

Johnson's War on Poverty and the 1960s Riots: An Investigation into the Relationship between Community Action Agencies and the Riots

Rob Gillezeau

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Abstract

The launch of the War on Poverty and the race-related riots in American cities were both key events in the 1960s and it has been suggested that there may exist a relationship between the two. From their inception in 1964, community action agencies (CAAs) were directed towards alleviating African American poverty, but by the late 1960s, they had become an explicitly anti-riot program. Some authors and officials, however, have argued that the CAAs, in fact, triggered the riots. I employ an instrumental variables strategy, in a city-level cross-sectional analysis, to determine the causal impact of CAA spending on riot occurrence and severity. The closeness of the congressional elections of 1964 and 1966 are used as instrumental variables, as they are found to determine CAA outlays, but not riot occurrence other than through outlay provision. Spending on CAAs decreased both the likelihood and severity.

Contact Information

Department of Economics, University of Michigan, 611 Tappan Street, Ann Arbor, MI, 48104 (gillezr@umich.edu)

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1 Introduction

The race-related riots of the 1960s have long been a major topic in the sociological literature, and have recently begun to be addressed in the economics literature. The riots were brought to the attention of the economics community as an important economic phenomenon through a series of papers investigating the effect of rioting on property values and the labour market (Collins and Margo (2007) and Collins and Smith (2007)). These papers find that the riots depressed property values, particularly those owned by African Americans, and altered population trends. Additional work by Boustan (2007) finds suggestive, although not causal, evidence that the riots may have contributed to the “white flight” from American urban centers. These papers establish the economic importance of the riots, making it necessary for economists to determine what factors cause riots to occur and affect their severity. In addition, there are important questions regarding the relationship between public finance and communal violence that must be addressed. It is possible that communal violence is simply a mechanism, beyond the ballot box, that may be used to influence governmental decisions or even the electoral process. However, it may also be the case that the distribution of governmental expenditures either encourage people to take to the streets or stay home. This paper is not the first in the economics literature to make use of riots as a dependent variable. Glaeser and DiPasquale (1998) describe riots as a collective action problem and address the cause of riots over several time periods and locations while Chandra and Foster (2005) consider the impact of wage inequality on riot occurrence in 1960s America.

While the long run economic effects of the riots necessitate an economic study of riot causation, the act of rioting itself is an economic phenomenon. There are two, complimentary, modes of thought through which rioting may be considered. In the first, riots may be thought of as a proxy for the general welfare of African American communities in the 1960s. The second approach to the riots, is to think of their occurrence and relationship to other economic variables as a collective action problem. Individuals, in an environment where a riot could occur, would have to weigh the costs of rioting (damage to their community, personal injury, or arrest) against the potential benefits (enjoyment from rioting, material gain, or governmental response in the form of public goods provision) in which the costs and benefits are dependent upon the number of people who decide to participate in the riot. I present a simple model of riots as a signaling game later in the paper and that model, although explicitly a collective action problem, captures the duality of rioting as collective action and as a proxy for human welfare.

Using the riots as a measure of human welfare and general community sentiment allows an economist to address questions which would otherwise have been difficult to answer. In particular, government programs designed to address community grievances, but which may not have directly affected individuals' income, consumption or wealth would be difficult to evaluate in a traditional framework. In this paper, I use the occurrence of riots as a dependent variable to evaluate such a program, the Community Action Program (CAP), which was administered locally by community action agencies (CAA) and served as the cornerstone of the War on Poverty. Like many programs in the War on Poverty, the Community Action Program was created to serve the poor and, in particular, poor African Americans and Appalachians. CAAs were, and still are, locally governed organizations that are meant to aid their community by encouraging political mobilization to fight for the resources necessary for that community to succeed. They were, in essence, an alliance between the federal government and neighbourhoods to combat the local establishment and address grievances of the poor and the forgotten. Additionally, they have been involved in the provision of a vast array of national services such as Head Start, although the number of services provided has narrowed significantly from their formation in the 1960s. However, since their primary focus was to address local grievances, which were often not economically driven, there is little reason to expect measures of income, wealth, or consumption to be satisfactory methods of evaluation. Further, since some have argued that the CAAs were as much a political entity as an economic one (Davidson, 1969) we should expect many of their effects to be realized in a non-traditional fashion.

That there may exist a relationship between the riots and the mechanisms of the War on Poverty is not an original idea. In fact, there exists evidence that the War on Poverty and CAAs, in particular, were tasked by Lyndon Johnson with not only fighting poverty, but also fighting riots after the devastation in Watts (Cazenave, 2007). However, the relationship has never been properly addressed. Thomas Sowell, in a popular article (Sowell, 2004), has suggested a causal effect of the War on Poverty on race riots. In addition, there are accounts from city officials in the 1960s that placed the blame for the riots on CAAs and described CAA employees as the leaders of the riots (Cazenave, 2007). In the sociological and historical literature, numerous authors (Clark, 2005) have suggested that there likely exists a relationship between the distribution of War on Poverty funding and riot occurrence, however, no predictions are made as to the nature of the relationship. In the use of riots as a dependent variable, I will address the success of community action and the War on Poverty in its dual goals of improving human welfare and curtailing the riots spreading throughout

America in the 1960s.

In order to determine the causal impact of CAA spending on riot occurrence and severity, I employ an instrumental variables strategy based on the “closeness” of the congressional elections of 1964 and 1966. This IV approach relies upon the strategic allocation of resources by politicians, meaning that more CAA funding should be allocated to a city with close electoral races than an otherwise identical city in which the election is not close. It is possible that cities with close elections witness rioting as a result of their political situation, however, as discussed later in the paper, there is no evidence that such rioting occurs. Several papers have made use of the “closeness” of elections in a similar IV or regression discontinuity approach. For example, Rehavi (2008) uses the share of close elections won by women to determine the causal impact of electing female legislators on the allocation of state spending. Lee, Moretti, and Butler (2004) employ such a strategy to determine the impact of incumbency (or electoral strength) on the policies of legislators.

Previous work in the sociological literature has identified several variables that exhibit significant correlation with riot occurrence; however, achieving causal identification has proven difficult. The goal of this paper is to determine the causal impact of funding for a CAA on riot occurrence and severity at the city level. This identification is achieved in a cross-sectional setting, although in ongoing work I attempt to achieve this precise identification in a monthly or weekly panel. Through the use of the closeness of the elections of 1964 and 1966 in an instrumental variables strategy, I am able to identify the causal impact of CAA spending on the likelihood and severity of riot occurrence. I interpret these results both in terms of existing sociological theories of rioting and the signaling model presented in the paper.

2 Literature and Historical Review

2.1 A Brief History of the Riots and the Sociological Riots Literature

Between 1964 and 1971, cities throughout the United States were scene to hundreds of race-related riots, generally in African American neighbourhoods, which resulted in dozens of deaths and thousands of arrests and injuries. While the riots occurred in cities large and small, the worst rioting occurred in Detroit, Los Angeles, Newark and Washington DC. 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 with rioting peaking in the aftermath of the assassination of Dr Martin Luther King Jr. After the election of Richard Nixon and the implementation of his campaign of law and order, the number of riots dwindled.

These riots were generally not planned occurrences, but were rather spontaneous events triggered by a single action (Sears 1973). In many cases, the spark involved interactions between the police and members of the African American community. For example, the Detroit riot was sparked by a police raid on a blind pig (an after hours club) in the inner city. The club, however, had far 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 1970). The situation escalated into the most deadly riot of the 1960s. Similarly, the Watts riot was also triggered by an interaction between the police and the African American community. Watts was triggered through the arrest of a young man for driving under the influence. During the process of the arrest, the man's mother came to be aware of the situation and appeared at the scene (Sears 1973). A crowd gathered and the Watts riot was born.

The riots directly resulted in dozens of deaths and thousands of injuries and arrests. Further, there was significant property damage through thousands of incidents of arson and other destructive activities. 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 occurred. There were also long-term consequences for the African American community as displayed by Collins and Margo (2007) and Collins and Smith (2007), as rioting appears to have caused a depression in the value of African American property in cities in which riots occurred.

Sociologists have exerted considerable effort to both modeling the process of riot occurrence and determining what local factors made some regions more susceptible to rioting than others. Within the sociological literature, there exists a standard definition of a riot as defined by Spilerman (1970) in which a riot must be a spontaneous event which results in some sort of violent or aggressive behaviour and is comprised of over 30 persons. I will review some of the more prominent theories proposed and attempt to frame my results in terms of these proposed models.

The first, and certainly least supported in the data, is the "riff-raff" theory, which was often the explanation of local authorities in response to the riots (Singer, 1970) and is used as the null hypothesis in many of these studies. The "riff-raff" theory states that ordinary African Americans

were not involved in the rioting nor was there any political or social meaning behind the riots. Rather, it is argued that the rioters were simply hooligans and other persons from the drudges of society, looking to cause trouble. The “riff-raff” theory has been rejected repeatedly (Myers 1997). The most straightforward hypotheses are the “absolute deprivation” hypothesis proposed by Olson (1963) and the “relative deprivation” hypothesis proposed by Gurr (1970). 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. Downes (1968) proposes the “social disorganization” hypothesis in which rioting occurs because there exists a group of individuals who are somehow isolated from society. Thus, they are not significantly influenced by social norms and do not have access to the institutions established to consider grievances. Lieberman and Silverman (1965) propose the “political representation” hypothesis in which a politically excluded group turns to rioting or other violence to have their demands heard. Berkowitz (1968) presents a contrasting “expectations” hypothesis in which improving conditions for a disadvantaged group raises expectations and causes frustration if these expectations go unmet. In addition, there exist a series of “competition” hypotheses (Olzak 1992), which suggest that group competition for resources could have resulted in the riots.

In an early empirical attempt to evaluate these hypotheses, Spilerman (1971, 1976) fails to find any significant support for the aforementioned hypotheses. In fact, he only finds regional covariates and the size of the African American population to be of any explanatory value. However, as noted by Myers (1997), Spilerman does not restrict his sample to cities with sizable African American populations. Thus, in his regression work, the propensity for African Americans to riot is simply driven by the presence of African Americans in a city. In a more recent analysis of riot causation, Myers (1997), using an event history analysis approach, finds support for theories of riot diffusion and resource competition. Furthermore, he limits his sample to cities with over a thousand African Americans; thus, additional covariates are found to be significant, such as African American unemployment rates, the percentage of persons who are foreign born, and diffusion variables. Gregg Lee Carter (1986) finds support for the notion that riots occur in regions of moderate poverty rather than extreme poverty. Additionally, Carter (1988) finds evidence of a U-shaped relationship between riot occurrence and the number of police officers per African American in a city. Chandra and Foster (2005) perform a cross-state analysis of riots using IPUMS data to determine whether there is a relationship between wage inequality and the riots. They find that the linear wage inequality coefficient is negatively related to riot occurrence while the squared term is

positively related; this and other results in the paper point towards Berkowitz's argument. Glaeser and DiPasquale (1998) find evidence that community structure and ethnic diversity are strong determinants of riot occurrence. They also find some evidence that the opportunity cost of time and the chance of punishment are important factors; however, they find no relationship between poverty and riot occurrence. At the present, the riots literature has yet to settle on a single theory of riot occurrence, although there appears to exist support for riot diffusion and some support for competition and expectations models.

2.2 A Brief History of the War on Poverty and Community Action

The War on Poverty was planned, designed and coordinated in Washington under the direction of Sargent Shriver and the Office of Economic Opportunity (OEO). Community action agencies, as the primary component of the Community Action Program, were responsible for coordinating the fight against poverty at the local level. Neither CAAs nor the OEO were intended to be primarily involved in the provision of services; rather they were supposed to be coordinating entities. However, the OEO quickly took on less of a coordinating and more of an operational role when Sargent Shriver proposed that the OEO be responsible for the operation of the Jobs Corps and VISTA (Sundquist, 1969). In addition, the CAAs were assigned to the OEO, which tasked them with the administration of the majority of all OEO programs. According to Levitan (1969), in its first four years, half of CAA funds "went to prepackaged national programs such as Head Start or Legal Services" while the remainder were spent on local poverty initiatives. As such, the CAAs have been responsible for the delivery of a vast array of projects related to poverty including birth control, consumer services, legal support to challenge existing institutions, and health services (Leviatan, 1969). Although there existed much debate as to the proper role of CAAs, many within the federal government believed that coordination and service provision by CAAs would allow for a dramatic impact at the local level (Brauer, 1982). They believed that it would allow federal funds to bypass the vast existing bureaucracy and reach the poor directly.

CAAs were established through Title 2 of the Economic Opportunity Act signed by President Johnson in 1964, which stated that the community action programs be "developed, conducted, and administered with the maximum feasible participation of the residents of the areas and members of the groups served" (EOA). The CAAs were modeled after previous attempts at community action on the part of the Ford Foundation's Gray Areas Program (and its successful New Haven experi-

ment (Levine, 1970)) and the President's Commission on Juvenile Delinquency and Youth Crime (Kramer, 1969). They were intended to coordinate the institutions and resources of municipalities in the fight against poverty and both public and private organizations were included in their planning and governance. CAAs were generally created at the local level by a coming together of politicians, welfare officials and people from "social causes" (Levitan, 1969) who would independently establish a CAA. Initially, there was little guidance as to how the participation of the poor should be ensured and it does not appear that there was ever a systematic manner of deciding which members of the poor would be selected to participate. In 1966, to ensure a "democratic" structure and the inclusion of the poor, the CAAs were legislated to include $\frac{1}{3}$ of its representatives from the poor, private groups, and public officials respectively. Some have suggested that the CAAs became bogged down in operating programs and, as such, lacked the ability to effectively coordinate programs within the community. According to Sundquist (1969), many CAAs lacked any significant coordination role and many of the poor-dominated CAAs decided to confront other organizations through protests rather than work alongside them (Sundquist, 1969). This is a common theme in the literature and this appears to have been a persistent problem with the CAAs; many CAAs became involved in bitter struggles with municipal authorities, often with the support of the federal government. Some have suggested that CAAs were designed to build support for the Kennedy administration amongst poor blacks (Brauer 1982), although the literature is divided on this issue. However, no one has suggested that CAAs or their funding was directed away from African American neighborhoods. If anything, there was an anti-rural bias (Levitan, 1969) with a majority of funds being directed towards ghettos in the largest cities.

There do exist historical anecdotes that suggest that CAAs may have helped trigger the riots. 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. 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). By the late 1960s, according to Cazenave, the OEO "had to defend itself against highly publicized rumors and charges by politicians and pundits that employees of CAAs had helped instigate and, in some cases, even participated in the [riots]" (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.

Although there have been many papers written on several programs in the War on Poverty, particularly Head Start, there have been very few empirical studies to date that address the success of the community action element of the War on Poverty. Orden (1973) using a small sample of cities, finds that the introduction of CAAs led to an increase in services provided to the poor by social service agencies. In addition, the CAAs that were most effective in affecting the behaviour of social services agencies were those that received the most funding. As an example of the Head Start literature, Ludwig and Miller (2006), exploiting a discontinuity in the provision of support for Head Start applications, find that Head Start resulted in a significant decrease in child mortality and potentially increased educational achievement.

3 A Simple Model of Riots as a Signaling Problem

The primary motivation of this paper is empirical rather than theoretical. However, in order to aid one’s understanding of the relationship between riots, poverty and government allocations, I present a simple signaling model of riots based on Spence’s (1973) seminal article. This model is able to account for the potential effect of CAAs on riot occurrence through both African American poverty and lowering the cost of organizing a riot or protest. I present a basic two-type signaling model in the text; however, it may be easily expanded to a continuous type framework.

The agents in this model are the African American communities found in each city in the United States. I assume that there are two types of communities: impoverished (θ_I) and well-off (θ_W). These two types differ over their value of θ , which is a parameter indicating both the level of poverty or segregation in the city, as well as the government’s ideal level of federal anti-poverty spending in the community. African American communities are aware of their own level of poverty while the government is unable to view this variable directly. Communities, however, are able to convey a signal to the government by choosing a number of riots (equally interpretable as the intensity of riots) R , which are costly to undertake. Communities are assumed to benefit from federal anti-poverty spending. As such, the normalized utility for the people in each community is taken to be:

$$u_t(G, R) = G - C(\theta_t, R)$$

Where C is the cost of rioting. I assume that the cost of rioting takes the following functional form where $k_W \geq k_I$:

$$C(\theta_t, R) = k_t f(R)$$

As is standard in such models, I assume that the utility functions satisfy the single crossing property such that the well-off community's indifference curve always has a greater slope than the impoverished community's indifference curve.

Ideally, if the types were observable the government would provide θ_t units of federal anti-poverty spending to each community. If the types are not observable and there exists no signaling mechanism the government will provide $E(\theta) = \lambda\theta_I + (1 - \lambda)\theta_W$ units of federal anti-poverty spending to each community where λ is the proportion of communities that are impoverished.

In the signaling game, each city is given a type at random, after which each community must choose a level of riots. The government then observes the number of riots and decides upon a distribution of funds.

This game may result in a range of pooling and separating equilibria, however, since we clearly see some communities that do not riot and some that do, I will assume that we are in a separating equilibrium. Additionally, I apply the intuitive criterion such that there only exists a single separating equilibrium. In this equilibrium, as displayed in Figure VIII, impoverished communities choose $R_I^* = R^1$ and well-off communities choose $R_W^* = 0$. The government then provides a level of G to each community type such that $G(R_I^*) = \theta_I$ and $G(R_W^*) = \theta_W$.

This equilibrium, however, may be altered through the influence of pre-existing anti-poverty funding to CAAs. In the Sowell inspired model, the presence of a CAA in a community is assumed to decrease the value of k_t by an amount equal to $k_I - k_W$. If we assume that only a small fraction of well-off communities receive a CAA those well-off communities will choose a level of R equal to that chosen by the impoverished communities resulting in a semi-pooled equilibrium. If we consider the other extreme and introduce a CAA to all communities a separating equilibrium will be maintained

with $R_I^* = R^2$ and $R_W^* = 0$ where $R^2 \geq R^1$. There exist various intermediate cases some of which involve a 3-group separating equilibrium, but almost any version of such a model will result in an increase in the number of riots in equilibrium.

It is also possible that CAAs alter the underlying type of a community through anti-poverty programs, essentially transforming an impoverished community into a well-off community. This decreases riots in a method that requires little explanation: as long as a separating equilibrium is maintained (and it surely will be as the incentives to pooling for the impoverished type decreases) more communities shift into the no-riot situation

This model is easily extendable to a multi-type or even a continuous type framework with very similar results. Also, it should be noted that this is a community-level game, but it seems reasonable to assume that an individual decision process, similar to Glaeser and DiPasquale (1998), is underlying the model.

4 Data Description

The riots data was kindly provided by William J. Collins (2007) who, in turn, received the data from Gregg Lee Carter (1986). The dataset is composed of over 700 riots, involving at least 30 persons, along with information on time, location, deaths, injuries, arson, and arrests. As in Spilerman's original riot dataset, a riot is defined as a spontaneous outburst of violence or aggression of more than 30 persons (some of whom are of African American decent). Collins compiles this data into a unidimensional index which is the sum of the proportions of all arrests, deaths, injuries, and arson that occurred in the riot at location x at time t . For the purposes of this study, I collapse the number of riots and the index to the city level and remove all time elements. Thus, the dependent variable in the empirical work is the number of riots in a city from 1964-1971; the index is collapsed in a similar fashion.

City covariates are gathered from the "County and City Data Book Consolidated File 1944-1977" courtesy of ICPSR. This dataset includes detailed information on population, racial composition, median income, unemployment, migration, education, home ownership and the number of police. Cities which are present in the riots sample, but not in the City Data Book are dropped from the sample, as they are principally small and rioting in a small city is likely a very differ-

ent phenomenon than urban rioting. Furthermore, all cities with a population below 25,000 are dropped from the sample. Thus, I am left with a group of 913 cities.

To each city, I attach information from a dataset that I have constructed using data provided by the National Archives and Records Administration that includes all federal outlays in the United States from 1965-1980 with the greatest detail provided on programs administered by the Office of Economic Opportunity. Of relevance to this study, the data includes the location of all CAAs that received federal funding over the period, along with the level and the duration of that funding. Unfortunately, the data gathered from NARA is error ridden and, although, signing dates for outlays are provided at the monthly level, it is not clear when the money actually reaches communities or for how long the money is intended to last. As the independent variable of interest, I use both the presence of a CAA and the amount of funding received between 1965 and 1971. Of note, 1969 contains no outlays, which has been confirmed by NARA. There almost certainly were OEO outlays over 1969, but the data may have been lost in the transition to the Nixon administration. It would be ideal to make use of the panel nature of the CAA funding data and the riots data. However, the data describing the duration for which funding allocations were to last is incomplete, making it impossible to determine the distribution of funding over time in many cities. Thus, at the present, the majority of my analysis will occur in cross-section.

Finally, data to instrument for the level of CAA spending are gathered from the “General Election Data for the United States, 1950-1990” dataset provided by the ICPSR at the University of Michigan. This is linked at the county level and contains variables on electoral outcomes at the congressional and presidential level for all districts 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 (defined to be within 5 percent of the vote share on either side). This measure is used as an instrumental variable for spending on CAAs. One would expect close elections to result in increased government spending in the region to encourage the local residents to support the government in the next congressional election. The validity of the instrument is discussed later in the paper.

5 Empirical Strategy

Using the dataset described above, I am able to perform a reduced form cross-sectional analysis of the relationship between riot occurrence and CAA outlays. Performing simple OLS analysis is not

appropriate for two reasons. Firstly, the riots variable is a count variable that has finite support and is bounded below at 0, meaning that OLS estimation is inappropriate for small sample estimation. Secondly, the CAA indicator and CAA outlay variables are almost certainly endogenous to riot occurrence. Thus, the estimates on the parameters of interest will be biased. To correct for the first problem I perform my regression analysis with Poisson and negative binomial regressions of the number of riots in a city on the level of CAA outlays, an indicator for the presence of a CAA, and other city-level covariates. A Tobit framework is employed for the analysis of the riot severity index, as this variable is continuous and censored below at 0.

In the most basic index specification, I follow the standard Tobit procedure by assuming that there is a latent variable with a censoring rule:

$$R_i^* = O_i\beta_1 + X_i\beta + u_i$$

$$R_i = \max(0, R_i^*)$$

It is necessary to assume that the unobservable is normally distributed with mean 0. The model is then estimated using maximum likelihood :

$$L_i = [1 - \Phi(X_i\beta/\sigma)]^{1(R_i=0)} [(1/\sigma)\phi((R_i - X_i\beta)/\sigma)]^{1(Y_i \geq 0)}$$

The historical evidence suggests that it may be appropriate for us to sign the bias on the CAA indicator variable and perhaps also the CAA outlays variable. Since CAAs were designed to help the poor, primarily African Americans in the inner city ghettos that were hotbeds for rioting, it seems reasonable to assume that the CAA indicator has an upwards bias. This argument also suggests that the CAA outlays variable may have an upwards bias; however, there exists the possibility that the bias may in fact be negative. Thus, in order to accurately estimate the parameter on CAA outlays I instrument in the regressions for the level of CAA outlays 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 10 percent. The logic behind the instrument is that the War on Poverty was intended to do more than end poverty in America; rather, there appears to have been an attempt to shift the electoral balance in the United States (Brauer 1982). This was done by targeting African American neighbourhoods and those with low voter turnout. However, the long term political intent of the Democrats suggests that the money may have also been allocated

politically in the short run. As such, we should expect tight races to result in greater federal outlays in an effort to gather support and ensure victory in that district in the next election.

A process for endogenous Tobit estimation was proposed by Amemiya (1978) and is entitled AGLS (A Generalized least Squares Estimator), which is consistent and asymptotically efficient. I have estimated the endogenous Tobit model using AGLS and a two stage procedure which is consistent; however, I only report results from the two-step procedure. The first step is to perform a regression of:

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

I then 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.

In the number of riots specifications, I perform my estimation in both a Poisson and negative binomial framework, both of which are estimated by maximum likelihood. A requirement of the Poisson regression model is equidispersion which equates the first two moments; the Poisson regression model parameterizes the relationship between the mean parameter and the covariates such that:

$$\mu_i = e^{(x_i' \beta)}$$

Which is also equal to the variance term. The parameter estimates are found by estimating a vector of non-linear equations:

$$\sum y_i - e^{(x_i' \beta)} x_i = 0$$

The $e^{(x_i' \beta)}$ coefficients are interpreted as the impact of an increase by one unit of a regressor on the conditional mean. The Poisson model, however, requires independence of event occurrence and equidispersion, which are both unlikely to be true in the data. Thus, to ensure the robustness of the results I employ the negative binomial model. The negative binomial model assumes that we

have a random count variable which is distributed according to a Poisson model conditional upon a parameter λ , which itself is a random variable. The first two moments of the negative binomial (Poisson-gamma mixture) distribution are:

$$E[y|\mu, \alpha] = \mu$$

$$V[y|\mu, \alpha] = \mu(1 + \alpha\mu)$$

In application, we equate $\mu_i = e^{(x_i'\beta)}$ and treat α as an estimable parameter as specified by the conditional variance function. This is then estimated by maximum likelihood. 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.

Finally, I perform an IV regression in the Poisson framework using a GMM approach developed by Mullahy (1997). I will not discuss this approach in detail, but the use of a GMM procedure is much more robust to heteroskedasticity than the standard Poisson.

To ensure the robustness of the results I include state fixed effects and I perform several falsification tests in which I consider the effect of non-War on Poverty outlays (Commerce and Interior outlays) on riot occurrence.

6 Data Summary

In the appendix, I present several descriptive graphs and tables of CAA outlays and riots. In Figure I, I plot the level of federal War on Poverty funds assigned at each month from 1964 until 1971. The first major allocation occurred in the summer of 1965 with frequent funding allocations occurring from that point until 1969, although the funding was generally allocated in summer months. The OEO records report no outlays in all of 1969 with no explanation, although it is almost certainly related to the transition of power in Washington.

In Figure II, we can see that the riots occurred over the entire period in a cyclical fashion, with the majority of riots occurring during the summer months. Rioting increased from 1964 until its peak in 1968 at which point the number of riots decreased until the end of the period. There are two outliers in the data, the first is July 1967 which saw some of the worst rioting. The other

outlier is April 1968, as the assassination of Dr King resulted in widespread rioting.

While it is difficult to provide a visual relationship between riot occurrence and CAA outlays in the panel setting as a result of data inaccuracies, it is more apparent in a cross-section. In Figure III, I plot the number of riots over the sample against the level of CAA outlays per person. There clearly exists a large mass point at 0 riots and many of the cities receiving the most support per person are located at this mass point. If we drop the mass point, there appears to exist a downward trend in the relationship between per person outlays and the number of riots. However, it is possible that this relationship is simply being driven by the population level; this point will be addressed in the regression analysis.

I make use of the closeness of the 1964 and 1966 elections as instruments for the level of outlays provided to a city. I will present first stage regression results in the next section, but for additional clarity I present information on the mean outlays per person and total outlays per person in the cross section if the election in 1964 was close (or not) and if the 1966 election was close or not in Table I. Although this is certainly not sufficient to justify the validity of the instrument it is suggestive. Clearly, cities with close elections are receiving significantly more outlays per person. This result could be driven by the size of the population, however, since absolute outlays are also greater on average, it suggests that this is not the case. Further, in Figure V, I show outlays over time in close and non-close cities; from 1964-1966 close election cities received significantly more outlays.

Year	Close Election Outlays Per Person	Non-Close Election Outlays Per Person
1964	1276.8	179.93
1966	1966	336.56
Year	Close Election Outlays	Non-Close Election Outlays
1964	73.487	10.435
1966	28.274	20.404

Table 1: CAA Outlays are expressed in millions of dollars and outlays per person are expressed in dollars

There exist reasons to worry about the exogeneity of the instruments and the external validity of results making use of the instruments. For instance, it is possible that cities with close elections experience outbursts of violence after election results are announced. However, as displayed in

Figure VI there is no evidence in support of such a claim. Further, I decompose riots by the victorious party, as it is possible that riots only occur after a close election in which a Democrat loses. As shown in Figure VII, there is no evidence for such a hypothesis. In fact, there are generally no riots following elections in close cities or non-close cities, as rioting generally occurs in the summer months. There is also no evidence that close election cities are prone to rioting prior to elections. While the instrument does appear to be exogenous, I acknowledge the limited external validity imposed by the use of the instrument. Many of these cities with close election results are mid-sized cities with racially mixed or heavily white populations. While city size and racial composition are controlled for in the regression framework, that does not reestablish external validity.

Summary statistics for the covariates included in the regression analysis are included in the Appendix in Table I.

7 Results and Robustness

In Table III and Table V, I present results from the Poisson regression of the number of riots in a city on CAA outlays, a CAA indicator, and a vector of covariates. In Table IV, I present similar results from a negative binomial regression with a similar specification. Below, in Table II, I present a summary table containing results from the Poisson and the instrumented Poisson regressions:

The results presented in Table II and in the Appendix appear to show greater significance on a number of variables than previous work in the Sociology literature. This is likely a result of the larger sample size (over 900 cities are used in this analysis). Of principal importance to this study are the coefficients for the CAA indicator variable and the CAA spending variable. The CAA outlays coefficient is consistently found to be negative and significant, although significance at the 95 percent level is lost on occasion. Table II presents marginal effects (at the mean) of the covariates on the actual number of riots and, thus, we are able to interpret the size of the effect. The economic size of the effect does appear to be significant as, when considering the mean spending per person on CAAs by city, the implied decrease in the number of riots ranges from 100 to approximately 200 . Granted, this is a wide range, but it suggests that CAA spending decreased the number of riots in the United States from between 10 percent and 25 percent. In general, the CAA indicator coefficient proves to be insignificant, although in the single instance in which the

	Poisson 1	Poisson 2	IV First Stage	IV Second Stage
	(1)	(2)	(3)	(4)
CAA Outlays per Person	-.158 (.067)**	-.129 (.064)**		-.442 (.162)***
CAA	.220 (.220)	-.142 (.201)		
Population	.001 (.0001)***	.002 (.0004)***	-.002 (.002)	.002 (.003)
South		-.138 (.197)	-.194 (.411)	
Percent Change in Population		-.292 (.249)	.006 (.177)	2.615 (1.496)*
Black Median Income		.178 (.028)***	-.219 (.043)***	3.102 (.912)***
Median Income		-.006 (.041)	.376 (.078)***	-1.371 (.451)***
Unemployment		5.095 (3.079)*	-15.947 (7.138)**	63.864 (47.867)
Percent Black		33.665 (4.867)***	10.028 (14.358)	179.619 (56.697)***
Percentage Change in Black Population		-.278 (.078)***	.108 (.098)	-3.339 (1.274)***
Percent Foreign Born		1.074 (2.014)	1.818 (4.189)	28.347 (16.126)*
Police		-.256 (.114)**	.287 (.680)	-1.453 (.790)*
Home Ownership		-1.339 (.701)*	-4.630 (1.279)***	-7.479 (3.294)**
Close Election 1964			3.972 (.379)***	
Close Election 1966			2.515 (.509)***	
Obs.	913	913	904	904

Table 2: Cross-city regression results. 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.

CAA spending variable is found to be insignificant the CAA indicator is found to be significant and negative. Thus, it does not appear that the actual presence of a CAA in the absence of funding had a significant effect on riot occurrence.

Other variables prove to be significant and are generally consistent with expectations and the existing literature. Clearly, cities with a large African American population are more prone to rioting. The median African American income is significant and positively related to the number of riots, which is suggestive evidence in favour of the “expectations” hypothesis presented in the sociology literature. The percentage of the population who are foreign born is generally found to be insignificant which runs counter to results from the rest of the literature and suggests that the competition hypothesis is not driving the riots. The percentage change in the black population from from 1960-1970 is found to be significant and negative, which although surprising, is not unreasonable, as some accounts have proposed that recently settled blacks were the least likely to riot (Singer 1970). The median income throughout a city for all people is negatively related

to riot occurrence. The number of police in a city is also found to be significant and negative. Although the home ownership variable is not significant, it is fairly large and negative, which supports the findings of Glaeser and DiPasquale (1998). In the expanded third column presented in the Appendix, median schooling, the percentage of children enrolled in private school and the percentage of blacks in poverty are all significant and positively related to riot occurrence. The private education finding provides support for the relative deprivation hypothesis, while the effect of the number of African Americans in poverty speaks in favour of both the absolute and relative deprivation hypotheses.

Additionally, this cross-city analysis may also be performed using the severity index generated by William J Collins (2007) as the dependent variable. The results, as presented in the summary table below (Table III), are similar to those in which the number of riots is used as the dependent variable:

	Tobit 1 (1)	Tobit 2 (2)	IV First Stage (3)	IV Second Stage (4)
CAA Outlays per Person	-.0004 (.0002)***	-.0002 (.00009)*		-.0002 (.0001)
CAA	-.0005 (.001)	-.001 (.0008)		
Population	.00003 (2.31e-06)***	1.00e-05 (2.71e-06)***	-.002 (.002)	.00002 (3.62e-06)***
South		-.001 (.0004)***	-.194 (.411)	-.0008 (.0004)**
Percent Change in Population		.0002 (.0003)	.006 (.177)	.0003 (.0003)
Black Median Income		.0004 (.00007)***	-.219 (.043)***	.0003 (.00007)***
Median Income		-.00003 (.0001)	.376 (.078)***	-.00008 (.0001)
Unemployment		.016 (.010)	-15.947 (7.138)**	.015 (.009)
Percent Black		.135 (.028)***	10.028 (14.358)	.108 (.026)***
Percentage Change in Black Population		-.0007 (.0003)**	.108 (.098)	-.0007 (.0003)***
Percent Foreign Born		.006 (.005)	1.818 (4.189)	.009 (.005)*
Police		-.0009 (.0005)*	.287 (.680)	-.002 (.0007)***
Home Ownership		-.003 (.002)	-4.630 (1.279)***	-.001 (.002)
Close Election 1964			3.972 (.379)***	
Close Election 1966			2.515 (.509)***	
Obs.	913	913	904	904

Table 3: Cross-city regression results. 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.

This relationship is weaker and only proves to be significant in a few specifications. The signing

of the variables is consistent between the riot and the index regressions. Additional specifications involving the use of the index are presented in Table VIII.

To ensure that the previous regressions are not simply capturing an effect that is present for all types of government spending that one should not believe are causally related to riots I perform a similar analysis to that above, but replacing CAA spending with spending on Commerce department and Interior department programs. As shown in Table IX there is no significant relationship found between these expenditures and riot occurrence.

8 Discussion

What should we make of these results in the context of the signaling model presented at the start of this paper, the theories presented in the sociology literature, and the claims made in the popular press regarding the relationship between the War on Poverty and the riots? With respect to the latter, it is clear that there is no empirical evidence whatsoever that the community action agencies, the cornerstone of the War on Poverty, were in any way responsible for the occurrence of the riots. Since the estimates on the CAA indicator are almost certainly biased upwards, the values presented here provide an upper bound of their effect on the riots and is generally found to be insignificant or significant and negative. In addition, the coefficient on CAA spending is consistently found to be significant and negative. This is consistent with Orden's (1973) finding that CAAs were only effective in their interaction with social service agencies when they were properly funded. Thus, it appears likely that the the War on Poverty, through CAAs, discouraged riots in urban America during the 1960s.

It is important, however, to determine 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 on community action, this does not appear to be an overwhelming effect. Certainly, had the only goal of the War on Poverty been to reduce riot occurrence this may not have been the optimal approach to take. Preventing riots was only one of many goals and, as a secondary objective to combating poverty, the effect appears reasonable. However, I consider the rejection of the notion that CAAs encouraged the 1960s riots to be the primary result of this paper.

In light of the simple model presented in this paper, the results suggest that CAA spending

may have successfully improved the quality of life in some African American communities, shifting some cities from the “impoverished” group to the “well-off” group. There is no evidence that CAAs reduced the cost of rioting.

If we wish to consider the results in terms of the sociology literature we can clearly reject the “riff-raff” theory of riot occurrence, as it does not appear that unemployment or African American migration are the essential forces pushing riot occurrence. Competition theories also receive little support, although only a single competition variable, the percentage foreign born, is included in the work. The “social disorganization” hypothesis does not receive particularly strong support. The significant and positive coefficient attached to the percentage of African Americans in poverty is consistent with the hypothesis. However, since the “social disorganization” hypothesis suggests that the primary reason for riot occurrence is isolation from the community, we would expect the presence of a CAA (rather than CAA spending) to have a significant and negative impact on the riots. Furthermore, the positive coefficient on African American median income is inconsistent with the hypothesis. The same issues hold for the “political representation” hypothesis. Clearly, it would be inappropriate to reject either of these hypotheses given the limited scope of this work, but there is no strong evidence found in their favour.

The most strongly supported theories in this analysis are the “absolute deprivation”, “relative deprivation”, and “expectational” hypotheses. While the median income for African Americans is positively related to riot occurrence, it is still the case that the number of African Americans in poverty is positively related to riot occurrence. Thus, the negative coefficient on CAA spending could be acting through lifting poor African Americans out of poverty, resulting in a decrease in riot occurrence; this would be consistent with either of the deprivation hypotheses. The positive coefficient on black median income is generally considered to be consistent with the “expectations” hypothesis and the negative coefficient on CAA spending may also be interpreted within this theory. The 1960s were a time of rising expectations for African Americans and CAA spending on both economic and civil rights programs may have helped meet these expectations, lowering riot occurrence as a result.

9 Conclusion

At the present, these results are more suggestive than conclusive as to the precise impact of CAA spending on riot occurrence and I intend to introduce panel analysis in future work. However, the analysis presented in this paper shows, with near certainty, that spending on community action agencies did not cause riots to occur and that such spending likely decreased both the number of riots in cities and the severity of those riots. I feel confident in rejecting the possibility that CAA spending may have increased riot occurrence; under no specifications is it ever found that spending on a CAA increased riot occurrence. Thus, while there may exist many reasons to criticize community action, the blame for the riots of the 1960s should in no way be placed on its shoulders.

Furthermore, we may draw conclusions about the impact of community action on the welfare of African Americans. In order to determine the impact of government programs on welfare, economists generally make use of variables such as wealth, income, consumption, or, increasingly, measured reports of happiness as proxies for human welfare. I purport that the riots of the 1960s makes a suitable addition to this list of proxies for human welfare. Sociologists have presented many theories as to why the riots occurred, but one thing that they all have in common is that they are rooted in some displeasure or disenfranchisement amongst the African American community. Thus, the use of riots as a dependent variable may allow us to determine relative utility within the African American community in different cities in the 1960s. The negative relationship between CAA spending and riot occurrence indicates that community action did improve conditions for those living in poor African American communities.

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.

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11 Appendix

Table I: Variables Summary Statistics

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

Figure I

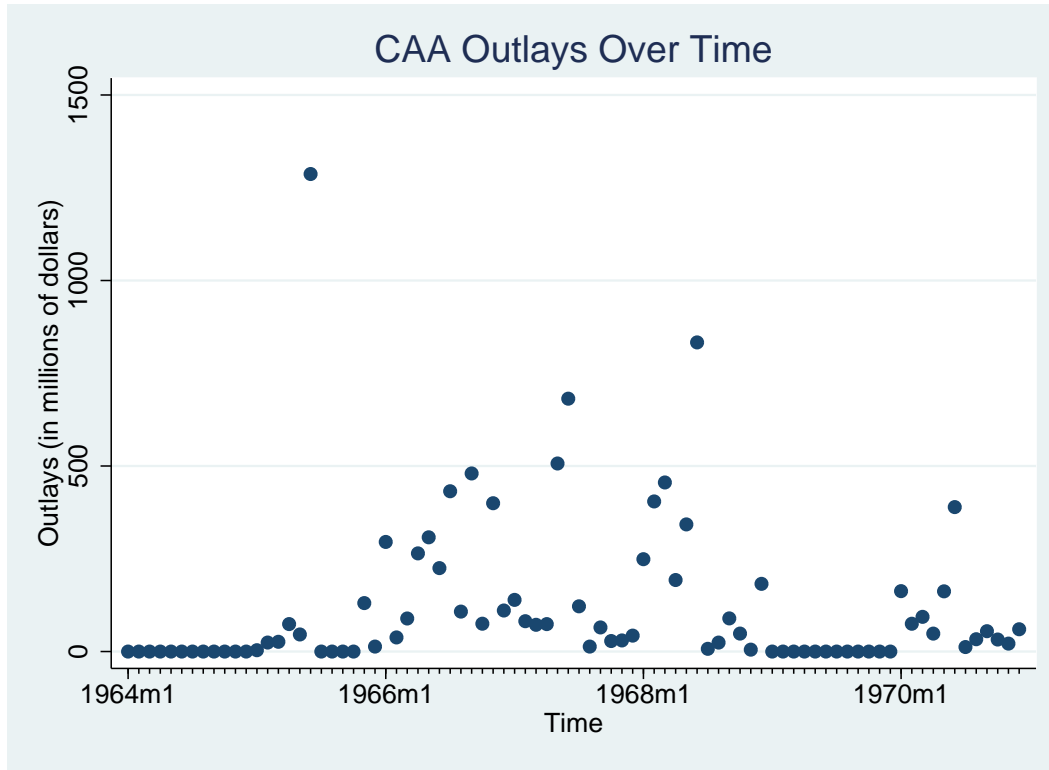


Figure 1: Monthly CAA outlays from 1964 to 1971. Outlays are given by assignment data. Source: National Archives and Records Administration Office of Economic Opportunity Files

Figure II

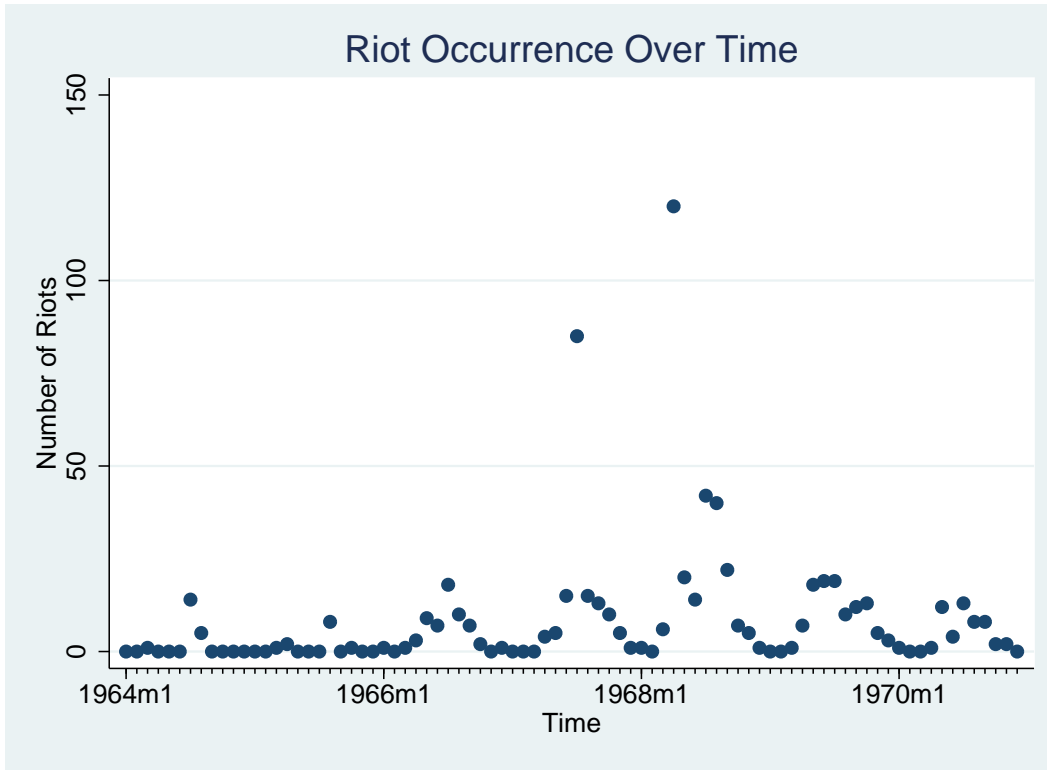


Figure 2: Monthly riot occurrence from 1964 to 1971. Source: Carter, 1986

Figure III & Figure IV

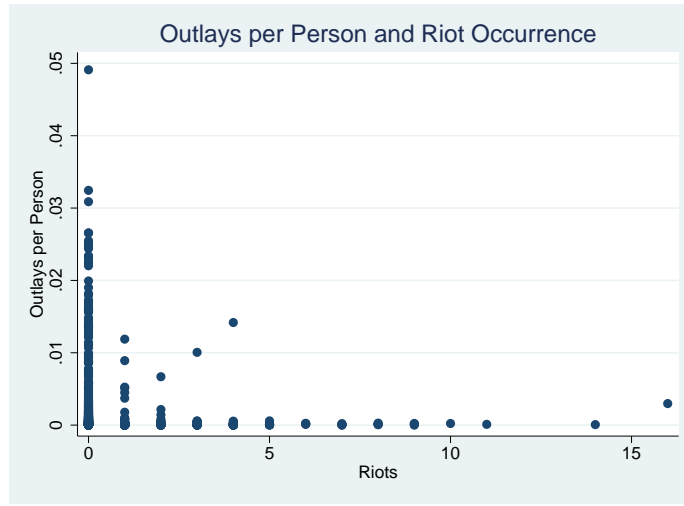


Figure 3: This figure displays the city level relationship between per person CAA outlay funding from 1964-1971 and the number of riots in that city.

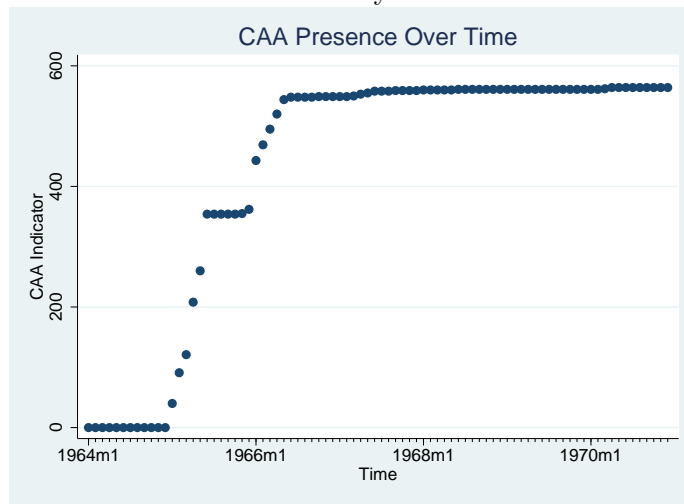


Figure 4: This figure displays the best approximation possible for the number of CAAs in existence in the sample at any point in time. It is assumed that a CAA exists in a city if at any prior point in time the city has received a CAA outlay.

Figure V

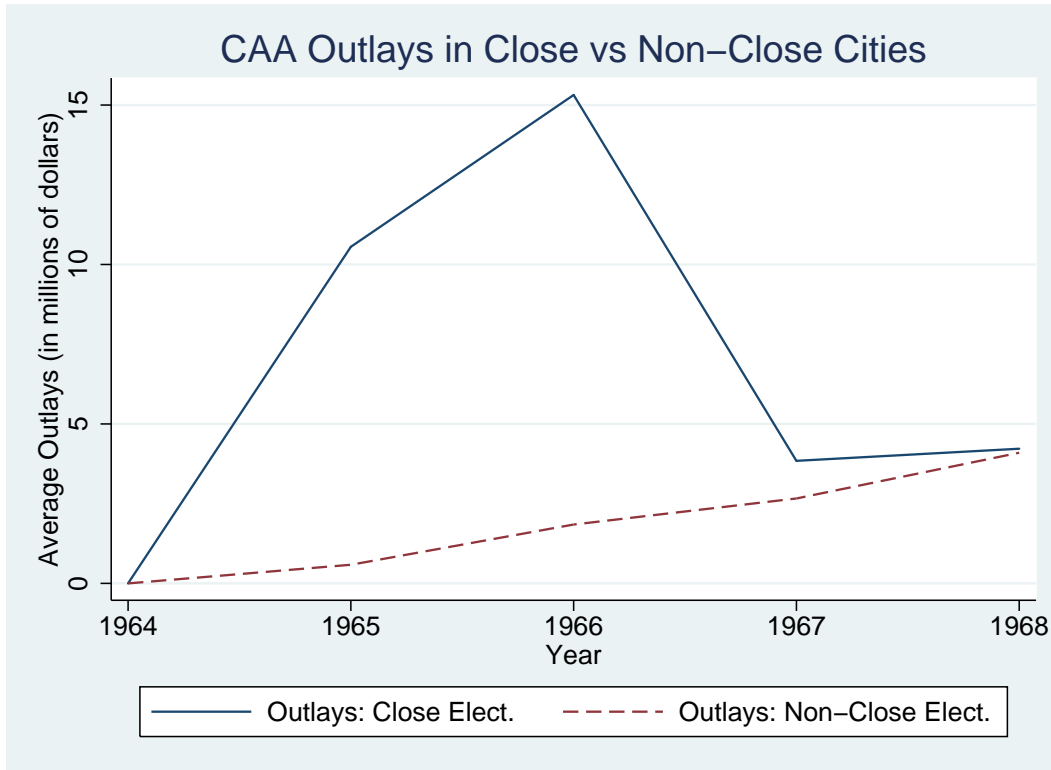


Figure 5: This table displays the mean value of outlays over 1964-1971 provided to a city that had a close election in either 1964 or 1966 in contrast to the mean value of outlays in a city in which there was no close election in 1964 or 1966. A city is defined to have a close election if in either election year the votes in the local county for the Democrats and Republicans were within 5 percent of each other. Cities that include multiple counties may have a partial close tally (ie. 1/2 if the city is in 2 counties and only 1 was close). Such partial cities are excluded from this graph, although in the empirics they are included

Figure VI

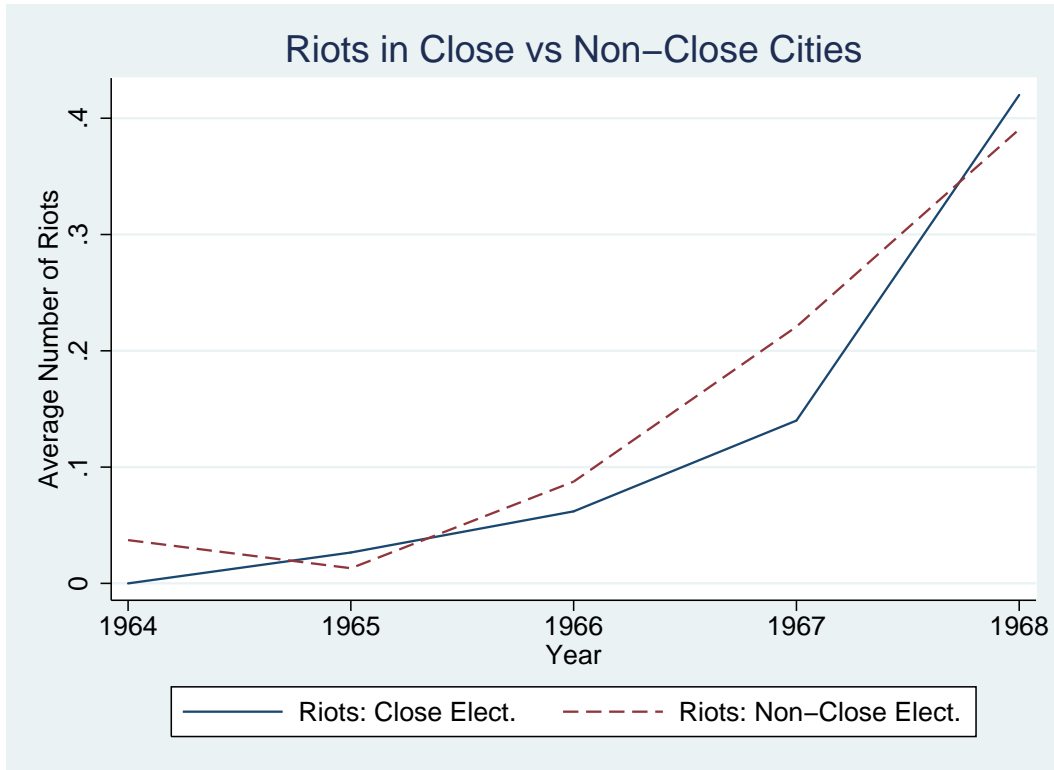


Figure 6: Using the same close election criteria as Figure V this graph compares mean riot occurrence over time in cities that faced close elections in comparison to those that did not.

Figure VII

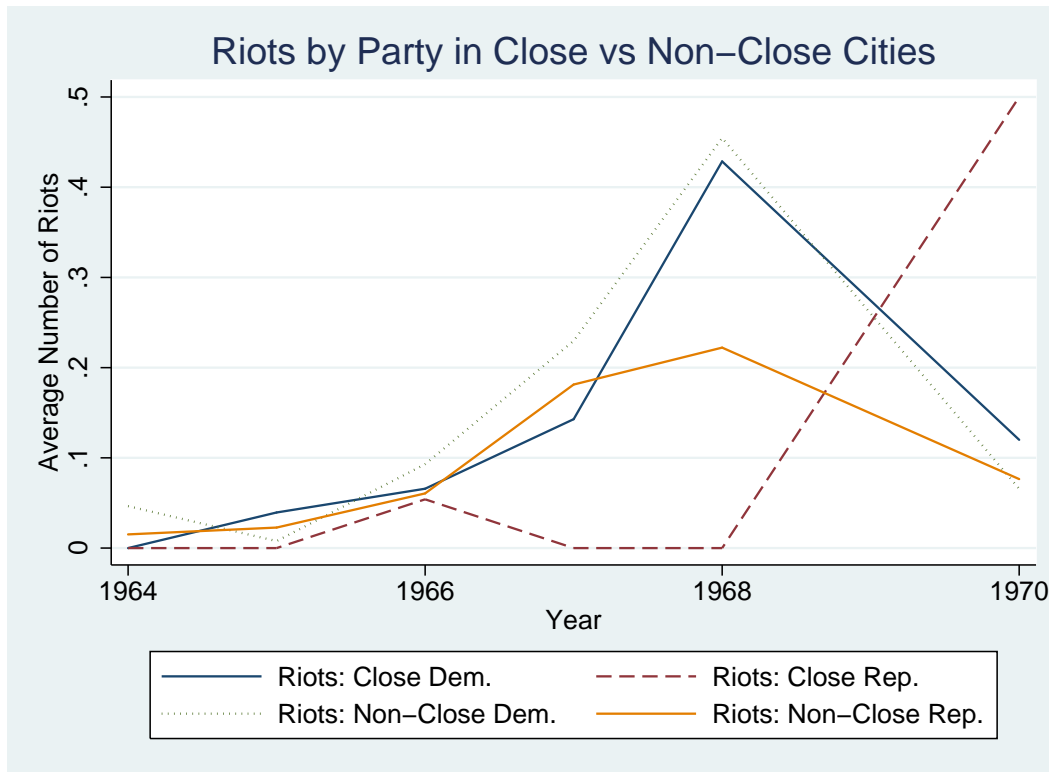


Figure 7: This graph again uses the same election criteria as Figure V and Figure VI, but now occurs riot occurrence based on whether Democrats or Republicans were victorious in the elections. The graph only includes cities in which all seats were won by either Democrats or Republicans.

Figure VIII

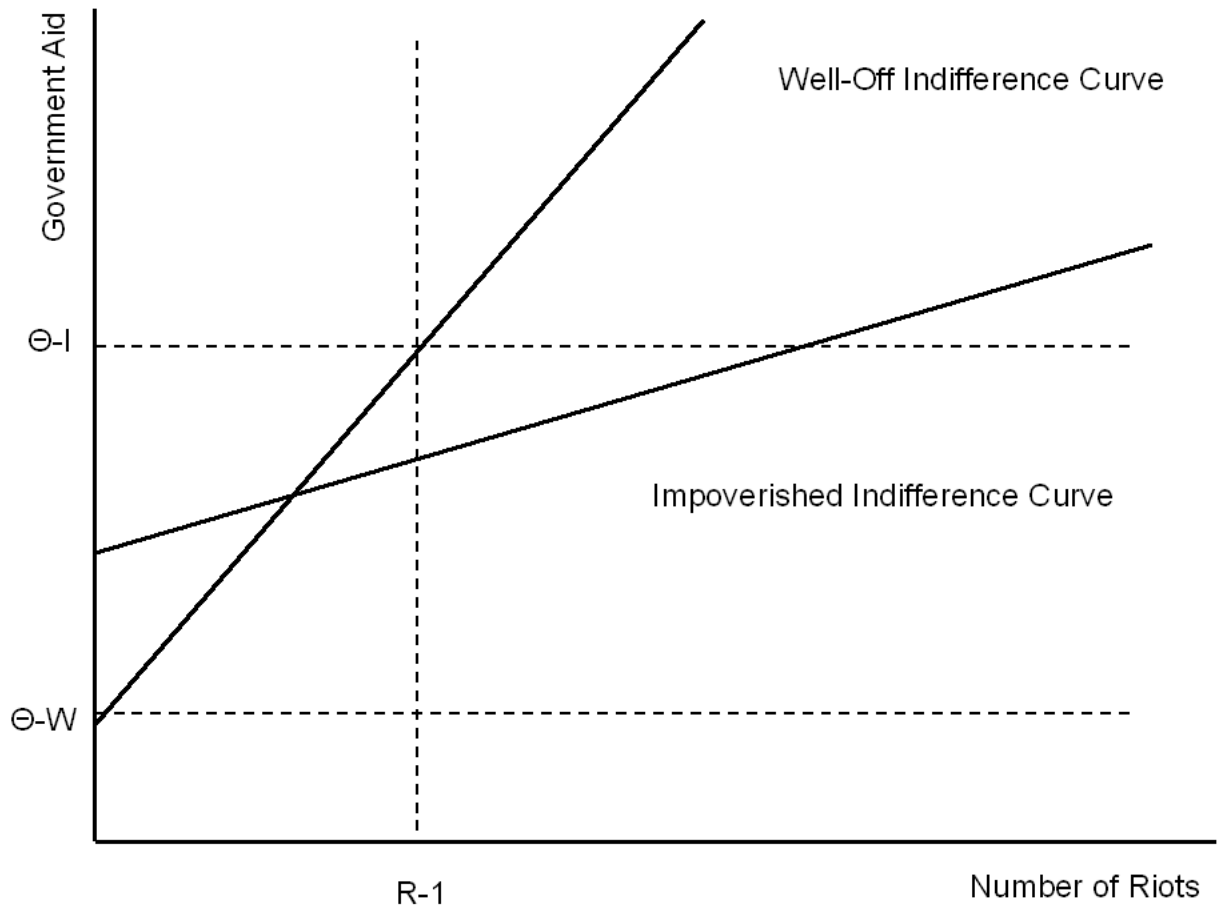


Figure 8: Indifference curves for impoverished and well-off communities in a signaling model.

Table IV - Cross-Sectional Poisson Regressions

	(1)	(2)	(3)	(4)
CAA Outlays per Person	-.158 (.067)**	-.129 (.064)**	-.081 (.053)	-.117 (.066)*
CAA	.220 (.220)	-.142 (.201)	-.140 (.206)	-.132 (.208)
Population	.001 (.0001)***	.002 (.0004)***	.001 (.001)	.002 (.0004)***
South		-.138 (.197)	-.494 (.251)**	
Percent Change in Population		-.292 (.249)	.119 (.185)	-.173 (.226)
Black Median Income		.178 (.028)***	.180 (.033)***	.187 (.028)***
Median Income		-.006 (.041)	-.050 (.045)	.016 (.044)
Unemployment		5.095 (3.079)*	-.161 (3.457)	7.552 (3.313)**
Percent Black		33.665 (4.867)***	35.424 (5.780)***	32.582 (4.795)***
Percentage Change in Black Population		-.278 (.078)***	-.264 (.086)***	-.271 (.079)***
Percent Foreign Born		1.074 (2.014)	.934 (2.353)	1.038 (2.290)
Police		-.256 (.114)**	-.328 (.124)***	-.256 (.125)**
Home Ownership		-1.339 (.701)*	-1.316 (.702)*	-1.661 (.724)**
Median Schooling			.173 (.051)***	
Percentnage Enrolled in Private School			3.258 (.787)***	
People Below Poverty Line			.002 (.007)	
Percentage of Blacks in Poverty			3.580 (.734)***	
Obs.	913	913	913	913

Table 4: The results presented in this table are average marginal effects 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 V - Cross-Sectional Negative Binomial Regressions

	(1)	(2)	(3)	(4)
CAA Outlays per Person	-.107 (.052)**	-.099 (.039)**	-.069 (.035)*	-.096 (.039)**
CAA	-.075 (.195)	-.365 (.204)*	-.346 (.205)*	-.314 (.205)
Population	.005 (.0008)***	.005 (.001)***	.005 (.002)***	.005 (.001)***
South		-.476 (.223)**	-.660 (.250)***	
Percent Change in Population		.025 (.175)	.278 (.160)*	.113 (.147)
Black Median Income		.267 (.027)***	.271 (.037)***	.275 (.028)***
Median Income		-.058 (.051)	-.109 (.056)*	-.027 (.054)
Unemployment		7.682 (4.109)*	.743 (4.200)	10.395 (4.173)**
Percent Black		53.313 (7.442)***	49.158 (7.461)***	50.389 (7.508)***
Percentage Change in Black Population		-.400 (.096)***	-.362 (.100)***	-.364 (.090)***
Percent Foreign Born		2.581 (1.968)	1.597 (2.152)	2.538 (2.464)
Police		-.994 (.269)***	-.840 (.251)***	-.906 (.259)***
Home Ownership		-.792 (.748)	-1.312 (.746)*	-1.419 (.762)*
Median Schooling			.158 (.047)***	
Percentnage Enrolled in Private School			3.300 (.838)***	
People Below Poverty Line			-.007 (.011)	
Percentage of Blacks in Poverty			4.046 (.809)***	
Obs.	913	913	913	913

Table 5: The results presented in this table are average marginal effects for R 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 VI - Cross-Sectional Poisson IV - First Stage Results

	(1)	(2)	(3)	(4)
Population	-.002 (.0007)**	-.002 (.002)	-.008 (.004)**	-.003 (.002)
South		-.194 (.411)	.126 (.457)	
Percent Change in Population		.006 (.177)	-.168 (.180)	-.177 (.175)
Black Median Income		-.219 (.043)***	-.130 (.049)***	-.214 (.042)***
Median Income		.376 (.078)***	.400 (.082)***	.328 (.076)***
Unemployment		-15.947 (7.138)**	-4.568 (7.617)	-21.096 (7.012)***
Percent Black		10.028 (14.358)	7.883 (15.711)	18.463 (14.331)
Percentage Change in Black Population		.108 (.098)	.084 (.098)	.032 (.097)
Percent Foreign Born		1.818 (4.189)	4.639 (4.538)	9.735 (4.542)**
Police		.287 (.680)	.235 (.674)	.597 (.676)
Home Ownership		-4.630 (1.279)***	-4.398 (1.281)***	-3.971 (1.258)***
Median Schooling			-.084 (.041)**	
Percentnage Enrolled in Private School			-4.370 (1.672)***	
People Below Poverty Line			.048 (.027)*	
Percentage of Blacks in Poverty			-4.192 (1.509)***	
Close Election 1964	4.350 (.383)***	3.972 (.379)***	3.936 (.378)***	3.389 (.382)***
Close Election 1966	3.115 (.524)***	2.515 (.509)***	2.573 (.507)***	2.703 (.509)***
Obs.	904	904	904	904

Table 6: The results presented in this table are the first stage results for the instrumented Poisson results presented in Table VII using cross-sectional outlays and riots data collapsed over 1964-1971. 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 VII - Cross-Sectional Poisson IV - Second Stage Results

	(1)	(2)	(3)	(4)
CAA Outlays per Person	-.158 (.067)**	-.129 (.064)**	-.081 (.053)	-.117 (.066)*
CAA	.220 (.220)	-.142 (.201)	-.140 (.206)	-.132 (.208)
Population	.001 (.0001)***	.002 (.0004)***	.001 (.001)	.002 (.0004)***
South		-.138 (.197)	-.494 (.251)**	
Percent Change in Population		-.292 (.249)	.119 (.185)	-.173 (.226)
Black Median Income		.178 (.028)***	.180 (.033)***	.187 (.028)***
Median Income		-.006 (.041)	-.050 (.045)	.016 (.044)
Unemployment		5.095 (3.079)*	-.161 (3.457)	7.552 (3.313)**
Percent Black		33.665 (4.867)***	35.424 (5.780)***	32.582 (4.795)***
Percentage Change in Black Population		-.278 (.078)***	-.264 (.086)***	-.271 (.079)***
Percent Foreign Born		1.074 (2.014)	.934 (2.353)	1.038 (2.290)
Police		-.256 (.114)**	-.328 (.124)***	-.256 (.125)**
Home Ownership		-1.339 (.701)*	-1.316 (.702)*	-1.661 (.724)**
Median Schooling			.173 (.051)***	
Percentage Enrolled in Private School			3.258 (.787)***	
People Below Poverty Line			.002 (.007)	
Percentage of Blacks in Poverty			3.580 (.734)***	
Obs.	913	913	913	913

Table 7: The results presented in this table are average marginal effects for R from a two step Poisson specification using cross-sectional outlays and riots data collapsed over 1964-1971. 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 VIII - Cross-Sectional Index Tobit Regression

	(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)**
People Below Poverty Line			-1.00e-05 (.00002)	
Percentage of Blacks in Poverty			.003 (.002)*	
Obs.	913	913	913	913

Table 8: The results presented in this table are average marginal effects on riot severity from tobit 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 IX - Robustness Check

	Tobit 1	Tobit 2	IV Tobit 1	IV Tobit 2
	(1)	(2)	(3)	(4)
Commerce Outlays per Person	-.0008 (.001)		.003 (.003)	
Interior Outlays per Person		-.0009 (.0007)		.098 (.092)
Population	.006 (.002)***	.006 (.002)***	.005 (.001)***	-.001 (.009)
South	-3.877 (1.351)***	-3.891 (1.307)***	-.329 (.164)**	3.532 (3.079)
Percent Change in Population	.020 (.165)	.009 (.166)	.029 (.041)	5.512 (5.837)
Black Median Income	.237 (.025)***	.235 (.025)***	.027 (.014)**	5.660 (3.957)
Median Income	-.018 (.054)	-.021 (.055)	-.024 (.035)	-2.322 (1.208)*
Unemployment	10.988 (4.159)***	10.180 (4.169)**	3.684 (3.820)	117.798 (104.703)
Percent Black	45.785 (8.635)***	47.059 (9.049)***	38.064 (6.125)***	73.619 (62.779)
Percentage Change in Black Population	-.344 (.082)***	-.349 (.083)***	-.032 (.024)	-5.625 (3.991)
Percent Foreign Born	1.736 (2.380)	1.551 (2.360)	.844 (1.458)	7.422 (24.346)
Police	-1.497 (.443)***	-1.475 (.437)***	-.477 (.368)	-.472 (1.890)
Home Ownership	-1.287 (.753)*	-1.256 (.756)*	-.289 (.455)	-10.202 (11.745)
Close Election in 1964				
Close Election in 1966				
Obs.	913	913	904	904

Table 9: The results presented in this table are average marginal effects on riot occurrence from Poisson specifications using cross-sectional outlays and riots data collapsed over 1964-1971. 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.