Researching Racial Equity: Promoting justice and fairness through rigorous research

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Motivation

Long-standing racial differences in economic and social outcomes in the United States are deeply rooted in historical injustices, discriminatory policies, and unequal access to resources and opportunities. These inequities are widely reported in studies of the earnings gap,¹ the role of wealth accumulation,² and reviews of inequality in the labor market, wealth, mobility, and geography.^{3,4} For example, the median Black household in the United States has approximately \$24,000 in wealth, compared to the median white household wealth of \$189,000—a gap that has grown wider over the past few decades.⁵ Racial inequities extend to other markers of well-being such as health, safety, and educational attainment. As a stark illustration, Black women who have graduated college are nearly twice as likely to die in childbirth as white women who have not graduated from high school.⁶ The persistent nature of racial inequity suggests that past and current policy approaches aiming to remedy significant disparities have been insufficient. Policymakers need clear and credible evidence on solutions that may disrupt the stark racial inequities in the United States.

Scope of J-PAL North America's Researching Racial Equity RFP

Randomized evaluations can play a critical role in shaping policy with evidence. When designed intentionally, randomized evaluations studying racial equity have the potential to: (1) generate credible evidence on the impact of specific policies aimed at improving racial equity, (2) rigorously investigate the root causes of racial disparities, enabling the identification of potential solutions, and (3) build upon theories and questions regarding race identified within a broad set of fields including sociology, stratification economics, and other

¹ Bayer, Patrick, and Kerwin Kofi Charles. "Divergent Paths: A New Perspective on Earnings Differences between Black and White Men since 1940." The Quarterly Journal of Economics 133, no. 3 (2018): 1459–1501. https://doi.org/10.1093/qje/qjy003.

² Derenoncourt, Ellora, et al. 2023. "Wealth of Two Nations: The U.S. Racial Wealth Gap, 1860-1890", Working Paper, (May). https://economics.princeton.edu/working-papers/wealth-of-two-nations-the-u-s-racial-wealth-gap-1860-2020/.
³ Jones, Damon, et al. "Tracing the Color Line: An Overview of Black-White Economic Inequality in the United States." Uncovering Inequality, Ira A. Lipman Center for Journalism on Civil and Human Rights, Mar. 2023.

 $https://journalism.columbia.edu/system/files/content/tracing_the_color_line_final_headers_print.pdf.$

⁴"What Would It Take to Close America's Black-White Wealth Gap?" RAND Corporation, May 9, 2023. https://www.rand.org/blog/rand-review/2023/05/what-would-it-take-to-close-americas-black-white-wealth-gap.html. ⁵ "What Would It Take?" RAND Corporation, May 9, 2023.

⁶ Baumgaertner, Emily, and Farnaz Fassihi. "Racism and Sexism Underlie Higher Maternal Death Rates for Black Women, U.N. Says." The New York Times, July 12, 2023.

 $https://www.nytimes.com/2023/07/12/health/maternal-deaths-americas-un.html\#: \sim : text = Black\%20 women\%20 in \%20 the \%20 United, have \%20 not \%20 finished \%20 high \%20 school.$

existing work on race. At J-PAL North America, we believe this evidence can enable a broader ecosystem of organizations and policymakers to identify and scale up effective policy solutions.

We seek to fund rigorous, ethical, and theory-driven randomized evaluations that look into the drivers and mechanisms of racism and discrimination, and explore what policies and interventions promote justice and fairness. In particular, we aim to fund research that has the potential to inform policies that promote racial and ethnic equity.

Defining Racial Equity

We define racial and ethnic equity as the process of ensuring that race is no longer used to reinforce social hierarchies. Racial equity does not imply the absence of racial group identities, communities, or cultural traditions, but that such aspects are not used against individuals or groups in social, political, and legal domains. This process involves acknowledging and addressing historic harms and racial injustices, making amends, working to create racially just systems, policies, practices, attitudes, and cultural messages, and eliminating structures that reinforce differential outcomes by race (AISP Toolkit).

Racial equity should be central to the primary research questions. We encourage studies that meet the following criteria:

- The research design is informed by or informs theories of racial disparities.
- The study is powered to identify differences across racial groups (if relevant).
- The study identifies an anticipated disparity based on an understanding of historical context and structural sources of racial inequity.

Potential Research Themes

Here, we highlight potential research themes. For each theme, we present an example of a randomized evaluation. Racial equity is central to the research question and design of each example study, and each study is powered to detect effects as relevant (for example, detecting differences across racial groups). This list is not comprehensive; there may be other relevant themes.

Structural barriers that limit choice sets for particular racial or ethnic minorities.

• J-PAL researcher Dania Francis (UMass Boston), and co-authors Angela C.M. de Oliveira (UMass Amherst), and Carey Dimmitt (UMass Amherst) study the underrepresentation of Black students in Advanced Placement (AP) courses.⁷ Rather than relying on deficit-based theories⁸ of under-investment on the part of Black students, Francis and co-investigators are developing an RCT

⁷ Francis, Dania, Angela de Oliveira and Carey Dimmitt. 2023. "Disentangling Sources of Bias: Evidence from Advanced Placement Course Recommendations." AEA RCT Registry. June 30. https://doi.org/10.1257/rct.7927-4.0.

⁸ Deficit-based theories focus on what an individual or group lacks as an explanation for disparities. Asset-based approaches focus more broadly on what might support individuals or groups in achieving success.

to build upon their quasi-experimental work in order to understand how existing systems and social dynamics may constrain Black students' ability to choose AP courses.

The study examines structural forces within schools and society as an explanation for underrepresentation in STEM courses among females and students of color.

Behavior change among those who hold power, such as preventing white flight or adjusting decision-making processes to reduce discrimination.

- J-PAL researchers Will Dobbie (Harvard University) and Crystal Yang (Harvard University) are testing interventions designed to increase equity in bail decisions. In partnership with Harris County, Texas, this study examines institutional policy (public report cards for judges) and individual-level education (personal feedback to judges) and how these different levels of approaches interact to increase equity.
 - The intervention is designed to address hypothesized underlying causes of racial disparity in bail decisions: that disparities exist in part due to rushed judicial decision-making and a reliance on heuristics as well as biased beliefs about the relative risk of defendants based on race.

Redesigning programs or processes to account for underlying causes of disparity and improve outcomes for under-served groups.

- J-PAL researcher Marcella Alsan (Harvard University), and co-authors Owen Garrick, and Grant Graziani investigated the potential drivers of health inequities between Black and white patients by varying the racial concordance between patients and physicians. 10
 - The study informs theories of racial disparities by documenting the importance of racial concordance.
 - The study population was composed entirely of Black men; differential effects of racial concordance for Black versus non-Black patients were not relevant for this study.
 - The study is based on an understanding that some existing health disparities result from historical discrimination against Black communities.

Testing theories of discrimination in a way that broadens our understanding of racial equity.

• I-PAL Researcher Peter Hull (Brown University) and co-authors J. Aislinn Bohren (University of Pennsylvania) and Alex Imas (University of Chicago) developed a framework that decomposes racial disparities into components arising from direct and systemic discrimination. 11 They test that framework in an audit experiment with hiring managers and find that systemic discrimination is a

⁹ Dobbie, Will and Crystal Yang. 2021. "Reducing Racial Disparities in Bail Decisions: An Experiment on Public Accountability and Feedback in Texas." AEA RCT Registry. April 05. https://doi.org/10.1257/rct.6872-1.1 ¹⁰ Alsan, Marcella, Owen Garrick, and Grant Graziani. 2019. "Does Diversity Matter for Health? Experimental Evidence from Oakland." American Economic Review, 109 (12): 4071-4111. DOI: 10.1257/aer.20181446 ¹¹ Bohren, J. Aislinn, Peter Hull, and Alex Imas. Systemic discrimination: Theory and measurement. No. w29820. National Bureau of Economic Research, 2022.

large driver of racial disparities in hiring decisions. They demonstrate that individual level informational interventions are insufficient to overcome systemic discrimination.

- This study broadens our understanding of discrimination by highlighting the importance of systemic discrimination, a component of racial discrimination that has been recognized in sociology but has long been overlooked by economic literature on racial disparities.
- This study specifically documents an anticipated source of racial discrimination in hiring: because of discrimination in other parts of the labor market, Black candidates have less experience on their resumes than equally qualified white candidates, making them less likely to be hired.

Identifying discrimination in new and important settings.

- While existing literature has studied discrimination by employers toward potential employees in hiring decisions, Phillip Doerrengberg, Denvil Duncan, and Danyang Li examined discrimination in the labor market by workers toward potential employers.¹²
 - This study uses the same methodological approach as existing audit studies, but reverses the roles of workers and employers to test for a new kind of discrimination in the labor market.

The following relationships to racial equity are, on their own, insufficient for a study to be considered under this request for proposals:

- 1. Only conducting a post hoc heterogeneity analysis, without testing a theoretical framework for why differences exist nor testing an intervention specifically designed to reduce a known disparity
- 2. Pointing to overrepresentation of racial or ethnic minorities as study participants as the sole relationship to racial equity
- 3. Simply noting that the study addresses a topic with a disproportionate impact on particular racial/ethnic groups as the sole relationship to racial equity

A hypothetical example of a study that is unlikely to be considered:

- Researchers are evaluating an intervention that aims to increase access to SNAP benefits. Researchers note that Black people are disproportionately represented amongst those who are eligible for SNAP but do not take it up, and thus may benefit disproportionately more than the white population. The researchers will also analyze heterogeneous impacts by race.
 - This work would have a stronger tie to racial equity research if, for example, it were:
 - Testing theories to understand underlying reasons why Black people do or do not take up benefits for which they are eligible that would explain the gap between eligible Black and non-Black participants
 - Addressing underlying reasons for disproportionate representation amongst those eligible for SNAP

¹² Doerrenberg, Philipp, Denvil Duncan, and Danyang Li. "The (in) visible hand: do workers discriminate against employers?." Journal of Public Economics 231 (2024): 105065.

■ Evaluating interventions designed specifically to address barriers identified in the literature that disproportionately affect Black people

To learn more about J-PAL's Racial Equity work or to better understand our proposal criteria please email Noreen Giga, Senior Research Manager, at ngiga@povertyactionlab.org.

Academic Leadership

This work is led by Damon Jones, Scientific Advisor for Racial Equity for J-PAL North America, and our Racial Equity Advisory Committee (REAC) members.

Current REAC members: Gerald Daniels, Dania Francis, Rob Gillezeau, Silvia Robles, Corinne Low, and Angelino Viceisza.

Past REAC members: Randall Akee, Courtney Bonam