

# Did the War on Poverty Stop the 1960s Race Riots?

Rob Gillezeau, University of Michigan

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## Abstract

This paper uses recently digitized records of War on Poverty spending to determine whether anti-poverty spending was successful in discouraging the 1960s race riots. Using both a cross-sectional instrumental variables strategy and a panel approach, funding for the Community Action Program (CAP) is found to have decreased the number of riots by 15-60% and the intensity of rioting by 45-54%. Political empowerment programs such as community organizing and legal assistance proved more effective at halting the rioting than economic programs. The results suggest that the root cause of the 1960s riots may have been political disempowerment rather than economic poverty.

## JEL Classification

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## Keywords

War on Poverty, riots, government expenditures, welfare programs, community action, community organizing

## Contact Information

Department of Economics, University of Michigan, 611 Tappan Street, Ann Arbor, MI, 48104 (gillezr@umich.edu)  
Office of the Leader of the Official Opposition, 131 Queen Street, Ottawa, ON, K1L5Z8 (rob.gillezeau@parl.gc.ca)

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# 1 Introduction

Rioting remains prevalent today and can be a massively destructive force.<sup>1</sup> London faced five days of massively destructive riots in 2011 while Paris and other French cities experienced weeks of rioting in 2005.<sup>2</sup> In this paper, I study the most prominent outbreak of American rioting, which struck hundreds of cities across the United States in the 1960s. The outbreak of rioting in the 1960s provides an ideal laboratory to study the causes of riots and evaluate the efficacy of interventions designed to prevent them.<sup>3</sup> The 1960s riots were enormously destructive (Collins and Smith, 2007; Collins and Margo, 2007), however, we understand little about them.<sup>4</sup> In particular, we have little understanding of the effectiveness of government efforts to halt rioting. There is no economic research that attempts to identify the causal impact of an anti-riot program beyond police or military involvement in a developed country.

This study seeks to answer the question of whether a targeted government anti-poverty program can be effective in preventing or halting rioting. In particular, I examine whether the Johnson administration's funding for the Community Action Program (CAP) was successful in discouraging the 1960s race riots. Just as these riots began to break out across the United States, Lyndon Johnson launched his "unconditional War on Poverty."<sup>5</sup> After the devastation wrought in the Watts Riot and the escalation of rioting across the country, President Johnson turned to the Community Action Program (CAP) and its anti-poverty mission as the federal government's best chance to end the riots (Cazenave, 2007; Germany, 2004), which were undermining the Democrats' political agenda.<sup>6</sup> Most CAAs employed a two-pronged approach to combating poverty and the riots: they empowered local citizens through community organizing and coordinated federal grants meant to directly alleviate poverty. Critics, contemporary and otherwise, have argued that the CAP may have actually had a perverse effect and helped to trigger many of the riots (Cazenave, 2007; Sowell, 2004)

The empirical analysis employs both cross-sectional and panel approaches to explore the relationship between rioting and CAP outlays. I begin with a basic series of OLS regressions to get a sense of the correlational relationship. However, these results are inconclusive as a result of the significant endogeneity inherent in the relationship between CAP outlays and rioting. To attempt to resolve this problem, I take

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<sup>1</sup>There are a number of contemporary examples of rioting in the United States. The most recent example is the outbreak of rioting in Ferguson, Missouri.

<sup>2</sup>In both the 2011 English riots and the 2005 French riots, the price tag of the rioting easily ran into the hundreds of millions of dollars in short term costs alone (Dodd, 2011).

<sup>3</sup>It is a particularly effective case study as the 7 year duration allowed sufficient time for a government policy response. More recent outbreaks of rioting have typically been days long at a maximum.

<sup>4</sup>To date, neither economists nor sociologists have managed to develop a causal explanation, although some progress has been made. We know that the riots tended 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). We also know that enforcement played a role in that having either too few or too many police officers (Carter, 1987) could contribute to the outbreak of rioting. And we know that the proximate cause tended to involve some type of interaction between the police and members of the African American community.

<sup>5</sup>This was truly a massive expansion in direct federal government funding to communities that was intended to aid 35 million Americans in their struggle to escape from poverty. It amounted to over 15 percent of the federal budget by 1970 before its dismantling, although a number of its more successful programs have lived on.

<sup>6</sup>It is important to acknowledge that the roll-out of the nation's CAAs was already underway when the riots began and their funding plans had, to some degree, already been determined for future years.

advantage of the panel dimension of both the rioting and CAP data to conduct a a panel analysis of total and cumulative CAP outlays.<sup>7</sup> These results also find a large, negative treatment effect with a robust set of controls, time trends, and fixed effects. However, it remains possible that, even with a rich set of controls, a non-observed time-variant variable is correlated with the error term. Thus, in a third approach, I employ an event study analysis of how riot behaviour changed after the initial funding of a CAA in a county. This approach is attractive as it may solve the endogeneity problem. The results from this step indicate that the presence of a CAA may have reduced rioting, but there is a meaningful pre-trend that cannot be completely eliminated. Finally, I return to the cross-section and employ an instrumental variables strategy based on Democratic attempts to expand their voting base to achieve identification. In particular, the strategy takes advantage of the fact that the Johnson administration attempted to solidify their political support in “growth” areas through greater War on Poverty spending. The results indicate that CAA outlays significantly decreased both the number and severity of rioting and that outlays had a long-lasting impact on riot occurrence. Depending on the identification strategy, general spending on the CAP decreased the the number of riots by 15-60% and the intensity of rioting<sup>8</sup> by 45-54%<sup>9</sup>. This is a remarkable treatment effect given that combating the riots was not the primary goal of the program.

In addition, I am able to divide spending by program type in the panel analysis. Community organizing and CAA administration were the most effective methods of preventing riots,<sup>10</sup> rather than the provision of direct anti-poverty services. These results are suggestive of the possibility that the 1960s race riots may have been driven by political disempowerment of poor African Americans rather than purely as a result of economic poverty. Given the similarity of the recent riots in England and France to the 1960s race riots, these results suggest that economic programs may not be the most effective policy response to prevent future rioting.

## 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.<sup>11</sup> The riots occurred in cities of all sizes,<sup>12</sup> but the worst rioting occurred in Detroit, Los Angeles, Newark and Washington, DC.<sup>13</sup> The riots 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 in 1966 and 1967, peaking

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<sup>7</sup>I am able to divide spending by program type using this approach.

<sup>8</sup>As measured by an index of deaths, injuries, arrests, cases of arson, and days of rioting.

<sup>9</sup>The lower bound of the treatment effect comes from the panel analysis while the upper bound of the treatment effect is from the instrumental variables analysis.

<sup>10</sup>This is true regardless of whether the metric used is the number of riots or severity.

<sup>11</sup>These 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.

<sup>12</sup>Similarly, cities of all sizes realized different frequencies of riot occurrence. Approximately half of cities experienced more than a single riot.

<sup>13</sup>The 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. The most severe incidents of rioting are summarized in the Appendix.

in the aftermath of the assassination of Dr Martin Luther King Jr.<sup>14</sup> In Figure 1 of the Appendix, I plot the occurrence of the riots.<sup>15</sup> The number of riots peaked in 1968, from which point they began to dwindle shortly after the election of Richard Nixon.

The riots left dozens dead and thousands injured.<sup>16</sup> Furthermore, there were thousands of arson cases and other destructive acts. While it is difficult to quantify many of the long-lasting effects of the riots we know that hundreds of millions of dollars in property damage occurred<sup>17</sup> and the 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), which had already begun. These are likely only a subsection of the substantial economic costs that many inner city African Americans have faced as a result of the rioting.

Anecdotal and survey evidence (Sears and McConahay, 1973) collected in the aftermath of several of the riots suggests that they were not planned occurrences. Rather, the evidence indicates that the riots were spontaneous events triggered by some a perceived injustice (Bauman, 2008). The spark was often a perceived injustice against the African American community by a police officer.<sup>18</sup> For example, the Detroit Riot of 1967 was triggered by a police raid on a “blind pig” in the downtown core.<sup>19</sup> The club 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) who were unhappy with the police action. 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 War on Poverty & 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 of the programs of Roosevelt’s New Deal and its contemporary roots in Kennedy’s Committee on Juvenile Delinquency.<sup>20</sup> The Community Action Program (CAP) and its physical manifestations, Community Action Agencies (CAAs), were at the heart of the War on Poverty, being charged with coordinating the fight against poverty at the

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<sup>14</sup>In 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.

<sup>15</sup>There is an important seasonal component to rioting captured in the figure: rioting overwhelmingly occurs in the spring and summer months.

<sup>16</sup>According to the database assembled by Carter (1986), 228 people were killed, 12,741 were injured, and 69,099 were arrested.

<sup>17</sup>Estimates of the property damage have been created for some of the larger riots. For example, it is estimated that 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).

<sup>18</sup>Carter (1987) has studied the u-shaped relationship between the size of the local police force and riot occurrence.

<sup>19</sup>A blind pig is an after-hours club that illegally sells alcohol.

<sup>20</sup>The latter, in particular, served as the basis for the War on Poverty, serving as testing ground for many of the concepts later employed in the War on Poverty.

local level. The Economic Opportunity Act of 1964 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 intended to serve as the organizers.

In the original formulation 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. 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. This division of representation generally held in practice, although the members were typically appointed rather than elected by the community. CAAs could be very different on the ground: some were controlled by local political machines while others were genuine, grass-roots organizations. Many CAAs were either founded or staffed by organizers from the most prominent civil rights organizations including the NAACP and NUL (Paden, 2011). Given their control over significant amounts of federal funding, there were regularly turf wars within local political machines and civil rights organizations over the formation of new CAAs, their staffing, and the allocation of funds (Paden, 2011).

In their initial formulation, these CAAs were to be tasked with three goals by the Office of Economic Opportunity: 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. This initial vision for CAAs, however was quickly transformed and they were given a new mandate to be the actual service providers (Sundquist, 1969) with a de-emphasized 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.<sup>21</sup> A vast array of CAP programs tackled poverty from every angle: VISTA (Volunteers in Service to America), the Jobs Corps, Head Start, 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 as initially envisioned by Sargent Shriver.<sup>22</sup>

### **2.3 The Interaction of the CAP and the Riots**

The goal of the War on Poverty and the Community Action Program under Sargent Shriver was to economically empower America’s poor by making them smarter, happier, and healthier. And it was also the belief of President Johnson that “the only genuine, long-range solution for what has happened [the riots] lies in

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<sup>21</sup>Governors 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.

<sup>22</sup>In 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”.

an attack-mounted at every level—upon the conditions that breed despair and violence” (Harris and Wilkins, 1988).<sup>23</sup> Johnson essentially believed that a core anti-poverty mandate would be successful in putting an end to the rioting. Economic empowerment, acting through programs such as the Jobs Corps, health services, and even the expansion in the food stamps program may have discouraged urban 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. Rioting may have also simply been signaling mechanism, as described later in this paper, for services and their provision removed the benefits of rioting. Finally, jobs at CAAs may have been directly allocated to many of the poor providing them with a stable income that would be at risk if they participated in rioting.

The other possibility is that CAAs’ efforts to politically empower the poor may have helped prevent rioting. CAAs were governed, in part, by the local poor and may have discouraged rioting by allowing the grievances of those in poverty to be addressed. The poor were guaranteed at least one third representation on each CAA council.<sup>24</sup> If rioting was intended to make a silenced voice heard, CAAs may have been able to meet that goal. The idea that rioting came out of grievances against the state was held by many mayors. Mayor Lindsay of New York City created a special task force, associated with the CAP, to be dispatched to poor neighbourhoods to determine the nature of their grievances (Reeves, 1968). These grievances could take many forms: from poor housing and sanitation to the rage felt by so many after the assassination of Dr. King. For example, in Newark, the local CAA was governed by an alliance of militants and moderates. After the assassination of Dr. King the leader of the CAA, Tim Still, paid 300 youths 5 dollars each to head to the ghetto to remind angry residents of Dr. King’s message of non-violence. This act of community organizing has been credited with preventing a deadly outbreak of rioting in Newark (Cook, 1968). This mechanism would be consistent with the “social disorganization” 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.<sup>25</sup>

While the conventional wisdom suggests that the Community Action Program either discouraged rioting or had a negligible impact, there are plausible hypotheses that suggest that the CAP may have had the opposite impact. For example, Sowell (2004) argues that it is possible that the efforts of CAP to empower poor African Americans may have helped trigger the riots or intensified them. It is possible that CAAs created economic and political expectations that they were unable to meet, resulting in frustration and rioting.<sup>26</sup> 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

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<sup>23</sup>This 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.

<sup>24</sup>If disenfranchised they had the ability to form a new private CAA that could then compete for federal funding.

<sup>25</sup>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.

<sup>26</sup>This would be consistent with the sociological theories of Berkowitz (1968).

be a rising frustration and militance or a return of apathy". For many of the poor, there was reason for frustration. The promise of elected representation on CAA boards was often not realized as government officials moved to appoint representatives (Clark and Hopkins, 1969). In many cities, there were power struggles between the municipal government and the poor<sup>27</sup> for control of CAAs. There is evidence from the Watts riot that unmet expectations for the War on Poverty may have helped drive the riots. According to Bauman (2008), early commentators agreed that the failure of Los Angeles to settle on a leadership group for its CAA contributed to the Watts Riot. Mayor Yorty 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. Some have interpreted the Watts riot as more than a rebuke of Yorty, but rather an attempt to attract federal dollars to Watts (Sprinkles, 1971).

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 of achieve this goal.<sup>28</sup> 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. There were articles in the press covering efforts by the CAP to combat this discourse (Unknown, 1967a). We do know of cases in which CAP workers were arrested for inciting a riot (Unknown, 1967b); in addition there exists documentation of several CAP rallies that escalated into rioting (Unknown, 1968). In addition to the potential for violence against local authorities, there was competition for scarce 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 (Cazenave, 2007; Olzak et al., 1996).

These potential mechanisms for CAAs influencing riot occurrence are not mutually exclusive and it is likely that each occurred in different communities. Next, I discuss a possible signaling model that may underlie the interaction of War on Poverty funding and rioting and that is consistent with these mechanisms.

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<sup>27</sup>The poor were not without allies in these struggles; the federal government often sided with community members rather than municipal or state officials.

<sup>28</sup>This workbook was referenced during congressional hearings as evidence that the Community Action Program was politically motivated and militant.

### 3 A Simple Model of Riots as a Signaling Problem

I model the decision to riot as a community-level signaling model problem (Spence, 1973) in order to gain greater insight into the relationship between the decision to riot, poverty, political disempowerment, and government allocations. This model is able to reflect situation under which CAAs may both increase and decrease the propensity to riot.<sup>29</sup>

The agents in this model are the African American communities found in cities in the United States. I assume that there are two types of communities: impoverished ( $\theta_I$ ) and well-off ( $\theta_W$ ).<sup>30</sup> These two types differ over their value of  $\theta$  ( $\theta_I \geq \theta_W$ ), which is a parameter indicating both the level of poverty and segregation (or simply hardship) in the city. African American communities are aware of their own level of  $\theta$  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  $G$ , which is provided by the government. As such, the normalized community-level utility 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:

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

where  $f()$  is increasing in  $R$ .  $k_i$  is cost multiplier that is a function of  $\theta$  that differs in impoverished and well-off communities such that  $k_W \geq k_I$ . This assumption is reasonable as the opportunity cost of rioting should be greater in a well-off community. 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.

If the types were observable the government would provide  $G_t = \theta_t$  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  $\lambda$  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 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

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<sup>29</sup>Applying a global games framework to rioting can also provide valuable insights into individual and community behaviour.

<sup>30</sup>Note that these communities could similarly reflect markers of local political empowerment.

equilibrium, as displayed in Figure 5, 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  $k_W - k_I$ . 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 choose not to riot.

The key takeaway from the model is that there are plausible scenarios under which the CAP could have either increased or decreased rioting. It also shows that the CAP could decrease rioting regardless of whether the root causes were economic or political. 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 is reasonable to assume that an individual decision process, similar to Glaeser and DiPasquale (1998), is underlying the model.

## 4 Empirical Analysis

In order to determine which factors are dominant, and hence the aggregate impact of the Community Action Program on rioting, I conduct a four stage empirical analysis. First, I perform a cross-sectional correlational analysis of riot severity or occurrence and spending. However, these results are inconclusive and subject to a significant endogeneity problem. Second, I take advantage of the time dimension of the data and conduct a panel analysis with a robust set of controls, fixed effects, and time trends to further specify the treatment effect. However, this approach is subject to endogeneity from time variant factors. Third, I attempt to resolve this endogeneity by determining whether rioting responds to the initial funding of a CAA using an event study approach. However, this approach only considers the extensive margin of treatment and has a pre-trend that is difficult to eliminate. Thus, I return to the cross-sectional data and employ an instrumental variables strategy to derive a causal estimate.<sup>31</sup>

<sup>31</sup>The cross-sectional analysis is important valuable as, although timing data is available, there is no of when CAP funds actually reach a community.

## 4.1 Correlational Cross-Sectional Analysis

In this first stage of the empirical analysis, I use OLS to estimate the correlational relationship between riot occurrence or severity and CAA spending in the cross-section.

### 4.1.1 Data

The data contain over 3000 counties and super-counties.<sup>32</sup> For each county, I have a range of economic and demographic covariates covering population, ethnicity, income, unemployment and other variables. The full list of covariates are listed in the Appendix. These variables cover the range of covariates traditionally used in the sociological literature (Myers, 1997) that examines the 1960s riots. I also have detailed information for each county on the over 700 riots that occurred across the United States from Collins and Margo (2007). I construct two principal dependent variables using the riots data. The first measure is simply the number of riots that occurred in each county between 1964-1971. The second measure is an index of severity. This index is equal to the sum of the total share of arrests, deaths, injuries, and arson cases that occurred in each county from 1964-1971.<sup>33</sup> As additional robustness tests, I include various absolute measures of intensity including: the total number of days of rioting, the number of people killed, the number of people injured, and the number of arson cases.<sup>34</sup> The independent variables of interest (CAP spending and CAP spending by program type) are created from the archival records of the Office of Economic Opportunity. The CAP spending data cover the period 1965-1971 with a major gap in the data occurring in 1969. As such, the primary analysis only includes CAP spending from 1965-1968. In addition, I construct an indicator variable for the presence of a CAA in each county.

Figures 1 and 2 plot the occurrence and severity of the rioting over the time period. The two figures generally mirror each other, although there is significantly greater variation in riot intensity early in the period and significantly less variance later in the period. Figure 3 plots severity by killings, arson, arrests, and injuries and follows the same trends. Figure 4 plots the number of riots that occurred in each city over the period. It is a common misconception that cities experienced only a single riot. In fact, only 154 cities experienced a single riot. Cities large and small experienced multiple cases of rioting. For example, Benton Harbor, Michigan witnessed 4 riots while Washington, DC experienced 17 riots.

Figure 6 plots the establishment of CAAs and the number of counties that had received funding for at least one CAA. The figure shows that CAAs were initially funded in two waves in 1965 and 1966, with a handful of counties receiving funding for the first time in 1967 and 1968. The distribution of CAP outlays by year are displayed in figure 7. As is clear in the figure, War on Poverty outlays roll out slowly in 1965 ramping up to a peak in 1968.<sup>35</sup> The initial disbursement of outlays in 1965 was heavily targeted towards large cities with populations over 600,000. In 1966, outlays shifted to a more even urban-rural divide with

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<sup>32</sup>The results are robust to limiting the sample to counties with populations over 25,000, populations under 500,000 or those with at least 1000 African Americans.

<sup>33</sup>In other words, the index is equal to the number of arrests in city  $X$  divided by the number of arrests across all cities, plus the number of deaths in city  $x$  divided by the total number of deaths across all cities and so forth.

<sup>34</sup>The results are also robust to the use of an absolute severity index, which is simply the sum of all severity components in a county.

<sup>35</sup>Even at this peak, the War on Poverty accounts for only about 1% of the federal budget.

outlays to regions with fewer than 150,000 people roughly equaling outlays to regions with a population over 600,000. In general, most of the CAA programs described in the Appendix ramped up along with overall CAA spending, although health care spending rolled out somewhat more slowly than other programs.

#### 4.1.2 Methodology

For the baseline cross-sectional analysis, I employ a simple OLS regression framework. In general, I include regional fixed effects and correct the standard errors for heteroskedasticity. These regressions can be expressed as the following linear specification:

$$R_i = \alpha + \beta O_i + \gamma X_i + e_{it} \tag{1}$$

Where  $R$  represents the number of riots or the severity of rioting in county  $i$ ,  $O$  is the per capita value of CAA outlays to the county, and  $X$  is a vector of covariates, including state or regional controls.

#### 4.1.3 Results

In Part A of Table 3, I present results from the OLS 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 socio-economic covariates. Part B of Table 3 presents similar results for the severity index. These results are inconclusive. In general, CAA outlays per capita appear to be positively correlated with riot occurrence and intensity, although the presence of a CAA is negatively correlated with riot severity. It is also worth noting that the  $R^2$  values from the results, as it is clear that the variables are much more effective at explaining the occurrence of rioting rather than the actual severity of the riots.

Clearly, there are any number of sources of endogeneity biasing the results here. In particular, the War on Poverty was targeted towards many African American communities that were highly unequal in both income and segregationist attitudes, which could easily bias the results. In the remaining 3 sections, I implement alternative approaches to better understand the true nature of this relationship.

## 4.2 Panel Analysis

In order to further investigate the intensive margin of being treated by a CAA, 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 in a fixed effects OLS analysis. Through county-specific fixed effects, this approach eliminates time-invariant biases found in the OLS approach.

### 4.2.1 Data

The panel analysis spans 1964-1968 and includes all of the 3000 plus counties present in the cross-sectional analysis. Time periods are divided by year, although the results from the analysis are robust to a monthly analysis. While the riots data includes the exact date of riot occurrence, the CAA outlays data do not have the same degree of precision. The only date available for the 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 and, it is for this reason, that I have chosen to present annual rather than monthly results. This is also important as results may occur with a lag.

### 4.2.2 Methodology

I consider two sets of panel specifications for the analysis. In the primary panel regression, I regress riot occurrence or severity CAA outlays provided in the current year in an annual panel. The specification for this OLS regression is:

$$R_{it} = \alpha_i + \beta O_{it} + \gamma_{u(i)t} + \delta_{u(i)t} + \pi X_{it} + \Pi PR_{it} + \epsilon_{it} \quad (2)$$

Where  $R_{it}$  is the number of riots in county  $i$  in year  $t$ ,  $\alpha_i$  is a set of county fixed effects that accounts for time-invariant facts and constant unobservable factors,  $O_{it}$  are CAP outlays provided to county  $i$  in year  $t$ ,  $\gamma_{u(j)t}$  is a set of urban status-by-year fixed effects,  $\delta_{u(i)t}$  is a set of year or state-by-year fixed effects that captures national trends in funding,  $X_{it}$  is a set of county demographics interacted with a linear time trend,  $PR_{it}$  is a set of covariates measuring past rioting in county  $i$ , and  $\epsilon_{it}$  is an error term.

In second set of panel specifications,  $O_{it}$  is replaced with the sum of CAA outlays provided to county  $i$  prior to year  $t$ . I repeat these specifications with outlays divided by CAA program type.

### 4.2.3 Results

The results from the panel specifications of outlays provided in year  $t$  are presented in Table 4. The results indicate that there is a strong, negative relationship between CAA outlays provided in year  $t$  and both riot occurrence and severity. The treatment effect is statistically and economically significant, indicating that over the entire period, CAA outlays decreased the number of riots by 4-6% and the intensity of rioting by approximately 50%.

This is likely an underestimate of the aggregate impact of CAA outlays, as there may be an ongoing impact of previously spent outlays. The results from the second set of panel specifications in Table 5 account for these impacts. The results are again economically and statistically significant and the treatment effects are even larger. For a sense of scale, the results indicate that the total CAA outlays decreased the number of riots by roughly 15% and the severity of rioting by nearly 50%.

I present a similar analysis with outlays divided by expenditure type in Table 6. The most striking element amongst the results is the strong negative relationship between community organizing and riot severity given contemporary claims that organizing promoted rioting. The single largest negative treatment effect is legal outlays, which is consistent with rioting being driven by the failure of communities to provide proper redress in disputes with the police. Not surprisingly, employment programs were highly effective at discouraging rioting, although it is unclear if the cause is that people are unable to riot while working or that a better life discourages destructive activity.

The panel results are robust to including years post-1968, limiting counties to those with populations over 25,000, 50,000 and 100,000, and limiting counties to African American populations over 1,000 or 5,000. Although these results are robust, it remains possible that there may be an unobservable covariate that varies with the error term so, in the final empirical section I seek to address this concern.

### 4.3 Event Study Analysis: Does Riot Occurrence Change after a County Receives its First CAA?

To gather further evidence regarding the relationship between the Community Action Program, I employ an event study analysis in an effort to take advantage of the variable timing with which CAAs were first funded. This approach is attractive as if properly implemented it should deal with the endogeneity approach in the prior section.

#### 4.3.1 Methodology

To determine whether the propensity to riot changed following the introduction of a CAA to a community, I employ an event study framework with robust controls based on the following specification:

$$R_{it} = \alpha_i + \gamma_{u(i)t} + \delta_{u(i)t} + \sum_{-3}^{-1} \pi_y D_i 1(t - T_i^* = y) + \sum_1^3 \tau_y D_i 1(t - T_i^* = y) + \epsilon_{it} \quad (3)$$

Where  $R_{it}$  is the number of riots in county  $i$  in year  $t$ ,  $\alpha_i$  is a set of county fixed effects that accounts for time-invariant facts and constant unobservable factors,  $\gamma_{u(j)t}$  is a set of urban status-by-year fixed effects,  $\delta_{u(i)t}$  is a set of year or state-by-year fixed effects that captures national trends in funding, and  $\epsilon_{it}$  is an error term.  $D_i$  is an indicator variable that is equal to one if a county ever receives a CAA and captures the treatment of having a CAA. The effect of having a CAA on rioting is captured with a series of event-year dummies  $1(t - T_i^* = y)$ , which are equal to 1 in the relevant event year.

#### 4.3.2 Results

The results are presented in Tables 1 and 7. They indicate that a county was somewhat more likely to experience a riot prior to the initial funding of a CAA in a county and significantly less likely after the

funding of the CAA. The scale of the treatment effect is quite large, decreasing the average number of riots in a year by between 58 and 450, depending on the estimate.

A. Dependent Variable: Number of Riots		
Year: -3	0.129*** [0.0374]	0.0610* [0.0351]
Year: -2	0.153*** [0.0228]	-0.0669*** [0.0217]
Year: -1	0.0620*** [0.0166]	0.0199 [0.0158]
Year: 1	-0.0633*** [0.0143]	-0.0332** [0.0137]
Year: 2	-0.0544*** [0.0160]	-0.0417*** [0.0153]
Year: 3	0.090*** [0.0147]	0.0207 [0.0141]
Obs	10718	10718
R <sup>2</sup>	0.50	0.56
Covariates	C, S-Y	C, S-Y, U-Y

Table 1: Event Study Relationship Between a City’s First CAA Grant and Riot. Note: The models presented are least-squares estimates of equation 5 using event study year groupings. C represents county fixed effects; S-Y represents state by year fixed effects; U-Y represents urban by year fixed effects. More information is available in the note attached to Figure 5. Sources: Spilerman, 1971, Carter, 1986, NACAP, County and City Data Book

These results are robust to additional controls and a variety of specifications and are displayed visually in Figure 8. Importantly, although there is evidence that CAA funding responds to rioting, the timing of a county receiving its first CAA grant is unrelated to rioting in 1964 and 1965.<sup>36</sup> However, it is impossible to completely eliminate the pre-trend in this analysis, meaning that we cannot be certain of causation. In addition, these results are limited to the extensive margin of the treatment.

## 4.4 Instrumental Variables Cross-Sectional Analysis

In the final stage of the empirical analysis, I return to the cross-section and implement an instrumental variables approach to achieve causal identification of the impact of CAA funding on riot occurrence and severity. This is necessary given the complications found in the prior three approaches.

### 4.4.1 Methodology

In order to accurately estimate the treatment effect of CAP outlays in the cross-section, I employ an instrumental variables strategy to isolate exogenous variation in the level of federal support for CAAs. I instrument for the level of CAP outlays with two instrumental variables: the change in the share of voters supporting the Democratic presidential candidate between 1960 and 1964 interacted with a measure of whether the 1960

<sup>36</sup>A companion paper is currently in progress that focuses entirely on whether the allocation of War on Poverty funding responded to rioting. Preliminary results from this analysis indicate that there is a meaningful increase in funding in response to both the occurrence and the relative severity of a riot.

presidential election in the state was close and a similar, weighted measure for Democratic senators and the number of close senate races in the state between 1960 and 1964.

These instruments are driven by the understanding that while primarily concentrated on alleviating poverty, Johnson’s War on Poverty may have had a secondary political component as captured by Bailey and Duquette (2014). 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 to that could be part of a broader, structural shift in Democratic support. This is consistent with findings from the political economy literature around pork barrel spending. For example, Levitt and Snyder (1997) find that federal government spending has a significant impact on the re-election prospects of incumbents. In addition, there is evidence (Hobolt and Klemmensen, 2005) that spending on welfare programs can significantly boost electoral turnout. As such, there is strong reason to believe that the Democratic Party may have distributed Community Action Program dollars to maximize its political gains. So where would the government choose to target these outlays? Since the 1964 vote was a landslide, regions of significant growth in Democratic vote share signaled opportunities for Democrats to gain long-term support. In order to help secure the votes of citizens in these newly Democratic regions, the Democrats may have chosen to disproportionately allocate Community Action Program spending to these regions. This would be make sense from a traditional “pork barrel politics” frame, but also from the perspective of CAAs being entities that engaged in political organizing.

Using these instruments, I perform a two-stage least squares analysis. The first step is to perform a regression of:

$$O_i = \delta_0 + \delta_1 P_i + \delta_2 S_i + \lambda X_i + v_i \quad (4)$$

Where  $O_i$  is the per capita value of CAA outlays designated county  $i$ ,  $P_i$  is the change in the share of voters in county  $i$  supporting a Democratic presidential candidate interacted with whether a state was *close*,  $S_i$  is the change in the share of voters in county  $i$  supporting a Democratic senatorial candidate interacted with the number of *close* senate races,  $X_i$  is a vector of county specific covariates, and  $v_i$  is an error term. I calculate a predicted value for the level of outlays per capita, which I then employ in the second stage of the regression:

$$R_i = \alpha + \beta \hat{O}_i + \gamma X_i + e_i \quad (5)$$

#### 4.4.2 Data

Aside from the information necessary to derive the instrumental variables, the data is otherwise identical to that from the previous cross-sectional work. The data used to construct the instrumental variables are drawn from the “General Election Data for the United States, 1950-1990” (ICPSR, 1984) dataset and the

United States Congressional District Data Books (ICPSR, 1973).

I employ two measures generated from these data. The first instrument is the change in the share of voters in a county that voted Democrat in the presidential elections between 1960 and 1964 interacted with whether the state was a *close* race in the 1960 presidential election. A close race is defined to be a margin of less than 10 percentage points.

The second instrument is the change in the share of voters supporting a Democratic senator interacted with the total number of senate races in the state that were close in 1960, 1962, and 1964. As a result of the staggered senatorial election cycle, I generate the change in Democratic support as a weighted measure of the 1958-1960 period versus the 1964-1966 period.

#### 4.4.3 Instrument Validity

There is little reason to doubt the instruments' relevance, as the F-statistic against the null that the excluded instruments are irrelevant in the first stage is 12 or greater, indicating that the results are robust to a weak instruments criticism. This is unsurprising given the strong relationship between the change in presidential vote share and CAP funding found in Bailey and Duquette (2014). Furthermore, the importance of the IV approach is supported by the Wu-Hausman test, which has a p-value of 0.0043, indicating that CAA outlays are not exogenous.

With respect to the validity of the instruments, 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 studies<sup>37</sup> considering the relationship between violence and elections in India. These studies tend to show that elections themselves encourage rioting and other violence.<sup>38</sup> 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 different phenomena than their American counterparts. 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). Rather, the proximate cause of American riots is typically interaction with the police. Additionally, there is no evidence that the 1960s American riots were orchestrated by political parties while Brass (2003) shows that Indian riots are often driven directly by political parties. There is also a clear seasonality to American riots, which typically occur during the summer months. As such, they do not occur close to election dates. Empirical testing finds no evidence that the 1960s race riots are similarly driven by an electoral cycle.

There is no strong reason to believe that rioting would be related to Democratic efforts to expand their voting base other than through the potential for regional patronage. However, it is possible that regions with shifting political allegiances in the first half of the 1960s may have been coincidentally more or less likely to

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<sup>37</sup>Gareth Nellis and Rosenzweig (2014), Chaturvedi and Mukherji (2005), and Wilkinson (2004) have all studied the relationship between rioting and elections.

<sup>38</sup>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.

experience rioting as a result of other factors. Comparing counties above and below the average values of the instrumental variables reveal that, on average, they are similar. Counties that experienced an above average increase in support for Senate Democrats tended to be somewhat smaller, but with more African American and somewhat fewer immigrants. In order to correct for this, I include a robust set of controls surrounding population, ethnicity, and population density as detailed in the Appendix.<sup>39</sup>

Over-identification tests for the instrumental variable specifications result in a p-value of between 0.3 to 0.4, indicating that we cannot reject the null hypothesis that the instruments are exogenous. To further test the exogeneity of the instruments, I run the first stage of the IV regressions with several outcomes other than government spending as the dependent variable. These outcomes include: city expenditures in 1964, city welfare spending in 1964, average rainfall, average temperature, form of municipal government, and infant mortality in 1950. In all of these cases the instruments hold no explanatory power.

#### 4.4.4 Results

The results from the instrumental variables regressions are presented in Table 2. They differ significantly from the basic cross-sectional analysis.

A. Dependent Variable: Number of Riots		
	First Stage	Second Stage
CAA Outlays		-0.68** [0.28]
$\Delta$ Dem. Pres. Vote Share 60 – 64	0.38* [0.20]	
$\Delta$ Dem. Sen. Vote Share 60 – 64	1.07*** [0.23]	
Observations	3069	3069
$R^2$	0.066	0.51
B. Dependent Variable: Severity of Riots		
	First Stage	Second Stage
CAA Outlays		-0.0042 [0.003]
$\Delta$ Dem. Pres. Vote Share 60 – 64	0.38* [0.20]	
$\Delta$ Dem. Sen. Vote Share 60 – 64	1.07*** [0.23]	
Observations	3069	3069
$R^2$	0.066	0.59
Covariates	D, R	D, R

Table 2: Elections Instrumental Variable: Does Funding Stop Rioting? (2SLS). Note: The models presented are two-stage least-squares estimates of equations 2 and 3. D represents a robust set of demographic controls, which are fully listed in the data appendix; R represents regional controls. If a two-step Tobit procedure is used for severity of riots regression, CAA outlays are found to be statistically significant with a coefficient of  $-0.09$  and a standard error of  $0.05$ . Sources: Spilerman, 1971, Carter, 1986, NACAP, County and City Data Book

The estimates indicate that CAP outlays significantly decreased rioting and, although the severity index

<sup>39</sup>A complete comparison of counties above and below the mean of the instrumental variables is presented in the Appendix.

is not statistically significant, it is on the verge of significance.<sup>40</sup> To get a sense of the magnitude of the treatment effect, a one standard deviation change in CAP outlays per person (\$78 per person) would decrease the number of riots in a city by 0.53 and the severity of rioting by 0.0042. In order to achieve a one standard deviation decline in the number of riots (1.386 riots), outlays per person would need to increase by \$204. A \$438 per person increase would be required to achieve a single standard deviation increase in riot severity (0.0184).<sup>41</sup>

## 5 Discussion and Conclusion

The results from the empirical analysis suggest that funding for the Community Action Program decreased both the occurrence and the severity of the 1960s race riots. The results vindicate Lyndon Johnson’s use of the Community Action Program to deter the riots. Although the results do not allow us to rule out individual incidents in which CAA staff were involved in rioting, 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., 2011; Bailey, 2012; Bailey and Danzinger, 2013; Hoynes and Schanzenbach, 2009; Ludwig and Miller, 2007).

It is important to consider the relative magnitude of this effect. The estimates suggest an approximate reduction in riot occurrence of 15 to 60 percent and reduction in severity of 45 to 54 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 several-fold increase in the size of Detroit’s CAP program to prevent the Detroit riots. However, this could nearly be achieved through the reallocation of existing spending to community organizing and legal support.

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

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<sup>40</sup>However, when implementing the two-stage Tobit procedure, accounting for the lower bound at 0, CAA outlays are found to significantly decrease riot severity.

<sup>41</sup>These results are robust to a number of tests, including: removing counties with a population under 50,000, 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. For example, dropping counties with a population under 50,000 in population still results in a statistically significant treatment effect with a standard deviation increase in outlays decreasing the number of riots in a city by 0.41. The results are also robust to alternative closeness thresholds between 10% and 1%. For example, with a 1% threshold the treatment effect of outlays on rioting is  $-0.26^{**}$ .

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 largest difference. Rather, it is the spending on community organizing and legal support by CAAs that appear to have driven the decrease in rioting<sup>42</sup>. 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 may not have been the optimal 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 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).<sup>43</sup> 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, 2010; 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.

To conclude, the analysis presented in this article shows that spending on the Community Action Program during the War on Poverty served to ease the rioting in the 1960s. In particular, there is no empirical support for claims that the Community Action Program served to encourage these riots. While there are certainly elements of the CAP that can be criticized, the CAPs discouragement of the race riots should be considered one of its great successes.

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<sup>42</sup>The success of employment services in decreasing riot severity is a significant outlier from this larger point.

<sup>43</sup>However, there are accounts of "black militants" running some of community-controlled CAAs, which may have accessed community organizing funds (Flanagan, 1998).

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## 6 Appendix

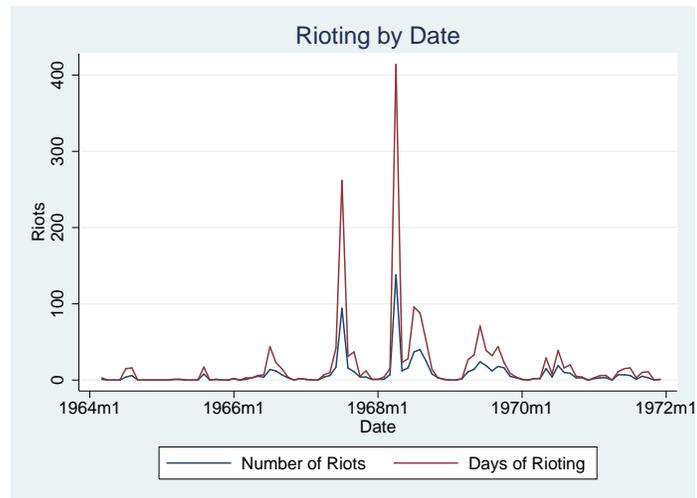


Figure 1: A riot is defined as a spontaneous event with at least 30 participants that resulted in some type of damage or violent behaviour. In addition, the data from Spilerman and Carter requires that some of the participants must be of African American origin. Many riots extended over several days, particularly during the major outbreaks of rioting in 1967 and 1968 Source: Spilerman, 1971 and Carter, 1986.

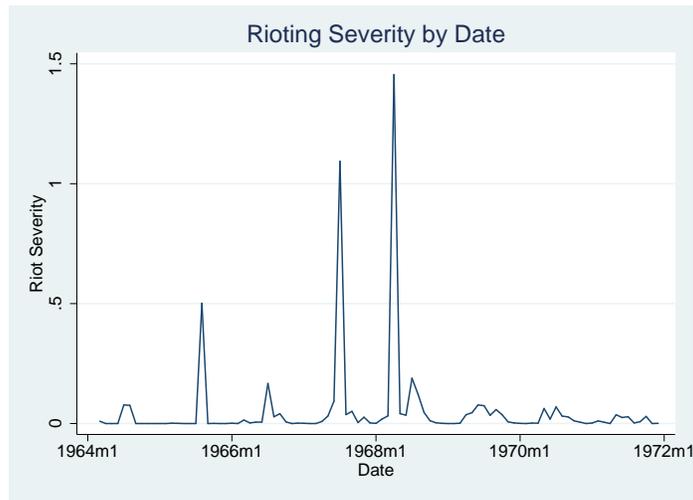


Figure 2: Riot severity is defined as the share of each of each riot characteristic that occurred in the time period, meaning that the total value sums to 5. The trends generally mirror the prior figure. Obvious points of difference include the outbreak of rioting in late 1965, which was particularly severe along with the surge of rioting in the spring of 1967. Source: Spilerman, 1971 and Carter, 1986.

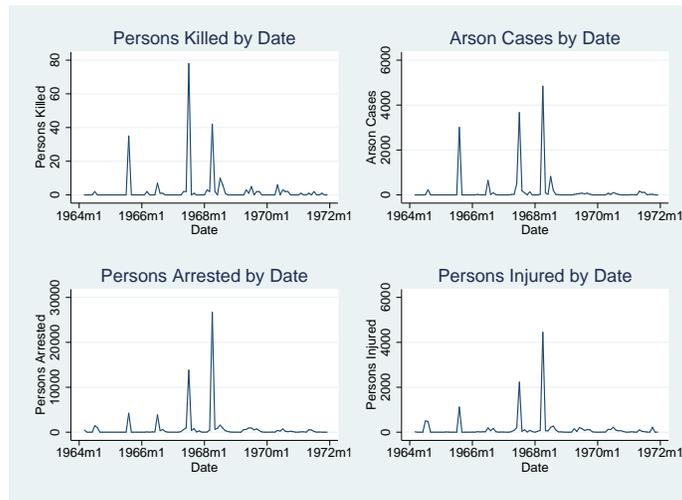


Figure 3: Individual rioting characteristics generally match the prior trends. While injuries and arrests closely mirror the number of riots graph, deaths and arson cases appear to drive the differences between riot occurrence and riot severity. Source: Spilerman, 1971 and Carter, 1986.

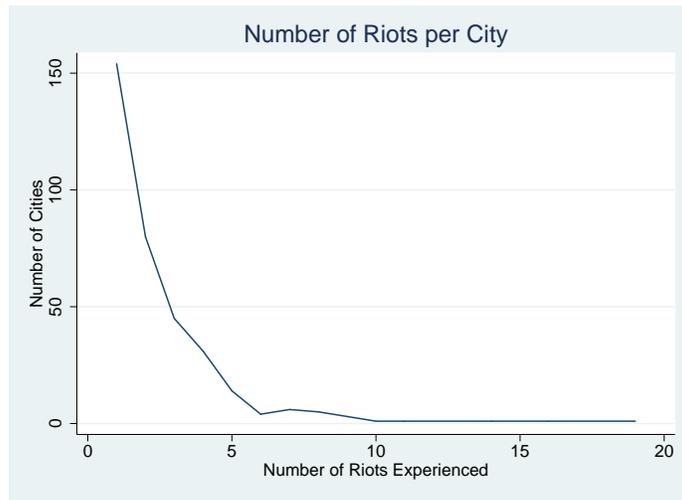


Figure 4: A riot is defined as in previous tables. Source: Spilerman, 1971 and Carter, 1986.

Indifference Curves for Impoverished and Well-off Communities in a Signaling Model

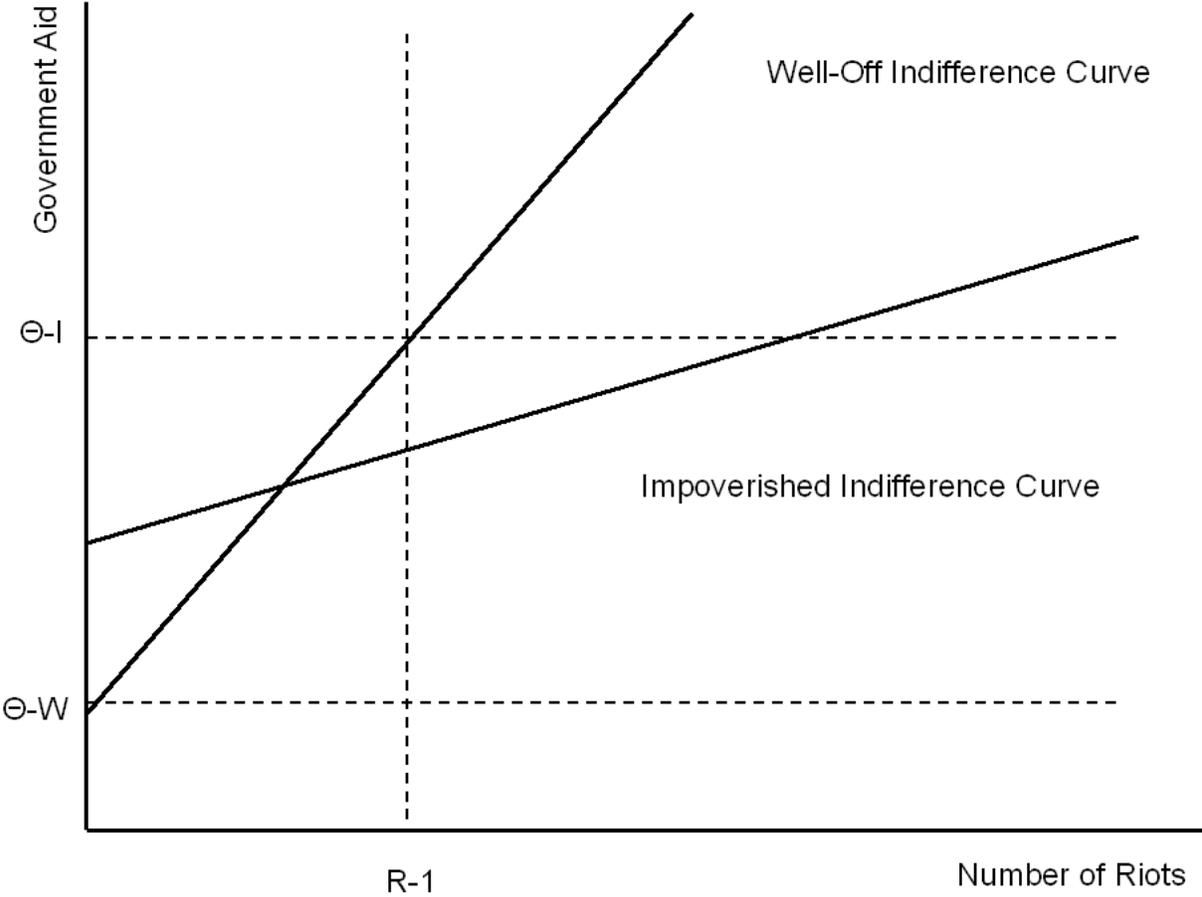


Figure 5: Indifference curves for impoverished and well-off communities in a signaling model.

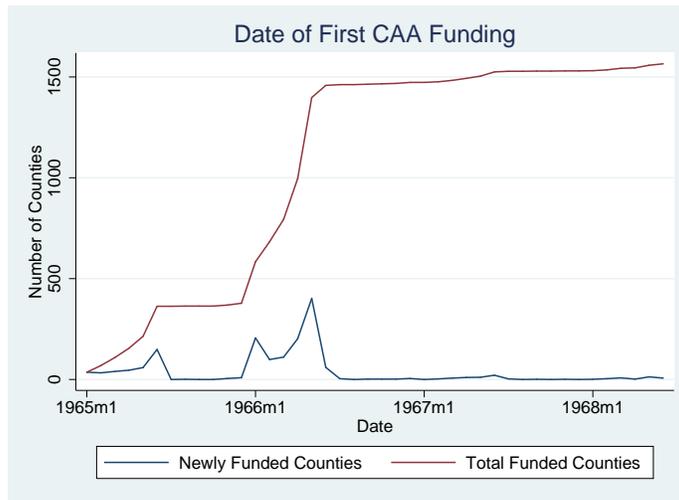


Figure 6: Dates are the first month that CAP funding was provided to a city. It is assumed that a CAA exists in a city once the first outlay to the city is recorded. The vast majority of counties receive their first funding allocation in 1966, although several hundred counties also received their first allocation in 1965. Source: NACAP.



Figure 7: This figure displays told CAP outlays allocated to a county. They are assigned to years based on the signing date of the financial allocation. Unfortunately, the NACAP data are missing grants for 1969 so that year is excluded. Source: NACAP.

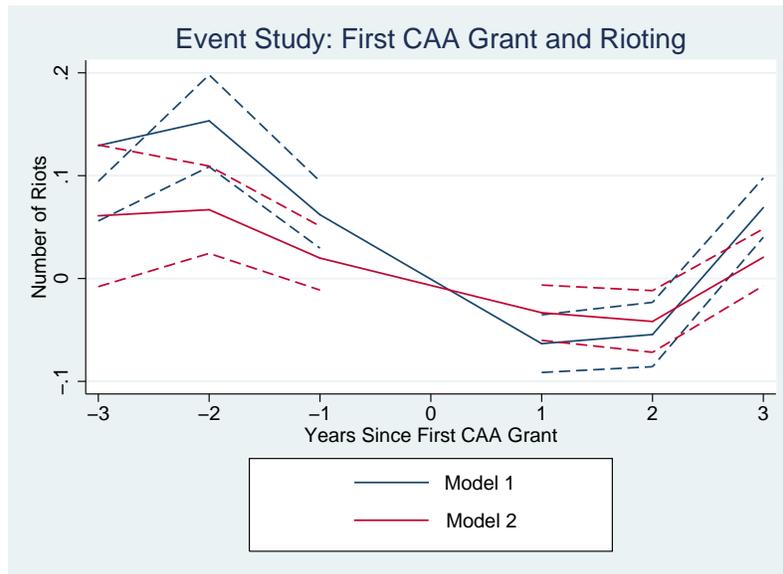


Figure 8: This figure visually displays the results from Table 6. Model 1 includes county, and state-year fixed effects. Model 2 includes county, state-year, and urban-year fixed effects. Robust standard errors are reported. Time 0 indicates funds that were provided in the actual year that a county first received CAA funding. Points to the left indicate the number of riots in the years prior to the funding of the CAA and points to the right indicate outlays provided in the years after the CAA was established. Sources: Spilerman, 1971, Carter, 1986 and NACAP.

### Relationship Between CAP Outlays and Rioting (OLS)

A. Dependent Variable: Number of Riots				
CAA	0.00	0.018	0.080*	0.13***
	[0.054]	[0.052]	[0.042]	[0.038]
CAA Outlays	3.9	3.6	1.7	-6.6**
	[3.0]	[2.9]	[10.0]	[3.1]
Observations	3069	3069	3069	3069
$R^2$	0.64	0.64	0.48	0.73
Covariates	D	D, R	D	D, R
Time period	All	All	B-A	B-A
B. Dependent Variable: Severity of Riots				
CAA	-0.0018	-0.0014	-0.0019	-0.00040
	[0.0013]	[0.0012]	[0.0020]	[0.00079]
CAA Outlays	0.12	0.11	0.53	-0.045
	[0.091]	[0.088]	[0.53]	[0.055]
Observations	3069	3069	3069	3069
$R^2$	0.47	0.47	0.33	0.33
Covariates	D	D, R	D	D, R
Time period	All	All	B-A	B-A

Table 3: The models presented are least-squares estimates of equation 1. The primary independent variables are CAA outlays per capita provided to a county in the current year and whether a county has a funded CAA. D represents a robust set of demographic controls, which are fully listed in the data appendix; R represents regional controls. The “All” time period spans all CAA funding and riots between 1964 and 1971; the “B-A” time period includes outlays prior to 1967 and riots post 1967. Sources: Spilerman, 1971, Carter, 1986, NACAP, County and City Data Book.

## Relationship Between Year-of CAP Outlays and Rioting (Panel OLS)

A. Dependent Variable: Number of Riots			
CAA Outlays	-1.98*** [0.515]	-1.80*** [0.508]	-1.15** [0.509]
Obs	15935	15935	15935
$R^2$	0.65	0.66	0.68
Covariates	C, Y-ST, Y-U, D-T	C, Y-ST, Y-U, D-T, P-R	C, Y-ST, Y-U, D-T, P-R, E-T
B. Dependent Variable: Severity of Riots			
CAA Outlays	-0.276*** [0.0145]	-0.279*** [0.0145]	-0.286*** [0.0148]
Obs	15935	15935	15935
$R^2$	0.43	0.43	0.43
Covariates	C, Y-ST, Y-U, D-T	C, Y-ST, Y-U, D-T, P-R	C, Y-ST, Y-U, D-T, P-R, E-T

Table 4: The models presented are least-squares estimates of equation 6. The primary independent variable is total value of outlays (in millions of dollars) provided to a county in the current year. C represents county fixed effects; S-Y represents state by year fixed effects; U-Y represents urban by year fixed effects; D-T represents basic demographics interacted with a time trend; P-R represents controls related to the occurrence of past rioting; E-T represents expanded demographics interacted with a time trend. Sources: Spilerman, 1971, Carter, 1986, NACAP, County and City Data Book.

## Relationship Between Cumulative CAP Outlays and Rioting (Panel OLS)

A. Dependent Variable: Number of Riots			
CAA Outlays	-2.76*** [0.215]	-2.80*** [0.214]	-2.62** [0.219]
Obs	15935	15935	15935
$R^2$	0.66	0.67	0.68
Covariates	C, Y-ST, Y-U, D-T	C, Y-ST, Y-U, D-T, P-R	C, Y-ST, Y-U, D-T, P-R, E-T
B. Dependent Variable: Severity of Riots			
CAA Outlays	-0.117*** [0.0061]	-0.113*** [0.0061]	-0.119*** [0.0064]
Obs	15935	15935	15935
$R^2$	0.43	0.43	0.43
Covariates	C, Y-ST, Y-U, D-T	C, Y-ST, Y-U, D-T, P-R	C, Y-ST, Y-U, D-T, P-R, E-T

Table 5: The models presented are least-squares estimates of equation 7. The primary independent variable is total value of outlays (in millions of dollars) provided to a county in all years prior to the current year. C represents county fixed effects; S-Y represents state by year fixed effects; U-Y represents urban by year fixed effects; D-T represents basic demographics interacted with a time trend; P-R represents controls related to the occurrence of past rioting; E-T represents expanded demographics interacted with a time trend. Sources: Spilerman, 1971, Carter, 1986, NACAP, County and City Data Book.

## Relationship Between Types of CAP Outlays and Riot Severity

Dependent Variable: Severity of Riots		
Health Outlays	2.29*** [0.301]	0.684** [0.243]
CAA. Admin Outlays	0.462*** [0.00112]	-0.178** [0.000774]
Youth Outlays	1.9*** [0.229]	1.77*** [0.1881]
Legal Outlays	-5.52*** [0.203]	-2.46*** [0.164]
Comm. Org. Outlays	-1.01*** [0.085]	-0.286*** [0.0536]
Child Care Outlays	0.917*** [0.867]	0.478*** [0.0710]
Employment Outlays	-1.68*** [0.147]	-1.38*** [0.0818]
Obs	15935	15935
$R^2$	0.46	0.49
Outlays	Year-of	Cumulative
Covariates	C, Y-ST, Y-U, P-R	C, Y-ST, Y-U, P-R

Table 6: The models presented are least-squares estimates of equations 7 and 8. The primary independent variables are the total value of outlays (in millions of dollars) assigned to different program types and provided to a county. C represents county fixed effects; S-Y represents state by year fixed effects; U-Y represents urban by year fixed effects; D-T represents basic demographics interacted with a time trend; P-R represents controls related to the occurrence of past rioting; E-T represents expanded demographics interacted with a time trend. Sources: Spilerman, 1971, Carter, 1986, NACAP, County and City Data Book.

## Event Study: Relationship Between a City's First CAA Grant and Riot Occurrence

A. Dependent Variable: Number of Riots		
Pre-riot	0.107*** [0.0182]	0.0452*** [0.177]
Post-riot	-0.415** [0.0181]	-0.0210 [0.0172]
Obs	10718	10718
$R^2$	0.49	0.56
Covariates	C, S-Y	C, S-Y, U-Y

Table 7: The models presented are least-squares estimates of equation 5 using event study year groupings. C represents county fixed effects; S-Y represents state by year fixed effects; U-Y represents urban by year fixed effects. More information is available in the note attached to Figure 5. Sources: Spilerman, 1971, Carter, 1986, NACAP, County and City Data Book.

### Characteristics of Cities Receiving CAAs, 1964-1971

	CAA Established in				Estimation Sample	
	1965 (N=373)	1966 (N=1089)	1967 (N=56)	1968 (N=34)	CAA (N=1522)	No CAA (N=1635)
Mean 1960 Population (thousands)	232.4	52.2	35.6	26.9	94.4	20.0
Mean 1960 Population in Poverty (thousands)	29.6	8.3	7.1	6.7	13.4	3.9
Percentage of 1960 Population						
African American	8.8	10.9	10.7	17.6	10.5	8.7
Foreign Born	3.6	2.0	1.8	1.1	2.4	1.7
In Poverty	14.2	17.5	16.2	24.0	16.8	17.3
Income below \$3000	26.9	35.4	33.2	43.0	33.5	35.6
Unemployed	5.8	5.5	5.2	5.8	5.6	4.7
Median						
Income (thousands)	5.0	4.2	4.3	3.6	4.4	3.8
African American Income (thousands)	4.4	3.1	2.6	2.1	3.4	1.5
Percentage African American Population Change	18.3	6.3	19.0	1.4	8.9	2.1

Table 8: This table includes unweighted summary statistics for a total of 3157 counties. Sources: NACAP and County and City Data Book. The complete list of socioeconomic control variables is as follows: population in 1960, percentage of population in an urban centre in 1960, percentage of the population that was African American in 1960, percentage of the population that was foreign born in 1960, median age in 1960, median years of schooling in 1960, percentage of civilian workers unemployed in 1960, percentage of workers using public transit in 1960, percentage of families making less than \$3000 in 1960, median family income of whites in 1969, median family income of African Americans in 1969, percentage of families in poverty in 1969, number of citizens on public assistance in 1964, and percentage of African Americans who owned their own home in 1970.

### Characteristics of Cities by Riot Occurrence, 1964-1971

	At Least One Riot (N=241)	No Riots (N=2904)
Mean 1960 Population (thousands)	412.4	29;7
Mean 1960 Population in Poverty (thousands)	40.3	85.2
Percentage of 1960 Population		
African American	16.6	9.0
Foreign Born	4.0	1.8
In Poverty	11.7	17.5
Income below \$3000	22.5	35.7
Unemployed	5.1	5.2
Median		
Income (thousands)	5.5	3.9
African American Income (thousands)	6.3	2.1
Percentage African American Population Change	29.9	3.1

Table 9: This table includes unweighted summary statistics for a total of 3157 counties. Sources: NACAP and County and City Data Book.

### Summary of Major Riots

Year	Month	City	Arrests	Injured	Killed	Days	Severity	Trigger
1965	August	Los Angeles	3952	1032	34	7	4.9	Started with an arrest for impaired driving
1967	July	Detroit	7231	491	43	9	4.9	Started with a police raid on a blind pig
1968	April	Washington	7772	1158	11	9	4.6	Grew out of a march led by Stokely Carmichael after the death of Dr Martin Luther King Jr (Zeman, 2011)
1967	July	Newark	1443	1108	24	6	4.1	Started after the police were seen taking an incapacitated cab driver into a precinct, leading to a rumor that he had been killed (Parks, 2007)
1968	April	Baltimore	5682	900	6	6	3.8	Broke out of 2 days of mild unrest after the death of Dr King
1968	April	Chicago	3026	501	9	7	3.8	Rioting broke out on the West side of Chicago after the assassination of Dr King. Investigations failed to determine a particular cause beyond pent-up aggressions (Chicago Riot Study Committee, 1968)
1967	July	Milwaukee	1183	100	4	10	3.3	Started with the police intervening in a fight at the St. Francis Community Centre (Unknown, 2007)
1966	July	Cleveland	3253	60	4	5	3.3	Started when police arrived to control protests outside of an openly discriminatory bar (Michney, 2006)

Table 10: This table summarizes the most damaging of the 1960s race riots, as measured by the factor severity index developed by (Collins and Margo, 2007). Sources: Spilerman, 1971 and Carter, 1986.