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The Future of Affirmative Action

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## **The Future of Affirmative Action**

**by**

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Marta Tienda is an extraordinary social scientist and we are very lucky to have her here at Cornell today. In preparing to discuss her paper, I read a number of her previous writings on percentage plans and learned an enormous amount from her body of research.<sup>1</sup> I encourage you to read her work carefully.

To provide a transition to the next session, I want to begin by talking about the future of affirmative action for underrepresented minorities in the context of another group that historically faced barriers in higher education. Throughout the first half of the 20<sup>th</sup> century, the discrimination that American Jews faced in selective private higher education is well documented.<sup>2</sup> Formal or informal quotas were present at many Ivy League institutions.

If we turn to 1940, we would observe Paul Samuelson being turned down for a regular faculty position at Harvard University, even though he had already completed most of the work on the book, *Foundations of Economic Analysis*, which in 1970 would win him the second Nobel Prize awarded in Economics (and the first to be won by an American). Harvard only had one Jewish faculty member, Seymour Harris, in the economics department in 1940 and his colleagues required him to wait for 18 years until he received tenure.<sup>3</sup> So Samuelson went to a newer university a few miles down the Charles River that recruited faculty based on merit, rather than heritage. A number of

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<sup>1</sup> Marta Tienda, "Equity and Access to Higher Education" (Paper presented at the Center for the Study of Inequality conference on *Now What: Equity and Access to Higher Education in 2004 and Beyond*, Cornell University, Ithaca NY, April 23, 2004)

<sup>2</sup> See for example, James O. Freedman, "Ghosts of the Past: Anti-Semitism at Elite Colleges", *Chronicle Review* (December 1, 2000), Phyllis Keller and Morton Keller, *Making Harvard Modern: The Rise of America's University* (Oxford University Press, 2001) and Dan. A Oren, *Joining the Club: A History of Jews and Yale*, 2<sup>nd</sup> edition (New Haven CT: Yale University Press, 2001)

<sup>3</sup> See Keller and Keller, p.81. Concerned about anti-Semitism in academia, Abram Bergson, a 1940 Harvard PhD in economics published his first paper while a graduate student in 1936 under the alias A. Burk, to reduce the chance that referees and editors would realize that he was Jewish. He went on to have a distinguished career, began using his original last name again when the Holocaust became known and in the mid 1950s returned to Harvard as a tenured faculty member.

other young Jewish economics PhDs, including Robert Solow and Franco Modigliani, shortly joined him there. In Samuelson, Solow and Modigliani, MIT had hired three faculty members who would win Nobel Prizes in Economics during the first 18 years that the Prize was awarded and its economics department became the best in the nation.

The chair I hold at Cornell is named after Irving M. Ives; the long-time majority leader in the New York State Assembly, first Dean of the ILR School and later a two-term U.S Senator. While serving in the NYS Assembly in 1944, Ives co-authored the Ives Quinn bill; the first state antidiscrimination in employment law in the United States, which predated the Civil Rights Act by almost two decades. A committee upon which he served also recommended the creation of the State University of New York in 1947 (until that time the only NYS public higher education institutions were teachers colleges) partially because of the large influx of veterans returning home from the war who wanted college educations and partially because the private selective higher educations in NYS, including Cornell, were believed to be not providing educational opportunities for large numbers of Catholic, Jewish and Negro students.<sup>4</sup>

Ives also sponsored the legislation in 1943 that later created the ILR School at Cornell (his payoff was being appointed first Dean). There was considerable opposition on the Cornell campus and among the Cornell trustees to the creation of ILR –allegedly because the subject matter was too practical to warrant being included at a selective university and because it was feared that the school would become a center of trade union propaganda.<sup>5</sup> Whether opponents were serious in making the first argument might be

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<sup>4</sup> Temporary Commission on the Need for a State University, *Preliminary Report* (Albany NY: Williams Press, 1947) and Oliver Cromwell, *New York Establishes a State University; A Case Study in the Process of Policy Formation* (Nashville TN: Vanderbilt University Press, 1955)

<sup>5</sup> Morris Bishop, *A History of Cornell* (Ithaca NY: Cornell University Press, 1965)

questioned; after all Cornell already had a college of home economics that included a department of hotel administration (later to become an independent college). More likely, a major influence in galvanizing opposition to the new school related to the second alleged reason, namely that it was well known that many of the first faculty members of the school would be Jewish socialists who were involved with the War Labor Board.

Brandeis University was founded in 1948 as the first nonsectarian Jewish-sponsored academic institution in the United States, at least partially to provide educational opportunities for bright Jewish high school graduates.<sup>6</sup> Within 15 years, and virtually without any endowment, its student body grew to be among the very most selective in the nation, with test scores higher than many Ivy League institutions' students' test scores, because of the large number of highly qualified Jewish applicants that were being denied admission to the Ivy League institutions. When religious barriers to college entry broke down in the 1970s, stimulated by Federal financial aid programs that led to need blind admissions and need based financial aid at the Ivy institutions, Jewish students flocked to the Ivy League and the quality of the students at Brandeis plummeted and has never fully recovered.

Moving to the 1950s, my uncle came back from service in the Navy during the Korean War and changed his name from Reuben Ehrenberg to Robert Ehret so he could be admitted to optometry school. One can try to hide one's religion from people who discriminate- it is much harder to try to hide skin one's skin color. In the fall of 1966, when I started graduate school at Northwestern, the undergraduate student newspaper proudly declared that religious barriers to undergraduate admissions had been pierced at

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<sup>6</sup> Abram Leon Sacher, *Brandeis University: A Host at Last* (Waltham MA: Brandeis University, 1995)

the university and that for the first time more than 20% of the freshman class was Catholic and more than 10% was Jewish.

The first American Jew to become president of an Ivy League university was Martin Meyerson, who in 1970 moved from the presidency of the State University of New York at Buffalo to become president of the University of Pennsylvania. Since that time 7 of the 8 Ivies have had, or currently have, Jewish presidents. The one exception is Brown University, which may be forgiven because its president, Ruth Simmons is an African American woman. Put simply, religious barriers in selective private higher education have completely been eliminated and this has been accomplished in about half of a century.

If we date the start of affirmative action for underrepresented racial and ethnic groups in higher education to the mid 1960s (and Cornell's experiences during that time are well-known<sup>7</sup>), 25 years from the recent Supreme Court ruling will take us to roughly 2030 – some 65 to 70 years after the beginning of affirmative action. The next session will address whether we can reasonably expect that the future pace of the progress made by ethnic and racial minorities in higher education will be as fast as the pace that American Jews experienced in an earlier era, so that affirmative action for racial and ethnic minorities will not be needed by 2030.

While Marta's focus is on public higher education, I also want to discuss selective private higher education. Selective private higher education institutions graduate only a small fraction of American college students; however, we disproportionately produce the leaders of industry, education and government in America. Thus, to have a diversified

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<sup>7</sup> Donald Downs, *Cornell '69: Liberalism and the Crisis of the American University* (Ithaca NY: Cornell University Press, 1999)

student body on our campuses is important, both so that the next generation of our nations leaders will be exposed to the views of members of all racial and ethnic groups and so that members of all groups will receive the “boost” we provide students in earnings, in access to graduate schools and in access to leadership opportunities.<sup>8</sup>

The process of recruiting, admitting and enrolling students at these institutions is an expensive one. A survey undertaken almost a decade ago that I cited in my book, *Tuition Rising*, suggested that institutions like Cornell were spending almost \$2000 for each first-year student that they enrolled; the figure is likely much higher today.<sup>9</sup>

Affirmative action at these institutions takes place very much like affirmative action takes place at the University of Michigan Law School, with individuals being judged on individual merit without any blanket advantage being awarded for race or ethnicity.

“Percentage admission” rules are not possible at these selective private institutions because access to them is open to students from all states (and nations). The admissions processes they follow lead to a very different set of student being admitted than would occur under a “percentage rule”. In 1999, Cornell’s former president Frank Rhodes wrote an op. ed. piece for the *New York Times* that argued for the importance of affirmative action in higher education and against the Texas 10 percent plan.<sup>10</sup> Although he never used the information, while preparing his piece Frank asked me to find out from Cornell’s Office of Institutional Research how many underrepresented minority applicants we had admitted to Cornell’s contract (state-assisted) colleges that year that

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<sup>8</sup> Dominick J. Brewer, Eric R. Eide and Ronald G. Ehrenberg, “Does it Pay to Attend an Elite Private College? Cross-Cohort Evidence of the Effects of College Type on Earnings, *Journal of Human Resources* 34 (Winter 1999) and Eric Eide, Dominic K. Brewer and Ronald G. Ehrenberg, “Does it Pay to Attend an Elite Private College? Evidence on the Effects of Undergraduate College Quality on Graduate School Attendance, *Economics of Education Review* 17 (October 1998): 371-376.

<sup>9</sup> Ronald G. Ehrenberg, *Tuition Rising: Why College Costs So Much* (Cambridge: Harvard University Press, 2000)

<sup>10</sup> Frank H. T. Rhodes, “College By the Numbers”, *New York Times* (December 24, 1999)

were not in the top 10% of their high school classes. He similarly asked me to find out how many underrepresented minority applicants we had rejected that were in the top 10% of their classes. Both of these numbers were very large – if we had followed a “percentage admission” rule the composition of our underrepresented minority student body at Cornell’s contract colleges would have been very different. All of the resources that we devote to the admissions process allow us to judge individuals as individuals.

How expensive it is to judge individuals as individuals, rather than to use screens like “percentage rules”, or to use the now prohibited University of Michigan undergraduate point system, became evident to the University of Michigan this past year. Michigan spent \$1.8 million more dollars evaluating applicants for undergraduate admissions than it did the year before, an increase in cost of 40%.<sup>11</sup> This occurred during a year when the institution’s state support was cut 10 percent and when it was forced to make \$37 million dollars in cuts that included layoffs and restrictions on faculty hiring. However, viewed in the context of an institution with a current operating budget of over \$1 billion dollars, it is clear that the added cost of moving closer to what the selective private universities have long done is not a major cost for the university. If institutions place a high priority on attaining a diverse student body, they should be willing to pay for it.

I am now in my 29<sup>th</sup> year as a Cornell faculty member and it has been gratifying for me to watch how much more similar, in terms of academic performance, our underrepresented minority and other students have become during the period. For example, the six-year graduation rate for underrepresented minority students who entered

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<sup>11</sup> Greg Winter, “After Ruling, 3 Universities Maintain Diversity in Admissions”, *New York Times* (April 13, 2004)

Cornell in the fall of 1980 was almost 20 percentage points lower than the six-year graduation rate for other entering first-year students. By the class that entered in the fall of 1989, this differential had fallen to 10 percentage points – not what we would hope for in an ideal world but a considerable improvement.<sup>12</sup>

Whether this convergence reflects an increase in Cornell’s ability to choose those underrepresented minority students who can benefit the most from being at Cornell, the growth during the period in the number of middle class underrepresented minority college applicants with college educated parents, or better counseling and academic support services for underrepresented minority students once they get to Cornell can not be gleaned from these crude comparisons. Furthermore, the differential in graduation rates has been “stuck” at about 10 percentage points ever since the class that entered in the fall of 1989 and we need to know why this differential still exists. Is it due to different distributions of underrepresented minority and other students across Cornell colleges? Is it due to the two groups having different distributions of admissions characteristics, such as test scores? Is it due to differences in family backgrounds between the two groups, including parental education levels and family incomes? Or is it due to other, unexplained, factors? Writing this discussion has led me to think about the importance of Cornell’s conducting research on this topic and in the near future I intend to propose to our senior administration that Cornell do so (i.e. that they provide me with access to the necessary data to conduct the analyses).

One of my missions in life is to actively involve as many undergraduate students as I can in research, with the goal of encouraging them to go on for PhDs. Next fall, I will

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<sup>12</sup> Cathy Alvord, *First-Time Freshman Graduation Rates: Fall 1980-Fall 1995 Entering Classes* (Office of Institutional Research and Planning, Cornell University, May 2002)

have two African American undergraduate students working with me. One, who will be an Arts College junior, grew up in the absolute worst area of the Bronx, somehow overcame poverty and inferior elementary and middle schools and made his way to the Bronx High School of Science and then to Cornell, where he is now jointly majoring in mathematics and economics. The other, who will be an ILR sophomore, came from the Detroit area with AP credit in economics. In his spare time, he is a member of Cornell's football and indoor and outdoor track teams, performing in the decathlon for the latter. When I meet students like these two, I know that "affirmative action" at Cornell means something very different than it did 25 years ago. If these students are representative of what more broadly is happening at selective private institutions, then the Supreme Court may be right that the need for affirmative action at these institutions may fade away over the next 15 to 25 years.

Of course as Marta has pointed out, what goes on at a selective private higher education institution is very different than what goes on at public higher education institutions. We have the luxury of being able to "cherry pick" the least disadvantaged (in terms of educational background) underrepresented minority students. We have the resources to offer them generous financial aid packages that make it possible for them to attend our institutions. Whether affirmative action will still be required in public higher education 25 years from now will be much more dependent on school finance reform and other efforts to assure that the quality of elementary and secondary education that a student receives depends much less than it currently does on the income level of the neighborhood in which he or she lives. It will also depend on the future tuition and financial aid policies promulgated by states and the federal government.

Indeed, once we start thinking about students' socioeconomic backgrounds, issues of class, rather than race and ethnicity, jump to the foreground. Recent research indicates that, on average, only about 10 percent of the undergraduate students at a set of selective private colleges and universities in the United States, the COFHE institutions, come from families whose family income is in the lower two quintiles of the family income distribution.<sup>13</sup> This research was at least partially responsible for Harvard's President, Lawrence Summers, recently announcing that Harvard would no longer require families whose family incomes were less than \$40,000 a year to contribute anything towards their children's cost of attending Harvard.<sup>14</sup> What the likely impact of this change will be is unclear; a study by three of Marta's Princeton colleagues found that when Princeton eliminated all loans from its financial aid packages, it increased the probability that low-income students would accept its offers of admission by only 3 percentage points.<sup>15</sup> Such evidence, along with his own recent research, has led William Bowen, President of the Andrew W. Mellon Foundation, to assert that if selective private academic institutions are sincere about wanting to enroll more students from lower-income families, it will be necessary to give them preferences in admission in the same way that we give legacies, athletes, and underrepresented minorities preferences in admissions.<sup>16</sup> Hence, the future

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<sup>13</sup> Catherine Hill, Gordon Winston and Stephanie Boyd, "Affordability, Family Incomes and Net Prices at Highly Selective Private Colleges and Universities", *Williams Project on the Economics of Higher Education Discussion Paper Dp-66* (Williams College, October 2003) (available electronically at [www.williams.edu/wphe](http://www.williams.edu/wphe))

<sup>14</sup> Julianne Basinger and Scott Smallwood, "Harvard Gives a Break to Parents Who Earn Less Than \$40,000 a Year", *Chronicle of Higher Education* 50 (March 12, 2004): A35.

<sup>15</sup> David M. Linsenmeier, Harvey S. Rosen and Cecilia Elena Rouse, "Financial Aid Packages and College Enrollment Decisions: An Econometric Case Study", *National Bureau of Economic Research Working Paper No. W9228* (Cambridge MA: National Bureau of Economic Research, September 2002). The effect among low-income minority students was larger- between 8 and 10 percentage points.

<sup>16</sup> Peter Schmidt, "Noted Higher-Education Researcher Urges Admission Preferences for the Poor", *Chronicle of Higher Education* 50 (April 16, 2004): A26

of affirmative action at selective private academic institutions may well relate to class, as well as to race and ethnicity.