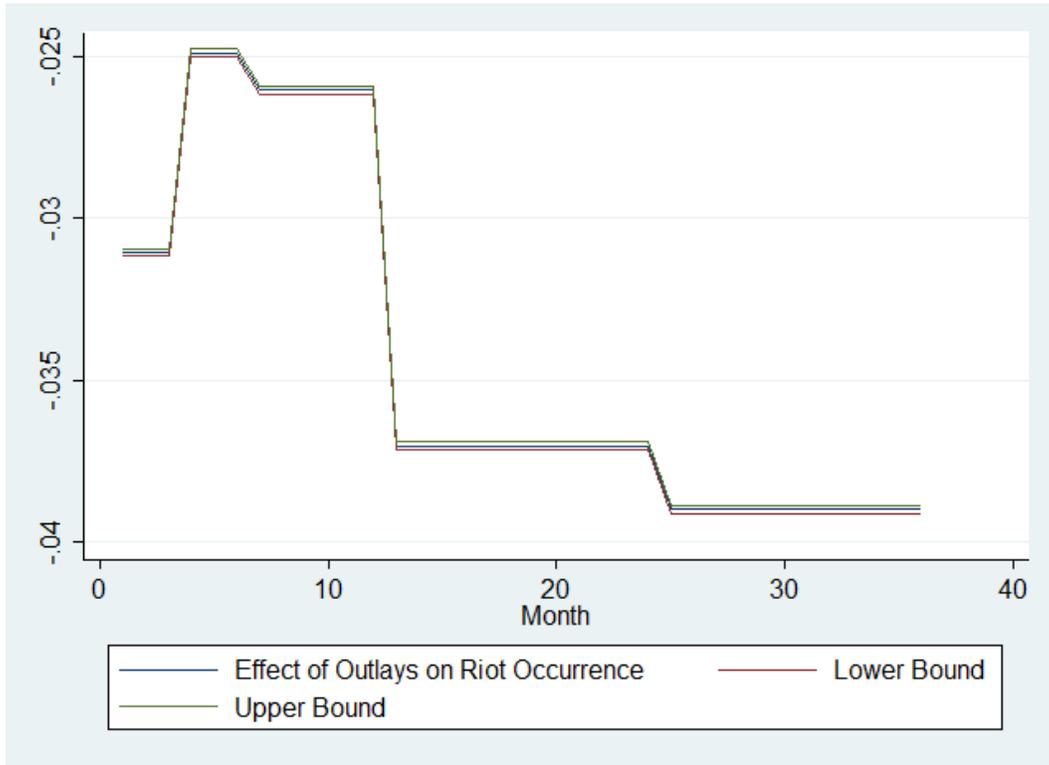


Figure 7: This graph depicts the impulse response for a thousand dollar CAA outlay with the outer lines indicating the 95% confidence interval

Table 1 - CAP Outlays Poisson Regressions

	(1)	(2)	(3)	(4)
CAA Outlays per Person	-.083 (.029)***	-.034 (.014)**	-.015 (.009)*	-.028 (.014)**
CAA	.108 (.099)	-.039 (.058)	-.026 (.041)	-.033 (.056)
Population	.0006 (.0001)***	.0004 (.0001)***	.0003 (.0002)	.0004 (.0001)***
South		-.035 (.048)	-.079 (.036)**	
Percent Change in Population		-.076 (.063)	.021 (.033)	-.042 (.054)
Black Median Income		.046 (.007)***	.032 (.006)***	.045 (.007)***
Median Income		-.002 (.011)	-.009 (.008)	.004 (.011)
Unemployment		1.324 (.797)*	-.029 (.619)	1.821 (.808)**
Percent Black		8.751 (1.709)***	6.344 (1.255)***	7.857 (1.522)***
Percentage Change in Black Population		-.072 (.021)***	-.047 (.015)***	-.065 (.019)***
Percent Foreign Born		.279 (.527)	.167 (.419)	.250 (.553)
Police		-.067 (.031)**	-.059 (.024)**	-.062 (.032)*
Home Ownership		-.348 (.179)*	-.236 (.130)*	-.401 (.171)**
Median Schooling			.031 (.008)***	
Percentage Enrolled in Private School			.583 (.154)***	
People Below Poverty Line			.0003 (.001)	
Percentage of Blacks in Poverty			.641 (.147)***	
Obs.	913	913	913	913

Table 1: The results presented in this table are marginal effects at the mean from Poisson specifications using cross-sectional outlays and riots data collapsed over 1964-1971. Standard errors are corrected for heteroskedasticity. Specification 4 includes state fixed effects. Sources: City Data Book 1960, City Data Book 1970, NARA OEO Outlays, Gregg Lee Carter's riots database, and General Election Database.

Table 2 - CAP Outlays Negative Binomial Regressions

	(1)	(2)	(3)	(4)
CAA Outlays per Person	-.045 (.019)**	-.017 (.006)***	-.008 (.004)**	-.015 (.006)***
CAA	-.032 (.086)	-.070 (.045)	-.044 (.030)	-.054 (.039)
Population	.002 (.0004)***	.0008 (.0002)***	.0006 (.0002)***	.0007 (.0002)***
South		-.071 (.030)**	-.063 (.023)***	
Percent Change in Population		.004 (.029)	.031 (.018)*	.017 (.023)
Black Median Income		.045 (.005)***	.030 (.004)***	.042 (.005)***
Median Income		-.010 (.009)	-.012 (.006)*	-.004 (.008)
Unemployment		1.285 (.690)*	.083 (.471)	1.584 (.640)**
Percent Black		8.914 (1.480)***	5.494 (1.044)***	7.678 (1.328)***
Percentage Change in Black Population		-.067 (.016)***	-.040 (.011)***	-.055 (.014)***
Percent Foreign Born		.432 (.331)	.179 (.239)	.387 (.374)
Police		-.166 (.047)***	-.094 (.030)***	-.138 (.041)***
Home Ownership		-.132 (.125)	-.147 (.087)*	-.216 (.116)*
Median Schooling			.018 (.005)***	
Percentage Enrolled in Private School			.369 (.091)***	
People Below Poverty Line			-.0008 (.001)	
Percentage of Blacks in Poverty			.452 (.102)***	
Obs.	913	913	913	913

Table 2: The results presented in this table are marginal effects at the mean from negative binomial specifications using cross-sectional outlays and riots data collapsed over 1964-1971. Standard errors are corrected for heteroskedasticity. Specification 4 includes state fixed effects. Sources: City Data Book 1960, City Data Book 1970, NARA OEO Outlays, Gregg Lee Carter's riots database, and General Election Database.

Table 3 - CAP Outlays Tobit Regressions

	(1)	(2)	(3)	(4)
CAA Outlays per Person	-.0004 (.0002)***	-.0002 (.00009)*	-.0001 (.00008)	-.0002 (.00009)*
CAA	-.0005 (.001)	-.001 (.0008)	-.001 (.0007)	-.0009 (.0007)
Population	.00003 (2.31e-06)***	1.00e-05 (2.71e-06)***	1.00e-05 (3.91e-06)***	1.00e-05 (2.64e-06)***
South		-.001 (.0004)***	-.001 (.0004)***	
Percent Change in Population		.0002 (.0003)	.0004 (.0003)	.0003 (.0003)
Black Median Income		.0004 (.00007)***	.0003 (.00007)***	.0004 (.00007)***
Median Income		-.00003 (.0001)	-.00009 (.0001)	.00004 (.0001)
Unemployment		.016 (.010)	.008 (.008)	.019 (.010)*
Percent Black		.135 (.028)***	.109 (.029)***	.117 (.027)***
Percentage Change in Black Population		-.0007 (.0003)**	-.0006 (.0003)**	-.0006 (.0003)**
Percent Foreign Born		.006 (.005)	.006 (.005)	.008 (.005)
Police		-.0009 (.0005)*	-.0007 (.0005)	-.0007 (.0005)
Home Ownership		-.003 (.002)	-.002 (.002)	-.004 (.002)**
Median Schooling			.0002 (.00009)*	
Percentage Enrolled in Private School			.0008 (.002)	
People Below Poverty Line			-1.00e-05 (.00002)	
Percentage of Blacks in Poverty			.003 (.002)*	
Obs.	913	913	913	913

Table 3: The results presented in this table are marginal effects at the mean from Tobit specifications using cross-sectional outlays and the riot severity index collapsed over 1964-1971. Standard errors are corrected for heteroskedasticity. Specification 4 includes state fixed effects. Sources: City Data Book 1960, City Data Book 1970, NARA OEO Outlays, Gregg Lee Carter's riots database, and General Election Database.

Table 4 - CAP Outlays Robustness Check (Early Spending & Late Riots)

	Poisson (1)	NegBin (2)	Tobit (3)
CAA Outlays per Person	-.185 (.071)***	-.088 (.030)***	-.001 (.0005)**
CAA	-.011 (.044)	-.036 (.030)	-.0006 (.0005)
Population	.0003 (.0001)***	.0006 (.0001)***	8.83e-06 (2.45e-06)***
Percent Change in Population	-.028 (.046)	.020 (.018)	.0003 (.0003)
Black Median Income	.038 (.007)***	.036 (.005)***	.0003 (.00007)***
Median Income	.0009 (.009)	-.006 (.007)	1.00e-05 (.0001)
Unemployment	1.570 (.715)**	1.330 (.551)**	.019 (.009)**
Percent Black	6.705 (1.449)***	6.324 (1.169)***	.098 (.025)***
Percentage Change in Black Population	-.054 (.018)***	-.046 (.012)***	-.0005 (.0003)**
Percent Foreign Born	.217 (.496)	.266 (.312)	.006 (.005)
Police	-.052 (.027)*	-.117 (.034)***	-.0006 (.0005)
Home Ownership	-.317 (.154)**	-.157 (.098)	-.003 (.002)*
Obs.	913	913	913

Table 4: The results presented in this table are marginal effects at the mean using cross-sectional outlays and riots data. Outlays only include funds allocated prior to 1968 and riots are limited to those that occurred after 1967. All specifications include state fixed effects. Standard errors are corrected for heteroskedasticity. Sources: City Data Book 1960, City Data Book 1970, NARA OEO Outlays, Gregg Lee Carter's riots database, and General Election Database.

Table 5 - Cross-sectional Federal Spending Regressions

	Poisson (1)	NegBin (2)	Tobit (3)
Fed Spending	-.017 (.011)	-.056 (.023)**	-.001 (.0006)**
Population	.0003 (.0007)	.004 (.004)	-.0001 (.00006)*
Percent Change in Population	.241 (.155)	.631 (.248)**	.011 (.006)*
Black Median Income	.198 (.029)***	.342 (.105)***	.006 (.002)***
Median Income	-.010 (.054)	-.079 (.122)	.002 (.003)
Unemployment	-2.075 (3.380)	3.191 (8.190)	.142 (.189)
Percent Black	37.634 (4.558)***	55.895 (14.798)***	1.491 (.301)***
Percentage Change in Black Population	-.297 (.125)**	-.486 (.275)*	-.009 (.006)
Percent Foreign Born	1.963 (1.794)	1.824 (4.008)	.015 (.102)
Police	-.226 (.073)***	-.871 (.364)**	.008 (.008)
Home Ownership	-1.624 (.567)***	-1.570 (1.308)	-.067 (.034)*
People Below Poverty Line	.007 (.004)	.002 (.023)	.001 (.0004)**
Percentage of Blacks in Poverty	2.879 (.687)***	5.268 (1.827)***	.052 (.040)
Obs.	913	913	913

Table 5: The results presented in this table are from Poisson, negative binomial and Tobit specifications using cross-sectional outlays and aggregate federal spending from 1968-1971. Standard errors are corrected for heteroskedasticity. All specifications includes state fixed effects. Sources: City Data Book 1960, City Data Book 1970, NARA OEO Outlays, Gregg Lee Carter's riots database, and General Election Database.

Table 6 - Cross-sectional Federal Spending and CAP Outlays Regressions

	Poisson (1)	NegBin (2)	Tobit (3)
Fed Spending	-.018 (.011)	-.053 (.024)**	-.001 (.0006)**
CAA Outlays per Person	.269 (.231)	-.580 (1.039)	.004 (.014)
CAA	-.181 (.159)	-.310 (.344)	-.005 (.009)
Population	.0003 (.0007)	.005 (.003)	-.0001 (.00006)*
Percent Change in Population	.228 (.158)	.590 (.253)**	.011 (.006)*
Black Median Income	.200 (.029)***	.342 (.105)***	.006 (.002)***
Median Income	.003 (.054)	-.071 (.124)	.002 (.003)
Unemployment	-1.562 (3.382)	4.433 (8.278)	.153 (.190)
Percent Black	37.533 (4.566)***	57.281 (14.923)***	1.498 (.301)***
Percentage Change in Black Population	-.287 (.124)**	-.485 (.275)*	-.009 (.006)
Percent Foreign Born	1.655 (1.811)	.910 (4.113)	.005 (.103)
Police	-.244 (.073)***	-.797 (.387)**	.008 (.008)
Home Ownership	-1.638 (.568)***	-1.877 (1.358)	-.068 (.034)**
People Below Poverty Line	.008 (.005)*	-.0009 (.023)	.001 (.0004)**
Percentage of Blacks in Poverty	2.928 (.693)***	5.176 (1.826)***	.051 (.040)
Obs.	913	913	913

Table 6: The results presented in this table are from Poisson, negative binomial and Tobit specifications using cross-sectional outlays and aggregate federal spending from 1968-1971. Standard errors are corrected for heteroskedasticity. All specifications includes state fixed effects. Sources: City Data Book 1960, City Data Book 1970, NARA OEO Outlays, Gregg Lee Carter's riots database, and General Election Database.

Table 7 - Cross-sectional CAP Outlays by Program Type Regressions

	Poisson (1)	Negative Bin (2)	Tobit (3)
Fed Spending	-6.84e-06 (.00002)	-.00002 (.00002)	-2.79e-07 (1.97e-07)
Health Outlays	-.043 (.023)*	-.016 (.015)	.00007 (.0002)
CAA Admin Outlays	-.088 (.020)***	-.063 (.017)***	-.0006 (.0003)**
Youth Outlays	.005 (.009)	.009 (.010)	.0001 (.0002)
Legal Outlays	.028 (.006)***	.020 (.005)***	.0002 (.00007)**
Migrant Outlays	.012 (.018)	.014 (.020)	.0003 (.0003)
Comm. Org. Outlays	-.013 (.022)	.0003 (.018)	-.00004 (.0002)
Population	.0001 (.00004)**	.0002 (.00008)**	4.66e-06 (1.86e-06)**
Percent Change in Population	-.074 (.037)**	-.053 (.027)**	-.0004 (.0005)
Black Median Income	.019 (.004)***	.020 (.004)***	.0002 (.00006)***
Median Income	.003 (.005)	.004 (.005)	.0001 (.0001)
Unemployment	.736 (.485)	.902 (.447)**	.011 (.007)
Percent Black	3.318 (.878)***	3.870 (1.059)***	.073 (.026)***
Percentage Change in Black Population	-.023 (.009)**	-.027 (.008)***	-.0003 (.0002)
Percent Foreign Born	-.030 (.281)	.058 (.263)	.006 (.004)
Police	-.019 (.010)*	-.049 (.021)**	-.0003 (.0003)
Home Ownership	-.213 (.080)***	-.163 (.069)**	-.002 (.001)
Obs.	751	751	751

Table 7: Cross-city regression results. Results presented are marginal effects at the mean. One star signals significance at the 95 percent level, two starts at the 99 percent level, and 3 stars at the 99.9 percent level. Refer to Table 12 for units.

Table 8 - Cross-sectional Rainfall IV Regressions

	CAP Outlays		Federal Spending	
	(1)	(2)	(3)	(4)
Number of Riots	.627 (.419)		147.738 (60.381)**	
Severity Index		552.709 (303.981)*		15123.750 (7487.339)**
Population	-.006 (.003)**	-.036 (.062)	-.224 (.505)	-1.072 (1.805)
Percent Change in Population	-.210 (.206)	-.139 (.245)	.824 (11.720)	1.452 (12.562)
Black Median Income	-.162 (.049)**	-.068 (.132)	-10.789 (3.199)**	-4.076 (4.608)
Median Income	.303 (.085)**	.356 (.236)	10.122 (5.614)*	14.042 (7.663)*
Unemployment	-11.320 (5.188)**	3.830 (17.794)	-1077.578 (399.217)**	-696.850 (562.793)
Percent Black	-2.497 (18.887)	-251.176 (136.850)*	-3714.883 (2317.211)	-5712.659 (3220.784)*
Percentage Change in Black Population	-.006 (.122)	.160 (.151)	-1.073 (5.946)	-1.963 (6.081)
Percent Foreign Born	1.385 (3.031)	-13.311 (11.026)	-43.004 (272.617)	-184.459 (321.289)
Police	.315 (.531)	-5.078 (13.108)	-1.276 (114.572)	-113.809 (362.282)
Home Ownership	-3.447 (1.236)**	-3.749 (4.524)	-14.873 (99.054)	-99.841 (135.545)
People Below Poverty Line	.009 (.018)	-.048 (.271)	-3.338 (3.035)	-1.597 (7.305)
Percentage of Blacks in Poverty	-2.817 (.929)**	8.672 (6.954)	-233.616 (94.180)**	81.870 (137.385)
Obs.	910	910	910	910

Table 8: Cross-city regression results. Standard errors are corrected for heteroskedasticity. All specifications includes state fixed effects. One star signals significance at the 95 percent level, two stars at the 99 percent level, and 3 stars at the 99.9 percent level. Refer to Table 12 for units.

Table 9 - Cross-Sectional Tobit IV Regressions

	CAP 1st Stage	CAP 2nd Stage	Fed 1st Stage	Fed 2nd Stage	Fed & CAP 2nd Stage
	(1)	(2)	(3)	(4)	(5)
CAA Outlays per Person		-.085 (.033)**			-.095 (.041)**
Federal Spending				-.002 (.0007)**	-.0005 (.0006)
Population	-.003 (.001)**	-.00002 (.00006)	-.118 (.047)**	-.00004 (.00006)	-.00002 (.00006)
Percent Change in Population	-.057 (.056)	.009 (.005)*	-.055 (1.910)	.011 (.005)**	.009 (.005)*
Black Median Income	-.047 (.015)***	.004 (.002)**	-1.387 (.518)***	.005 (.002)***	.004 (.002)**
Median Income	.090 (.024)***	-.0003 (.003)	3.388 (.830)***	.001 (.003)	-.0002 (.003)
Unemployment	-5.386 (2.223)**	.127 (.164)	-295.735 (75.705)***	.041 (.166)	.164 (.175)
Percent Black	6.497 (5.004)	1.012 (.276)***	282.338 (170.431)*	1.050 (.277)***	1.036 (.285)***
Percentage Change in Black Population	.0008 (.031)	-.006 (.005)	-.408 (1.054)	-.007 (.006)	-.006 (.006)
Percent Foreign Born	3.207 (1.438)**	.039 (.093)	80.476 (48.964)	.018 (.093)	.056 (.097)
Police	.200 (.215)	-.014 (.008)*	9.650 (7.325)	-.011 (.008)	-.014 (.008)*
Home Ownership	-.872 (.399)**	-.054 (.030)*	-16.969 (13.589)	-.042 (.030)	-.060 (.031)*
People Below Poverty Line	.015 (.009)*	.0008 (.0004)**	.526 (.305)*	.0009 (.0004)**	.0008 (.0004)**
Percentage of Blacks in Poverty	-1.232 (.469)***	.078 (.035)**	-55.329 (15.969)***	.063 (.036)*	.083 (.037)**
Close Election 1964	1.094 (.121)***		36.928 (4.137)***		
Close Election 1966	.700 (.161)***		22.375 (5.482)***		
Obs.	918	904	918	904	904

Table 9: The results presented in this table are from a two-step IV Tobit specification using cross-sectional outlays and riots data collapsed over 1964-1971. Columns 1 and 3 are first stage regressions while columns 2, 4, and 5 are second stage regressions. All specifications include state fixed effects. Sources: City Data Book 1960, City Data Book 1970, NARA OEO Outlays, Gregg Lee Carter's riots database, and General Election Database.

Table 10 - Monthly CAP Panel Estimates

	Number of Riots (1)	Number of Riots (2)	Number of Riots (3)	Number of Riots (4)
Outlays per Person - Actual Month	.038 (.019)**		.038 (.019)**	
Outlays per Person - Three Months	-.033 (.013)***	-.031 (.013)**	-.033 (.013)**	-.030 (.013)**
Outlays per Person - Six Months	.006 (.010)	.006 (.010)	.007 (.010)	.007 (.010)
Outlays per Person - Twelve Months	-.002 (.007)	-.001 (.007)	-.001 (.007)	-.00003 (.007)
Outlays per Person - Twenty-Four Months	-.011 (.004)***	-.011 (.004)***	-.009 (.004)**	-.009 (.004)**
Outlays per Person - Beyond Twenty-Four Months	-.002 (.002)	-.002 (.002)	-.0005 (.002)	-.001 (.002)
Riots - Twelve Months			.019 (.001)***	.019 (.001)***
Obs.	56364	56364	56364	56364

Table 10: Cross-city monthly panel regression results. OLS is performed with city and time period fixed effects. Outlays are measured in dollars per person. One star signals significance at the 95 percent level, two stars at the 99 percent level, and 3 stars at the 99.9 percent level.

Table 11 - Monthly Panel Estimates by CAP Outlay Type

Health Outlays - Three Months	-.003 (.165)
Health Outlays - Six Months	.349 (.188)*
Health Outlays- Twelve Months	.122 (.148)
Health Outlays - Twenty-Four Months	.133 (.104)
CAA Admin Outlays - Three Months	-.178 (.342)
CAA Admin Outlays - Six Months	-.111 (.336)
CAA Admin Outlays- Twelve Months	.696 (.301)**
CAA Admin Outlays - Twenty-Four Months	-.285 (.236)
Youth Outlays - Three Months	.014 (.035)
Youth Outlays - Six Months	.036 (.039)
Youth Outlays- Twelve Months	.057 (.033)*
Youth Outlays - Twenty-Four Months	.073 (.027)***
Legal Outlays - Three Months	.073 (.241)
Legal Outlays - Six Months	.001 (.245)
Legal Outlays- Twelve Months	-.173 (.234)
Legal Outlays - Twenty-Four Months	.043 (.196)
Migrant Outlays - Three Months	-.643 (2.638)
Migrant Outlays - Six Months	-3.245 (2.307)
Migrant Outlays- Twelve Months	-.224 (1.987)
Migrant Outlays - Twenty-Four Months	2.599 (1.702)
Comm. Org. Outlays - Three Months	-.262 (.138)*
Comm. Org. Outlays - Six Months	-.116 (.139)
Comm. Org. Outlays- Twelve Months	-.248 (.108)**
Comm. Org. Outlays - Twenty-Four Months	-.217 (.095)**
Riots - Twelve Months	.020 (.001)***
Obs.	55693

Table 11: Cross-city OLS panel regression results of the number of riots in a city in the last month on different outlay types. Outlays are measured in dollars per person. OLS is performed with city and time period fixed effects. Standard errors are corrected for heteroskedasticity.

Table 12: Variables Summary Statistics

Variable	Mean (Close Elec. 1964)	SE	Mean (Non-Close Elec. 1964)	SE	P-Value (Difference)
Police (thousands)	.17	.05	.16	.023	.83
Median Education	11.17	.25	10.57	.15	.06
Fraction Enrolled in Private Education	.11	.007	.12	.004	.27
Population (thousands)	94.09	17.32	90.9	7.30	.85
Fraction Black	.007	.0009	.009	.0005	.06
Unemployment	.039	.002	.035	.001	.16
Median Income	10.42	.21	9.78	.12	.27
Population Change (1950-1960)	.44	.09	.35	.03	.21
Black Population Change	.90	.12	.77	.053	.28
Foreign Born	.046	.004	.041	.002	.27
Black Median Income (thousands \$)	3.98	.30	4.10	.13	.72
Number in Poverty (thousands)	10.29	2.27	11.40	1.06	.65
Fraction of Blacks in Poverty	.13	.01	.59	.007	.005
Home Ownership	.57	.012	.59	.007	.31
South	.11	.023	.27	.016	0.00
Outlays Per Person (thousands \$)	4.66	.65	.97	.095	0.00
Number of Riots	.63	.13	.66	.06	.85
Observations	169		749		

Table 12: The above are unweighted summary statistics for the entire sample period.

Table 13: Summary Statistics (Conditional on Being Below the Median)

Variable	Mean (Close Elec. 1964)	SE	Mean (Non-Close Elec. 1964)	SE
Police (thousands)	.028	.023	.025	.021
Median Education	9.46	4.5	8.12	5.04
Fraction Enrolled in Private Education	.035	.042	.023	.031
Population (thousands)	31.05	7.5	29.45	8.43
Fraction Black	.00029	.00034	.00054	.00063
Unemployment	.017	.018	.011	.014
Median Income	8.53	2.44	7.60	2.71
Population Change (1950-1960)	.007	.071	-.0027	.077
Black Population Change	.079	.26	.014	.18
Foreign Born	.010	.013	.0041	.0058
Black Median Income (thousands \$)	.14	.68	.99	1.8
Number in Poverty (thousands)	2.47	1.19	2.11	1.30
Fraction of Blacks in Poverty	.00063	.0045	.024	.049
Home Ownership	.453	.15	.46	.18
Outlays Per Person (thousands \$)	.084	.071	.041	.039

Table 13: The above are unweighted summary statistics for each variable conditional on being below the median value of that variable.

Table 14: Summary Statistics (Conditional on Being Above the Median)

Variable	Mean (Close Elec. 1964)	SE	Mean (Non-Close Elec. 1964)	SE
Police (thousands)	.26	.79	.30	.88
Median Education	12.61	.50	12.602	.63
Fraction Enrolled in Private Education	.18	.059	.22	.096
Population (thousands)	142.51	326.92	152.52	269.184
Fraction Black	.013	.012	.018	.013
Unemployment	.060	.011	.059	.015
Median Income	12.40	1.99	11.95	2.13
Population Change (1950-1960)	.70	.95	1.891	1.92
Black Population Change	1.89	1.92	1.51	1.76
Foreign Born	.080	.033	.079	.044
Black Median Income (thousands \$)	7.57	2.06	7.21	1.97
Number in Poverty (thousands)	15.398	42.07	20.70	38.74
Fraction of Blacks in Poverty	.24	.099	.30	.093
Home Ownership	.69	.071	.72	.086
Outlays Per Person (thousands \$)	10.70	10.54	1.89	3.39

Table 14: The above are unweighted summary statistics for for each variable conditional on being above the median value of that variable.