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For Blacks, Progress in Happiness

By DAVID LEONHARDT

Set aside some prominent success stories, like the current occupant of the White House, and the last few decades have not been great ones for African-American progress.

In 1975, per capita black income was 41 percent lower than per capita white income. Since then, the gap has shrunk only modestly, to 35 percent. The black unemployment rate today is nearly twice as high as the white rate, just as it was in 1975. And by some measures — family structure, college graduation, incarceration — racial gaps have actually grown.

But now a new study has found that there is one big realm in which black Americans have made major progress: happiness.

White Americans don't report being any more satisfied with their lives than they did in the 1970s, various surveys show. Black Americans do, and significantly so.

Betsey Stevenson and Justin Wolfers, the University of Pennsylvania economists who did the study, point out that self-reported measures of happiness usually shift at a glacial pace. The share of whites, for example, telling pollsters in recent years that they are "not too happy" — as opposed to "pretty happy" or "very happy" — has been about 10 percent. It was also 10 percent in the 1970s.

Yet the share of blacks saying they are not too happy has dropped noticeably, to about 20 percent in surveys over the last decade, from 24 percent in the 1970s. All in all, Mr. Wolfers calls the changes to blacks' answers, "one of the most dramatic gains in the happiness data that you'll see."

The new study is part of a deluge of happiness research by economists, who are discovering what the rest of us have long known: money isn't everything. To get a true sense for people's quality of life — the most basic mission of economics — you have to try to peek inside the human mind.

Money clearly has a big effect on the mind, just as it has a big effect on health, education and almost everything else. The rich report being happier than the middle class on average, and the

middle class report being happier than the poor. The income and wealth gaps between whites and blacks, in turn, explain a big part of the happiness gap.

But they don't explain all of it. Among whites and blacks making the same amount of money, whites tend to be happier. This unexplained gap, however, has shrunk.

Ms. Stevenson and Mr. Wolfers have a good way of making this point. In the 1970s, a relatively affluent black person — one in a household making more than nine out of 10 other black households, or at the 90th percentile of the black income spectrum — was earning the same amount as someone at the 75th percentile of the white spectrum. That's another way of saying blacks were making less than whites.

But blacks were far less satisfied with their lives than could be explained by the income difference. People at the 90th percentile of the black income spectrum were as happy on average as people just below the 10th percentile of the white income spectrum, amazingly enough.

Today, people at the 90th percentile of the black income spectrum are still making about as much as those at the 75th percentile of the white spectrum — but are now as happy on average as people in the dead middle, or the 50th percentile, of the white income spectrum. The income gap hasn't shrunk much, but the happiness gap has.

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In the paper, which is awaiting peer review, the two economists acknowledge that they cannot be sure what is causing the change. But it is consistent with patterns that other happiness researchers have noticed, and there are some plausible explanations.

The most obvious is the decrease — though certainly not the elimination — in day-to-day racism. "The decline in prejudice has been astounding," says Kerwin Charles, a University of Chicago economist who has studied discrimination. Well into the 1970s, blacks faced "a vast array of personal indignities that led to unhappiness," he noted. Today, those indignities are unacceptable in many areas of American life.

Old polls bear this out. In the early 1970s, 39 percent of Americans said they favored laws against marriage between the two races, according to one long-running poll. When the question was last asked, earlier this decade, the share had fallen below 10 percent. The number saying they are unwilling to vote for a black presidential candidate has also plummeted. That shift is a reminder that jobs once closed to blacks — Fortune 500 chief executive, A-list movie star, secretary of state, attorney general or president — no longer are.

It isn't hard to see how the decline in discrimination improves people's lives, above and beyond their pay.

And the decline in discrimination may even be lifting black wages, despite the meager gains in the overall statistics. Jonathan Guryan, a Northwestern University economist, points out that the last three decades have brought a wave of forces that could have led to a widening of the black-white pay gap.

Union membership has dropped, and black workers are more likely to be unionized. Income inequality has risen, and black households are more likely to be middle class or poor. The economic returns of a college degree have soared, and the college graduation gap between whites and blacks has grown. Nonetheless, the black-white pay gap has shrunk slightly.

One intriguing footnote to the new paper is how different it seems from an earlier Stevenson-Wolfers paper about women and men. It found that women have become less happy over the last few decades, in spite of big economic, educational and social progress. Ms. Stevenson argues — persuasively, I think — that the combined job and family expectations for women today may have left many less than fully satisfied.

By contrast, the happiness gains for black women have been a bit bigger than for black men, who are still more satisfied than they were in the 1970s, but less so than a decade ago.

With both the race and the gender findings, you get a sense of how much fairer the American economy has become, and yet how unfair it can still be.

A rich vein of research has shown that racial discrimination remains a part of daily life, albeit a reduced one. To take just one example, an experiment found that résumés with typically black names lead to fewer job interviews than similar résumés with different names. Combine the discrimination with the toll of bad schools and broken families, and you end up with those huge lingering black-white gaps.

Closing the gaps would clearly help the economy — moving families out of poverty, freeing up talent and, in the long run, probably lifting growth. But these wouldn't be the only benefits. There would also be some on which it's hard to put a price.

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