

Urban Entrepreneurship in the Post-Civil Rights South

Gavin Wright

Stanford University

Prepared for the meetings of the Economic History Association

New Haven, Connecticut

September 13, 2008

[Updated November 2008]

Recent assessments of the long-term implications of the Civil Rights revolution in the U.S. South have been markedly negative. In his study of Atlanta, Kevin Kruse argues that whites responded to desegregation first by abandoning public space (buses, pools, parks) and ultimately abandoning the city altogether (primarily to avoid integrated public schools). He concludes: “In an ironic touch, the Civil Rights Act succeeded in eliminating the last legal vestiges of segregation in the South but, in so doing, etched the worldview of segregationists ever more firmly onto the political landscape...In the end, the new world of Atlanta looked much like the old.” In a slightly different but ultimately similar vein, Michael Lassiter maintains that southern whites succeeded in blunting the force of desegregation by adopting an ostensibly color-blind “ideology of racial innocence,” substituting “structural mechanisms of exclusion” for the old regime of overt racial segregation. In perhaps his unkindest cut, Lassiter concludes that the suburbanized South has become virtually undistinguishable from its northern counterpart: “The era of southern exceptionalism is over.”¹

Unquestionably, these critiques draw upon genuine aspects of the post-Civil Rights political and economic landscape. But they overlook other salient features of the historical record, many of which have a decidedly regional cast. Among these are: the reversal of regional migration flows, whereby African-Americans have moved south in large numbers from all other parts of the country; the rapid rise of southern black incomes, so that by the year 2000, the racial gap in median income was smaller in the South than elsewhere; the growth of black-owned businesses and middle-class

¹ Kruse, *White Flight*, pp. 105-130, 233, 242; Lassiter, *The Silent Majority*, pp. 4, 15, 142. See also Smith, who conjectures that the entire Southern civil rights movement may “by many criteria...have done more to help the South catch up with the rest of the nation than to help black Southerners catch up with white Southerners” (*Boom for Whom?* p. xi).

communities in southern cities, complementary to black political representation in these cities; active competition for black tourists, especially to historic Civil Rights sites in the South. These trends have equal claim to the heritage of the Civil Rights movement, and form the basis for a more balanced and perhaps more optimistic assessment.

This paper constitutes a preliminary exploration of these post-Civil Rights developments, using case studies of southern cities as a vehicle. As in other parts of the country, in the 1970s many southern central urban areas were all but given up as lost economic causes, at which point the achievement of black political representation in these cities seemed like a “hollow prize”. More recently, however, analysts have observed hopeful signs of urban resurgence, as cities actively try to differentiate themselves in competing for diverse, mobile firms and individuals.² New South cities are generally well-represented in lists of high-achieving urban areas. The question posed here is the extent to which African-Americans have participated in the urban metropolitan booms of the South. In the process, we will try to address the oft-voiced thesis that desegregation undermined the vitality of black business communities in the South.³

Race and Region: An Overview

Long the poorest region in the country, the South began to converge on national per capita income levels as of World War II if not earlier. A peculiar feature of this growth spurt is that the first phase coincided with massive outmigration from the region.

Although many southern whites also departed, the degree of racial selectivity was much

² Eisinger, *Rise of the Entrepreneurial State*; Florida, *Rise of the Creative Class*; Hackler, *Cities in the Technology Economy*; Markusen and Schrock, “The Distinctive City”. The phrase “hollow prize” was first applied to black mayors in 1969 by H. Paul Friese, “Minority Mayors”.

³ Russ Rymer writes: “Integration became the greatest opening of a domestic market in American history, but the windfall went only in one direction...In this way, integration wiped out or humbled an important segment echelon of the black community – the nonclergy class that fought so hard for civil rights and was needed to show the way to pragmatic prosperity” (“Integration’s Casualties,” p. 48). See also Weems, *Desegregating the Dollar*.

higher after 1940 than in earlier eras. Table 1 collects figures on migration from the South by race between 1870 and 2000. The reversal of black flows after 1970 is evident.

Black southerners began to return to their native region even in the late 1960s, as a direct response to job opportunities opened by the Civil Rights movement, though the net trend was still negative during 1965-70. On the basis of her survey of black textile workers, Mary Fredrickson attributed the shift to “the fact that black children no longer have to leave the region to become successful, that a decent education in an integrated public school is attainable for both black and white, and that black workers are not denied industrial jobs on the basis of their race.” She quotes a black employment manager: “There is a marked difference now, and people who couldn’t get away from here fast enough are coming back comfortably.”⁴

In some respects the revolution happened almost overnight, as in the integration of public accommodations and the textiles industry. But on most counts, the landmark legislation of 1964 and 1965 was only a beginning; ongoing progress required continuing struggle on political and judicial as well as economic fronts.⁵ Significant desegregation of public schools did not begin until the late 1960s, when school accountability measures were imposed by the federal government, and court desegregation orders began to be seriously enforced. Since the economic gains from civil rights were experienced gradually, it is understandable that the change in the pace of black reverse migration was also gradual. Between 1985 and 2000, however, more than one million African-Americans moved south, from all other regions of the country.

⁴ Fredrickson, “Four Decades of Change,” p. 75. Figures on black migration during 1965-70 are presented in McHugh, “Black Migration Reversal.” McHugh estimates that 43 percent of black migrants into the South during this period were southern-born.

⁵ This point is emphasized by Timothy Minchin in *From Rights to Economics*.

Whereas the earlier northward migration tended to depress black wage levels in the receiving region, the new southern migration was associated with striking income gains. Figure 1 shows that median black male income in the South rose from less than 40 percent of the southern white median in 1960 to 50 percent in 1970, and to 75 percent by the end of the 1990s. Figure 2 shows that by the late 1990s, median black male income in the South matched the medians in the Northeast and Midwest, eliminating the longstanding regional income gap for blacks.⁶ Compared to whites, relative black incomes in 2000 were as high or higher in the South than in other regions of the country.

The statistical basis for this regional surge is not difficult to identify. By the 1990s, the typical black migrant was a young, educated person pursuing opportunity in the booming metropolitan areas of the New South. Table 2 lists the metropolitan areas with the largest black gains for 1985-90 and 1995-2000. It may be observed that allegedly immiserized Atlanta tops both lists. For 1995-2000, nine of the top ten areas are southern. William Frey shows that although the South attracted white as well as black migrants, blacks were more likely than whites to choose the South as their destination. The highest black southern migration rate was among the college-educated.⁷

Indeed, Jacob Vigdor demonstrates that while black income gains in the 1960s and 1970s reflected both labor market breakthroughs and educational advances, the southern rise of black relative income after 1980 was primarily attributable to the selective migration of high-income individuals.⁸ From this evidence, Vigdor draws a

⁶ The Current Population Survey data show a somewhat higher black median for the West in 2000. The Western black median fluctuates erratically from year-to-year, however, presumably because of small samples. Whether black incomes were higher or not, the West also experienced net black outmigration between 1995 and 2000, in favor of the South. Frey, "The New Great Migration," Appendix A.

⁷ Frey, "The New Great Migration," pp. 92-100.

⁸ "New Promised Land," Table 3. Vigdor notes: "The fact that the time series cross, rather than converge, indicates that economic processes more complex than mere regional convergence are at play" (p. 27).

“decidedly pessimistic picture of racial inequality in the latter part of the twentieth century” (p. 28), on the grounds that these gains mainly reflect a regional shift effect that cannot be sustained indefinitely. This perspective may underestimate the synergistic character of prosperous black communities in dynamic urban areas of the South.

Subsequent sections explore this possibility.

From Jim Crow to Civil Rights Tourism

One of the clearest indications that the Civil Rights revolution brought real economic change is the shift in stance of southern business toward black customers. The rise of New South boosterism in the late 19th and early 20th centuries, and even the outreach towards conventions and tourism, did little to weaken segregation. If anything, the correlation was negative. Even Atlanta, proud of its tolerance and modernism, was thoroughly southern in its racial order. Hotels and convention facilities were rigidly segregated. Don Doyle notes that the older city of Charleston had more casual mixing and less physical segregation than newer centers such as Atlanta or Nashville, at least until the “new Charleston” campaign set out to modernize the economy in the 1920s.⁹

With the advent of the automobile but prior to desegregation, black travelers could buy guidebooks listing hotels and restaurants that were open to them. The best-known of these, *The Negro Travelers’ Green Book*, makes interesting reading. The Foreward to the 1958 edition stated: “The White traveler has had no difficulty in getting accommodations, but with the Negro it has been different. He, before the advent of a Negro travel guide, had to depend on word of mouth, and many times accommodations were not available.” Recommended establishments were indicated by a star, though a parenthetical remark was careful to note that omission of the star “does not necessarily

⁹ Doyle, *New Men*, pp. 291, 303-04. On Atlanta, see Newman, *Southern Hospitality*, pp. 47, 95, 103.

mean inferior accommodations.” The *Green Book* continued publication until 1963, but even at that late date, listings for national chains were not to be found.

Fearful of losing their white clientele, the initial response of virtually all segregated southern firms was to resist demands for desegregation and wait out the protests and boycotts. At an early 1960 meeting between students and Atlanta businessmen, one merchant spoke for many when he stated that they were “not even thinking about thinking about doing away with segregation!” Only when the protests persisted long enough to inflict real financial damage did local merchant groups reluctantly acquiesce – only to learn that desegregation was actually good for business, because the adverse white customer reaction was far less than feared. By 1963, the public accommodations issue was largely settled in the major metropolitan areas of the South, blunting regional business opposition to the more comprehensive measures enacted under the Civil Rights Act of 1964. Compliance in smaller towns and rural areas was hotly contested at first, but by the early 1970s, the issue had all but disappeared from regional and national political discussions.¹⁰

No sooner had the public accommodations revolution transpired but southern businessmen began to rewrite its history, often giving themselves starring roles. Perhaps the fastest revisionist city was Greensboro, site of the first sit-in in January 1960. Hal Sieber, arriving as the new head of the Chamber of Commerce, gave this account:

“When I first got to Greensboro I heard the white power structure condemning the sit-in demonstrators as if they were subversives...Five years later I heard the Mayor of the city brag about the fact that we were the home of the first sit-in, as if

¹⁰ This account is based on Wright, “Southern Business and Public Accommodations”. The Atlanta businessman is quoted in Kruse, *White Flight*, p. 182.

we had invented the electric light bulb.” (Quoted in Chafe, *Civilities*, p. 287.) Shameless as it may have been, the Mayor’s turnaround was a harbinger of the future.

The state of Alabama began planning to attract black tourists in the 1970s, under the leadership of none other than Governor George Wallace. The first tangible product was fully-illustrated 14-page travel guide entitled: *Black Heritage: A Tour of Historic Sites*. The brochure was such a hit that by 1990 the third version had grown to 30 pages, with 180,000 copies in print. Memorialization of the movement had of course begun earlier, with the designation of the Dexter Avenue Baptist Church in Montgomery as a National Historic Landmark in June 1974. But active promotion of Civil Rights heritage came when city authorities began to appreciate its potential, as reflected in a 1979 Montgomery seminar, “The Past Can Be Profitable”. One active entrepreneur in this endeavor was Morris Dees, founder of the activist Southern Poverty Law Center in 1971. Having mastered the art of fundraising for social causes, Dees commissioned Maya Lin to create a Civil Rights Memorial in front of the Center. The dedication of the memorial in November 1989 inspired a vigorous series of imitators, including the Civil Rights Museum at the Lorraine Motel in Memphis (1991), the Civil Rights Institute in Birmingham (1992), and the National Voting Rights Museum in Selma (1993), among many others. The Selma project is particularly interesting, because long-term mayor Joe Smitherman, who was in office during the demonstrations of 1965, is one of the stars. One local historian said of Smitherman: “He can do the reformed redneck segregationist almost better than anybody.”¹¹

¹¹ This paragraph is based on a series of articles by Glenn T. Eskew, including “From Civil War to Civil Rights,” “Memorializing the Movement,” and “Selling the Civil Rights Movement”. Construction of the King Center complex in Atlanta began in 1978 during the Carter Administration, but disputes between the

Does all of this civic energy really amount to anything? The economic stakes are actually quite substantial. Tourism is big business and rapidly growing. The black tourist and convention market alone was estimated at \$15 billion in 1990, and \$30 billion in 1995. The Birmingham and Memphis Civil Rights museums each attract about 150,000 people each year. The Martin Luther King Jr. National Historic Site in Atlanta is one of the South's most popular tourist attractions, averaging more than 600,000 visitors each year. Visitors to these sites are by no means all black, but constitute a diverse group from all parts of the country and abroad. According to some urbanologists, tourism-oriented cities are part of a new emerging hierarchy of urban places.¹²

More broadly, Civil Rights tourism offers an example of commercial incentives contributing to tolerance and acceptance of diversity. Historians may cringe at the simplified narratives on display, and moralists may suspect hypocrisy on the part of southern white sponsors. But incentives can modify behavior, and cooperative behavior in pursuit of common goals can modify prejudicial attitudes over time, albeit at some price to the complexity of the historical record. Parallels to contemporary responses to the rise of gay marriage are striking.¹³

King family and National Park Service delayed completion until the 1990s. The Park Service opened the King National Historic Site Visitor Center in June 1996, just in time for the Olympics.

¹² Peter Applebome, "New South Has New Face for Black Tourists"; Shaila K. Dewan, "Civil Rights Battlegrounds Enter World of Tourism"; Newman, "Race and the Tourist Bubble," pp. 318-319.

¹³ See for example Collins, "Las Vegas Envy".

Case Studies

Promotion of historical tourism is a hopeful form of post-Civil Rights urban entrepreneurship, but it is not evident how fully African-Americans have shared in the gains from this activity, nor for that matter from other types of enterprise in the South. The section below begins to address this question through case studies of some leading metropolitan areas in the region. Because Atlanta is large and very likely exceptional, it will be set aside for the time being. Clearly such an approach cannot generate definitive conclusions for the South as a whole. But case studies can be suggestive, identifying the range of possibilities and some of the forces at work. At any rate, it is a place to start.

Charlotte, North Carolina

Charlotte was an authentic product of the first New South movement, emerging as a railroad hub in the nineteenth century and a banking center by the early twentieth. It was also a cotton mill town, leaving a legacy of residential segregation by class as well as race. But when the mills closed in the 1960s and 1970s, the pain was barely felt because of the rapid progress of the city's distribution economy and financial sector. Identified by Peter Applebome as home to the "purest strain ever discovered of the Southern booster gene," Charlotte's politics were dominated by its business elite. As the *Charlotte Observer* wrote favorably in 1958: "Scratch beneath the surface of any government program and you're likely to find a Chamber of Commerce committee. By the end of the 1970s, Charlotte was the banking hub for the entire southeastern region, and by the 1990s it was the third largest banking center in the nation."¹⁴

¹⁴ Hanchett, *Sorting Out the New South City*, pp. 48-181, 224-226; Applebome, *Dixie Rising*, p. 153; Applebome, "Banking Lifts Charlotte".

When the sit-ins began in February 1960, the first reaction of Charlotte's merchants was the same as elsewhere, to resist desegregation demands by refusing service and prosecuting protesters for trespassing. Lunch counters were reluctantly opened to blacks in July, but cafeterias at two large department stores were explicitly not included in the arrangement. By the Spring of 1963, however, as protests continued, the Chamber of Commerce took decisive action, voting unanimously to call for voluntary desegregation of public accommodations. Not content with passive acquiescence, business leaders launched a well-publicized "let's do lunch" campaign, inviting black leaders to lunch in newly integrated establishments. Their undisguised interest was to enhance the city's image and get on with its growth agenda.¹⁵

Integration of the public schools, however, was a much tougher issue, not subject to top-down control by the business elite. After years of foot-dragging, angry black groups organized consumer boycotts to demand integration, but opposition from white neighborhoods was as strong as in other southern cities. Business groups were initially silent, but when Judge James B. McMillan's pro-busing decision in the *Swann* case was upheld by the Supreme Court in 1971, the Chamber of Commerce threw its weight firmly behind compliance. Remarkably, a comprehensive busing plan was developed and met with political approval from all major political factions. Among other keys to success, a crucial structural factor was the consolidation of city and county school districts in 1960, leaving threatened whites no ready means of escaping the system. Maintaining an overall white majority was essential for designing an acceptable busing plan.¹⁶

¹⁵ Gaillard, *The Dream Long Deferred*, pp. 22-23; Smith, *Boom for Whom?* Pp. 38-39. On early resistance, see *New York Times*, February 15, 1960; March 8, 1960; March 25, 1960; July 9, 1960; May 30, 1963.

¹⁶ This account draws on Smith, *Boom for Whom?* Pp. 57-70 ; Lassiter, *The Silent Majority*, pp. 131-212.

Table 3 shows that Charlotte did not suffer from white flight at any time between 1950 and 2000. The white population within the city grew almost as fast as the black population, and the white share of public school enrollment fell only modestly, from 72 percent in 1968 to 62 percent in 1983. The success of the program generated much favorable national publicity, enhancing the Charlotte's image as "The City that Makes It Work," as corporate boosters "incorporated the achievement...into the national marketing of Charlotte as the prosperous and progressive embodiment of the latest New South." According to Applebome, the commitment to busing "became as much a part of the civic mythos as the new glass towers sprouting on the streets of downtown". Racial accommodation contributed to economic growth in very tangible ways, most directly through support for an airport bond issue in 1978, reversing an earlier ballot defeat. The election of Civil Rights hero Harvey Gantt as mayor in 1981 seemed to symbolize the "biracial coalition around economic growth".¹⁷

To be sure, the Charlotte busing plan was eventually undermined by internal political opposition in the 1990s – commonly attributed to the arrival of non-southerners with no sense of allegiance to the political compromises of earlier decades -- and finally terminated by court decision in 2001. Harvey Gantt was defeated for a third term as mayor in 1987, and the city has had Republican political leadership since then. But it is not clear that the city's basic trajectory was fundamentally altered by these changes, either in its relatively enlightened approach to economic growth, or in its biracial character. In a recent survey of "entrepreneurial cities," Charlotte's approach to

¹⁷ Lassier, *Silent Majority*, p. 210; Applebome, *Dixie Rising*, p. 168; Smith, *Boom for Whom?* pp. 217-220. For examples of favorable national publicity, see Lee A. Daniels, "In Defense of Busing;" Arthur S. Hayes, "Against the Odds". The phrase "biracial coalition around economic growth" is from Abbott, *New Urban America*, p. 257.

telecommunications infrastructure was identified as “municipal best practice”. Urban experts praise its success in “creating and growing high-density, walkable urban places,” as well as “resilient, safe and racially and socially integrated housing districts” in addition to luxury high-rise apartments in Center City.¹⁸

Charlotte was named as the best city for African Americans by *Essence* magazine in 1998, and fourth best by *Black Enterprise* in 2001. The *BE* survey quoted a recently arrived black network engineer, who chose Charlotte over alternative locations because of “the warm weather, low crime rate, cultural events, diversity in the schools and in the neighborhoods, as well as the upward mobility enjoyed by African Americans...`Here it’s not an oddity if a black person is in a professional role.”

Do such paeans have any quantitative validity? In support of an affirmative answer, Table 4 traces the evolution of black occupations in Charlotte between 1950 and 2000. There is undoubtedly much slippage in occupational definitions over this time period, but the table presents five reasonably standard aggregations of “middle-class” categories, and every effort has been made to maintain comparability over time. The steady black progress in both levels and shares is unmistakable. Blacks have clearly been under-represented in the two highest categories and in sales, relative to their share of the city population. But almost all of the changes have been in a positive direction.

As companion evidence, Figure 3 displays the growth of black-owned businesses in Charlotte, compiled from the *Survey of Minority-Owned Business Enterprises* conducted by the Census every five years since 1972. The upward trend is clear. Although the largest category is services, the lower graph suggests that the rise of black-owned firms has been widely dispersed across sectors.

¹⁸ Hackler, *Cities in the Technology Economy*, pp. 127-129; Leinberger, “New Kind of Growth”.

Little Rock, Arkansas

Little Rock was one of two southern cities to be traumatized by Civil Rights disputes, with significant economic costs (the other being Birmingham). Proud of its prosperous, cosmopolitan image, the city voluntarily desegregated its libraries, public transportation and some parks in the 1950s. This favorable image was devastated in 1957, by scenes of National Guard troops confronting angry white mobs protesting the integration of Central High School by nine black students. Little Rock schools were then closed for the entire school year 1958-59, rather than submit to court-ordered desegregation. Although the school closure was ordered by the governor, the crisis reflected a breakdown in local leadership as well. Only after two years of crisis did a moderate business-led coalition mobilize to re-open the schools under a policy of minimal compliance. The economic impact was dramatic: Although Little Rock had attracted forty new industrial plants between 1950 and 1957, not a single new plant added to this total for the next five years. The “lesson of Little Rock” was widely discussed around the South in subsequent years.¹⁹

Although moderate businessmen were in control of city government by 1959, the first response to the lunch-counter sit-ins of March 1960 was arrest followed by harsh fines and prison sentences. Nearly three years passed before a “secret committee” of leading merchants, bankers and Chamber of Commerce saw fit to reverse this stance and quietly initiate a desegregation process beginning in January, 1963. The experiments advanced smoothly over the next few months, from lunch counters to restaurants, hotels, bowling alleys and movie theaters, prompting James Foreman of SNCC to tell *Jet*

¹⁹ Accounts of the Little Rock schools crisis are too numerous to cite. On Little Rock’s progressive image, see Kirk, *Redefining the Color Line*, pp. 63, 101. The end of new plant investments is documented in Garry Fullerton, “New Factories a Thing of the Past”.

magazine that Little Rock was “just about the most integrated city in the South”. Perhaps the improvement in race relations was related to the opening of the first new plant since the schools crisis (a Jacuzzi factory) in 1963, attracted by the gift of a plant site.²⁰

School integration plagued Little Rock for decades. In 1965 black parents filed suit in federal court contending that their children were being relegated to black neighborhood schools. As desegregation proceeded under court direction, whites began to leave the system, for the suburbs or private schools. A report commissioned in 1981 concluded that the district was experiencing a “downward spiral” in white enrollment at the elementary level. In 1982 the Little Rock district sued to consolidate school districts in the county, but this remedy was reversed on appeal in 1984, restricting expansion to the city limits. One dimension that made the 1950s crisis so explosive was the (well-founded) suspicion that the elites planned to impose the entire burden of school integration on working class whites. In many ways, this is exactly what happened. According to many observers, Little Rock’s lack of cohesion has been damaging both for race relations and for the economy.²¹

By many criteria, Little Rock has developed successfully. As of 2002, the metropolitan area boasted five Fortune 500 companies, plus significant high-tech activity in such areas as biotechnology and aviation. Even the downtown area enjoyed revitalization during the 1990s, building on the Clinton Presidential Library and – naturally – the National Historic Site at Central High School, opened in 1997 on the 40th

²⁰ On public accommodations, see Kirk, *Redefining*, pp. 157-58. The Foreman quote is in Britton, “New Little Rock,” p. 17. On the Jacuzzi gift, see Zimmerman, “Little Rock Revisited”.

²¹ Applebome, “New Pain on Top of Little Rock’s Early Weariness”: “After 32 years of turmoil, there are still no winners. The city’s economic development has been stunted by continuing turmoil in the schools that has scared off businesses and scarred relations among the races”. On class aspects of the 1950s crisis, see Anderson, “The Little Rock School Desegregation Crisis”. A 1992 task force found that four of ten students in predominantly white census tracts attended private schools (Kirk, *Beyond Little Rock*, p. 155).

anniversary of the famous confrontation. The high school remains open and highly-rated, its enrollment stabilized at about 50 percent African-American.²²

But at least for most of the period under study, Little Rock's growth promoters did not internalize the city itself as the object of development, much less foster a sense of partnership with the African-American community. As a result, despite the election of a black mayor (Lottie Shackelford) in 1987, Little Rock received only a small trickle of African-American in-migration, even during the boom years of 1995-2000. The graphs in Figure 4 compare the growth of black-owned businesses in Little Rock and Charlotte. The differences were small in the 1970s, but by 2002, there were three times as many black-owned firms in Charlotte, generating nearly seven times as much gross sales value. Of course much of the divergence simply reflects the difference in growth rates of the two cities; that is part of the point. But even adjusted for urban population, black-owned business sales growth has been far more impressive in Charlotte.

Despite all of these disappointments, Table 5 shows that African-Americans in Little Rock shared in the occupational upgrading experienced in metropolitan areas across the South. As a share of the totals in each category, the two cities are roughly comparable, the slightly higher percentages for Little Rock reflecting the higher black share of the city population (40 percent versus 33 percent in 2000). Thus it appears that these gains reflect the broad progress in black education and reduced labor-market discrimination, rather than opportunities tied to developments in particular cities.²³

²² Parker, "Long-Delayed Revival of Little Rock".

²³ A complication in analyzing Little Rock data is North Little Rock, a city of about 60,000 located just across the river. North Little Rock is not a classic "escape" suburb, having had almost no population growth since 1960, and a median family income about five percent below Little Rock. It does have its own school district, and its white population grew by about 5,000 between 1960 and 1980. Since 1970, however, the black population of North Little Rock has doubled (from 10,000 to 20,000), and its population in 2000 was one-third black. Little of the discussion would change if data from the two cities were combined.

Birmingham, Alabama

Birmingham had none of the bases for optimism of Charlotte or Little Rock. Steel output was already in decline during the 1950s, foreshadowing the massive job losses of the 1970s. The city failed in repeated efforts at annexation, opposed not just by race-conscious suburbanites but by the “Big Mule” coal and steel firms who wanted to avoid city taxes on their outlying plants. Long before the events of 1963, Birmingham’s race relations were widely considered the worst in the nation, featuring more than fifty bombings between 1947 and 1963. Hopeful business-sponsored efforts at racial moderation in the early 1950s were abandoned after 1956. In 1962, the city chose to close its parks rather than submit to desegregation. When change finally came beginning in 1963, the crisis left a legacy of bitterness. Richard Arrington was elected as Birmingham’s first black mayor in 1979. But with its economic base collapsing and whites abandoning the city in droves, this victory seemed indeed to be a “hollow prize”.²⁴

Appearances can be deceiving. On closer inspection, one may observe that many local businessmen were well aware of the need for an alternative path for Birmingham, and efforts to restructure the economy had been underway for some time. As early as 1944, Birmingham was chosen by the University of Alabama as the site of its new medical college. In the 1950s, commercial interests and their political allies saw the potential of using federal funds for hospitals and urban renewal as a way to revive the downtown area. In 1962, this group initiated a plan to reform the city government by shifting from the commission to a strong mayor-council form, in an effort to streamline the development agenda associated with the medical center, and thereby encourage

²⁴ Scribner, *Renewing Birmingham*, pp. 74-77; Connerly, “*The Most Segregated City*,” pp. 3-4, 171-173, 201; Thornton, *Dividing Lines*, pp. 195, 255; LaMonte, *Politics and Welfare*, pp. 165, 191.

merger with the suburbs. Desegregation was by no means a priority or even a goal of this reform agenda, but the need to deal with the federal government and concern for the city's reputation pushed the reformers into a more moderate position on race issues. The reform referendum was in fact successful, but the civic breakdown of 1963 occurred during a four-month interregnum when no one was clearly in charge of city government. Thus, a transition of some sort from the Bull Connors era would have happened even without the traumatic events for which Birmingham became world-famous.²⁵

Seen in this light, the Civil Rights revolution was favorable for Birmingham's long-term development, by opening decisions to black participation and reshaping the plans to gain black support. In the early 1950s, the NAACP opposed the proposed hospital expansion, both because the facilities were segregated (as permitted under the Hill-Burton Act) and because of the absence of relocation plans for the displaced population. (This was before the NAACP was banned by the state in 1956.) During the 1960s, federal approval and funding was held up until the hospital desegregated (in April 1965) and until planning committees added black members. As black voter registration increased and Birmingham moved into black-majority status in the 1970s, their influence was decisive in approval of bond issues to improve municipal services. The Chamber of Commerce opened its membership to blacks, and the increase in black voters prompted cooperation between black and white moderates that would have been unthinkable in the Jim Crow era. Arrington's twenty years in office were marked by collaboration with the largely white business community and its program for central-city development.²⁶

²⁵ Scribner, *Renewing Birmingham*, 34, 57, 79; Connerly, "The Most Segregated City", pp. 102-128.

²⁶ Scribner, *Renewing Birmingham*, pp. 59-61, 127-130; Connerly, "The Most Segregated City", pp. 125, 208; Perry, "The Evolution and Impact of Biracial Coalitions," p. 232; Thornton, *Dividing Lines*, pp. 370-379.

Since the 1980s, Birmingham's growth has centered on the university and medical center, but with diversification into biotechnology, banking, insurance, and publishing, as well as construction. Although most of the area's population growth has been in the suburbs, new businesses have also moved into 80 square miles of largely vacant land annexed by the city.²⁷ Has the majority African-American population shared in this economic turnaround? Table 8 shows that Birmingham has generated proportionally more black professional and middle-class employment than Charlotte, relative to city size, and far more than Little Rock. To be sure, blacks in Birmingham are still under-represented in the top occupational categories, relative to their share in the population. But the impressive job growth helps to explain the attraction of Birmingham to black migrants from outside the South.

Figure 5 shows that black-owned businesses in Birmingham declined along with the area's economy in the 1970s, but they have grown in both number and sales since 1982. Some part of this growth is attributable to the 10 percent minority participation requirement in city contracts, first instituted by Mayor David Vann (the last white mayor) in 1977. Early results were disappointing, but a system of public-private partnerships initiated in 1989 (The Birmingham Plan) resulted in markedly increased minority participation in both public and private sectors.²⁸ These programs have been highly controversial, prompting federal investigations and charges of corruption against Arrington himself. But the growth of black-owned business is undeniable, and the broad sectoral diversity displayed in Figure 6 suggests that this growth has not been merely the result of favoritism in city contracts.

²⁷ Firestone, "Mayor Improves Image of Birmingham".

²⁸ LaMonte, *Politics and Welfare*, pp. 242-243; Perry, "Evolution and Impact," pp. 242-243.

Extensions and Limitations

It hardly needs saying that a sample of three cities is not sufficient to write the economic history of the post-Civil Rights urban South. Obviously, more cities and more indicators will be needed before confident conclusions can be drawn. The aggregated regional data in Table 9 suggest, however, that except for the category “Professional” (which includes ministers and teachers), relative black occupational gains were experienced throughout the South. Progress at the regional level was not as rapid as in the three cities considered here, but faster than in other parts of the country (Table 10). Together, the case studies and regional evidence support the working hypothesis that the Civil Rights revolution was favorable for both economic development in the South and for black participation in the gains from that development.

It should be acknowledged that this aspect of post-Civil Rights history has mainly to do with the young, educated and relatively advantaged portion of the black population. Many other economic phenomena have not been addressed, such as poverty, incarceration, and school segregation, all of which have strong regional as well as racial dimensions. There is no claim here that urban-entrepreneurial development is the best means of advancing the wellbeing of people at lower socioeconomic levels, nor that it has been particularly successful in doing so. There are clear limits to the capacity of cities or metropolitan areas to reduce poverty. Such policy areas as police and education do fall within the purview of local governments. But here we have to ask how the incentives facing local economic and political leaders bear on these matters. These questions will have to be considered in future research.

References

- Abbott, Carl. *The New Urban America: Growth and Politics in Sunbelt Cities*. Chapel Hill: UNC Press, 1987.
- Anderson, Karen. "The Little Rock School Integration Crisis: Moderation and Social Conflict," *Journal of Southern History* 70 (2004): 603-636.
- Applebome, Peter. "New Pain on Top of Little Rock's Old Weariness," *New York Times* May 14, 1989.
- Applebome, Peter. "New South Has Face for Black Tourists," *New York Times* September 10, 1990.
- Applebome, Peter. "Banking Lifts Charlotte, City on the Rise, to the Top," *New York Times* August 24, 1991.
- Applebome, Peter. *Dixie Rising: How the South is Shaping American Values, Politics and Culture*. New York: Random House, 1996.
- Boustan, Leah. "Competition in the Promised Land: Black Migration and Racial Wage Convergence in the North, 1940-1970," NBER Working Paper 13813 (Feb 2008).
- Collins, Gail. "Las Vegas Envy," *New York Times* July 17, 2008.
- Connerly, Charles E. *"The Most Segregated City in America": City Planning and Civil Rights in Birmingham, 1920-1980*. Charlottesville: UVA Press, 2005.
- Britton, John. "New Little Rock Five Years after Troops Left," *Jet* April 4, 1963.
- Daniels, Lee A. "In Defense of Busing," *New York Times* April 17, 1983.
- Dewan, Shaila K. "Civil Rights Battlegrounds Enter World of Tourism," *New York Times* August 10, 2004.
- Doyle, Don H. *New Men, New Cities, New South*. Chapel Hill: UNC Press, 1990.
- Eisinger, Peter K. *The Rise of the Entrepreneurial State: State and Local Economic Development Policy in the United States*. Madison: U. of Wisconsin Press, 1988.
- Eskew, Glenn T. "From Civil War to Civil Rights: Selling Alabama as Heritage Tourism," *International Journal of Hospitality & Tourism* 2 (2001): 201-214.
- Eskew, Glenn T. "Memorializing the Movement," in Winfred B. Moore Jr, Kyle S. Sinisi, and David H. White Jr (eds.). *Warm Ashes: Issues in Southern History at the Dawn of the 21st Century*. Columbia: University of South Carolina, 2003.
- Eskew, Glenn T. "Selling the Civil Rights Movement," in Anthony Stanosis (ed.), *Dixie*

- Emporium*. Athens: University of Georgia Press, forthcoming.
- Firestone, David. "Mayor Improves Image of Birmingham but Not Racial Split," *New York Times* July 18, 1999.
- Florida, Richard. *The Rise of the Creative Class*. New York: Basic Books, 2002.
- Fredrickson, Mary. "Four Decades of Change: Black Workers in Southern Textiles, 1941-1981," *Radical America* 16 (1982).
- Frey, William H. "The New Great Migration: Black Americans' Return to the South, 1965-2000," in Alan Berube, Bruce Katz, and Robert E. Lang (eds.), *Redefining Urban and Suburban America, Volume Two*. Washington DC: Brookings, 2005.
- Friese, H. Paul. "Minority Mayors and the Hollow-Prize Problem," *Journal of the American Planning Association* 35 (March 1969): 70-75.
- Fullerton, Garry. "New Factories a Thing of the Past in Little Rock," *Nashville Tennessean* May 31, 1959.
- Gaillard, Frye. *The Dream Long Deferred: The Landmark Struggle for Desegregation in Charlotte, North Carolina*. Columbia: USC Press, 2006 (Third edition).
- Hackler, Darrene. *Cities in the Technology Economy*. New York: ME Sharpe, 2006.
- Hanchett, Thomas W. *Sorting Out the New South City: Race, Class and Urban Development in Charlotte, 1875-1975*. Chapel Hill: UNC Press, 1998.
- Hayes, Arthur S. "Against the Odds: As Others Scale Back on School Integration, Charlotte Presses On," *Wall Street Journal* May 8, 1991.
- Kirk, John A. *Redefining the Color Line: Black Activism in Little Rock, Arkansas, 1940-1970*. Gainesville: University Press of Florida, 2002.
- Kirk, John A. *Beyond Little Rock: The Origins and Legacies of the Central High Crisis*. Fayetteville: University of Arkansas Press, 2007.
- Kruse, Kevin M. *White Flight: Atlanta and the Making of Modern Conservatism*. Princeton: Princeton University Press, 2005.
- LaMonte, Edward Shannon. *Politics and Welfare in Birmingham, 1900-1975*. Tuscaloosa: University of Alabama Press, 1995.
- Lassiter, Matthew D. *The Silent Majority: Suburban Politics in the Sunbelt South*. Princeton: Princeton University Press, 2006.

- Leinberger, Christopher B. "New Kind of Growth Emerging for Charlotte," Brookings Institution Opinions, March 29, 2008.
- Markusen, Ann, and Greg Schrock. "The Distinctive City: Divergent Patterns in Growth, Hierarchy and Specialisation," *Urban Studies* 43 (July 2006): 1301-1323.
- McHugh, Kevin E. "Black Migration Reversal in the United States," *Geographical Review* 77 (April 1987): 171-82.
- Minchin, Timothy. *From Rights to Economics: The Ongoing Struggle for Black Equality in the U.S. South*. Gainesville FL: University Press of Florida, 2007.
- Negro Travelers' Green Book*. New York: Victor H. Green & Co, 1958-1963.
- Newman, Harvey K. *Southern Hospitality: Tourism and the Growth of Atlanta*. Tuscaloosa: University of Alabama Press, 1999.
- Newman, Harvey K. "Race and the Tourist Bubble in Downtown Atlanta," *Urban Affairs Review* 37 (January 2002): 301-321.
- Parker, Suzi. "Long-Delayed Revival of Little Rock," *Christian Science Monitor* April 21, 1998.
- Perry, Hugh L. "The Evolution and Impact of Biracial Coalitions in Birmingham and New Orleans," in Rufus P. Browning, Dale Rogers Marshall, and David H. Tabb (eds.), *Racial Politics in American Cities*. 3rd edition. NY: Longman, 2003.
- Rymer, Russ. "Integration's Casualties: Segregation helped black business. Civil Rights helped destroy it," *New York Times Magazine* November 1, 1998.
- Scribner, Christopher MacGregor. *Renewing Birmingham: Federal Funding and the Promise of Change, 1929-1979*. Athens: University of Georgia Press, 2002.
- Smith, Stephen Samuel. *Boom for Whom? Education, Desegregation and Development in Charlotte*. Albany NY: State University of New York Press, 2004.
- Thornton, J. Mills. *Dividing Lines*. Tuscaloosa: University of Alabama Press, 2002.
- Vigdor, Jacob L. "The New Promised Land: Black-White Convergence in the American South, 1960-2000," NBER Working Paper 12143 (March 2006).
- Weems, Robert Jr. *Desegregating the Dollar: African-American Consumerism in the Twentieth Century*. New York: New York University Press, 1998.
- Wright, Gavin. "Southern Business and Public Accommodations: An Economic-Historical Paradox," presented at the Business History Conference, April 2008.
- Zimmerman, Fred L. "Little Rock Revisited," *New York Times* December 7, 1963.

Table 1. Net Migration into the South, 1870-1880 to 1995-2000 (in thousands)		
Decade	White	Black
1870-1880	91	-68
1880-1890	-271	88
1890-1900	-30	-185
1900-1910	-69	-194
1910-1920	-663	-555
1920-1930	-704	-903
1930-1940	-558	-408
1940-1950	-866	-1581
1950-1960	-234	-1202
1960-1970	1807	-1380
1970-1980	3556	206
1980-1985	1810	87
1985-1990	971	381
1990-1995	1344	358
1995-2000	1453	347

SOURCE: H.T. Eldridge and D.S. Thomas, Population Redistribution and Economic Growth, Volume III (Philadelphia: American Philosophical Society, 1964), p. 90; Bureau of the Census, Historical Statistics of the United States to 1970 (Washington, DC: USGPO, 1975), pp. 94-95; J.D. Kasaida, M.D. Irwin, and H.L. Hughes, "The South is Still Rising," and Isaac Robinson, "Blacks Move Back to the South," both in American Demographics (June 1986), pp. 35, 43; Bureau of the Census, Current Population Reports: Geographic Mobility; Special Studies; Domestic Migration Across Regions, Divisions, and States; and Migration by Race and Hispanic Origin: 1995 to 2000. Figures for 1985-90 are the sums of the annual figures.

Table 2. Metropolitan Areas with Largest Black Gains 1985-1990 and 1995-2000			
1985-1990		1995-2000	
Atlanta	74,705	Atlanta	114,478
Washington-Baltimore	29,904	Dallas	39,360
Norfolk-Virginia Beach	27,645	Charlotte	23,313
Raleigh-Durham	17,611	Orlando	20,222
Dallas	16,097	Las Vegas	18,912
Orlando	13,368	Norfolk-Virginia Beach	16,660
Richmond	12,508	Raleigh-Durham	16,144
San Diego	12,482	Washington-Baltimore	16,139
Minneapolis-St. Paul	11,765	Memphis	12,507
Sacramento	10,848	Columbia	10,899

Source: Frey, "The New Great Migration," p. 94.

Table 3. Charlotte Population by Race, City and Suburbs (000) 1950-2000							
	CITY			SUBURBS			Relative Family Income (City/Suburb)
	Nonblack	Black	%Black	Nonblack	Black	% Black	
1950	116.5	17.5	13.1	56.8	6.3	10.0	
1960	145.4	56.2	27.9	60.0	10.5	14.9	
1970	168.2	73.0	30.3	102.3	11.2	9.9	1.05
1980	216.9	96.6	30.7	79.3	10.6	11.8	1.05
1990	270.1	125.7	31.8	106.7	8.8	7.6	1.05
2000	363.9	175.7	32.9	133.8	20.8	13.4	1.04

Notes: “Suburbs” are defined as the difference between Mecklenburg County and the city of Charlotte. Relative Family Income is the ratio of the medians, from the SOCDS Census Data site of the Department of Housing and Development. Because these figures are for the Metropolitan Statistical area, the definition of suburbs is not strictly comparable to that of the population totals.

**Table 4. Black Occupational Distribution, Charlotte NC
1950-2000**

	Professional		Managers		Clerical		Sales		Skilled Labor	
	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
1950	755	13.2	288	4.3	415	4.2	172	2.7	1291	18.8
1960	1115	12.9	343	4.0	700	5.2	212	2.5	1268	14.9
1970	1976	12.6	555	5.3	3299	14.2	535	4.9	3299	22.1
1980	3664	17.6	1788	8.8	6847	21.2	1990	9.5	3878	25.2
1990	5081	17.1	3855	11.9	11142	29.0	4888	15.0	5293	27.8
2000	11519	20.0	8346	16.6	17540	39.6	7805	20.0	5111	22.0

Table 5. Little Rock Population by Race, City and Suburbs (000) 1950-2000							
	CITY			SUBURBS			Relative Family Income (City/Suburb)
	Nonblack	Black	%Black	Nonblack	Black	% Black	
1950	79.6	22.6	22.1	37.8	13.6	26.5	
1960	82.5	25.3	23.5	77.7	16.0	17.1	
1970	99.4	33.1	25.0	144.1	15.9	9.9	1.18
1980	107.4	51.1	32.2	181.2	22.6	11.1	1.10
1990	115.9	59.9	34.1	200.1	19.9	9.0	1.11
2000	109.1	74.0	40.4	246.7	20.5	7.7	1.00

Notes: “Suburbs” are defined by the SOCDS Census Data site as the total for the MSA less the sum of data for Conway, Jacksonville, Little Rock and North Little Rock. For 1950-70, this definition was adapted to the changing boundaries of the MSA. Relative Family Income is the ratio of the medians.

Table 6. Black Occupational Distribution, Little Rock 1950-2000										
	Professional		Managers		Clerical		Sales		Skilled Labor	
	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
1950	537	10.5	236	4.4	401	5.0	91	1.9	601	12.5
1960	633	9.2	147	5.8	378	9.1	173	4.3	505	11.9
1970	1173	11.5	224	3.8	982	9.1	185	3.4	827	15.3
1980	1710	13.6	896	8.7	3663	25.3	800	9.3	1831	28.5
1990	2880	17.4	2007	15.5	4637	30.0	2187	17.6	2790	30.8
2000	5434	23.0	2717	20.6	6311	42.2	2684	25.0	1720	34.2

Table 7. Birmingham Population by Race, City and Suburbs (000) 1950-2000							
	CITY			SUBURBS			Relative Family Income (City/Suburb)
	Nonblack	Black	%Black	Nonblack	Black	% Black	
1950	196.0	130.0	40.0	350.6	208.3	37.3	
1960	205.8	135.1	39.6	415.4	219.5	34.6	
1970	174.6	126.3	42.0	438.5	206.5	32.0	0.89
1980	126.2	158.2	55.6	447.6	223.7	33.3	0.75
1990	97.7	168.3	63.3	423.0	228.5	35.1	0.66
2000	64.5	178.3	73.4	351.4	260.6	42.6	0.59

Notes: “Suburbs” are defined as Jefferson County less Birmingham. Relative Family Income is the ratio of the medians. Because these figures are for the Metropolitan Statistical area, the definition of suburbs is not strictly comparable to that of the population totals.

**Table 8. Black Occupational Distribution, Birmingham AL
1950-2000**

	Professional		Managers		Clerical		Sales		Skilled Labor	
	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
1950	1961	17.7	890	8.1	907	5.1	700	6.6	2914	15.7
1960	2431	19.2	668	7.0	1462	7.2	514	5.1	2533	15.6
1970	2968	21.0	729	9.2	3576	16.1	826	9.2	3497	23.3
1980	4729	35.3	2265	24.2	8362	37.7	2930	26.7	5002	41.8
1990	5939	39.8	3463	34.0	10809	56.2	5620	44.8	4866	51.5
2000	9643	52.5	3161	34.3	13532	71.6	6493	62.0	4121	56.6

Table 9. Black Occupational Distributions, North vs. South 1950-2000 (% of regional occupation total)										
	Professional		Managers		Clerical		Sales		Skilled Labor	
	North & West	South	North & West	South	North & West	South	North & West	South	North & West	South
1950	1.9	11.1	1.2	4.1	2.3	4.4	1.2	3.1	2.3	8.5
1960	2.3	10.1	1.2	2.7	3.0	4.0	1.5	2.6	3.0	8.1
1970	3.7	10.0	2.6	4.8	6.2	8.5	3.1	5.1	4.3	11.1
1980	5.2	11.6	4.1	7.0	8.1	12.6	4.1	7.9	4.8	11.7
1990	5.7	10.9	5.0	8.9	9.6	15.0	5.7	11.1	5.3	12.4
2000	5.8	12.6	5.3	10.5	9.5	18.2	6.5	14.4	5.5	13.4

Source: IPUMS samples

Table 10. Relative Black Occupational Distributions, North vs. South 1950-2000										
(% of regional occupation/% black in population)										
	Professional		Managers		Clerical		Sales		Skilled Labor	
	North & West	South	North & West	South	North & West	South	North & West	South	North & West	South
1950	.41	.51	.26	.19	.50	.20	.26	.14	.50	.39
1960	.38	.49	.20	.13	.49	.19	.25	.13	.49	.39
1970	.49	.53	.34	.25	.82	.45	.41	.27	.57	.58
1980	.63	.62	.49	.38	.98	.68	.49	.42	.58	.63
1990	.66	.59	.57	.48	1.10	.81	.66	.60	.61	.67
2000	.67	.67	.62	.56	1.10	.96	.76	.76	.64	.71

Source: IPUMS samples, U.S. Census

Figure 1

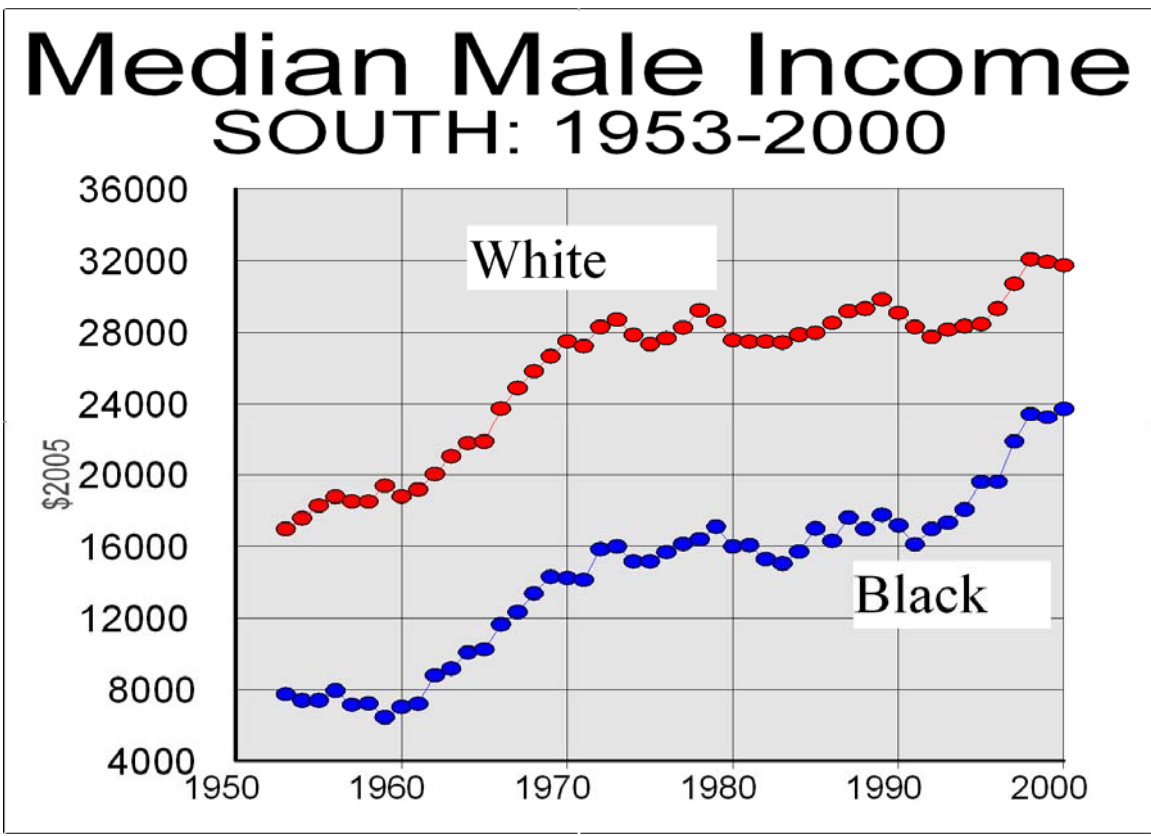


Figure 2

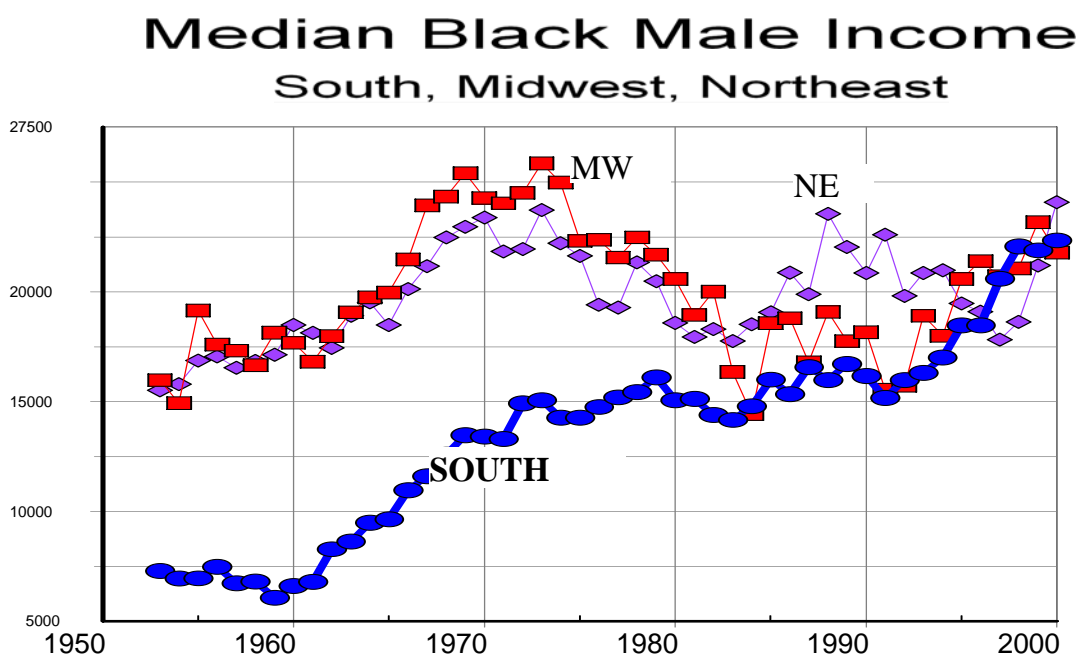
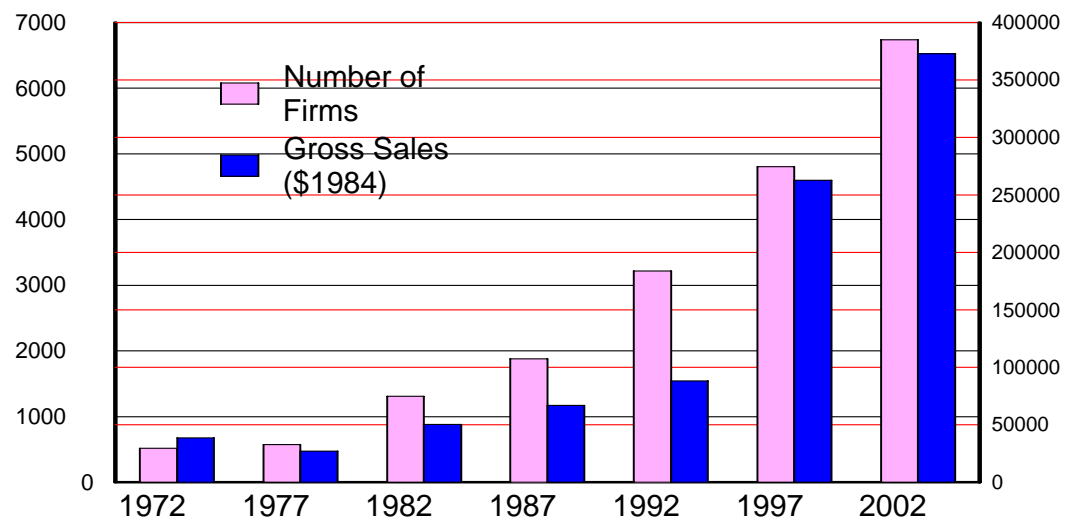


Figure 3

Black-Owned Firms in Charlotte City 1972-2002



Black-Owned Firms in Charlotte MSA 1972-2002

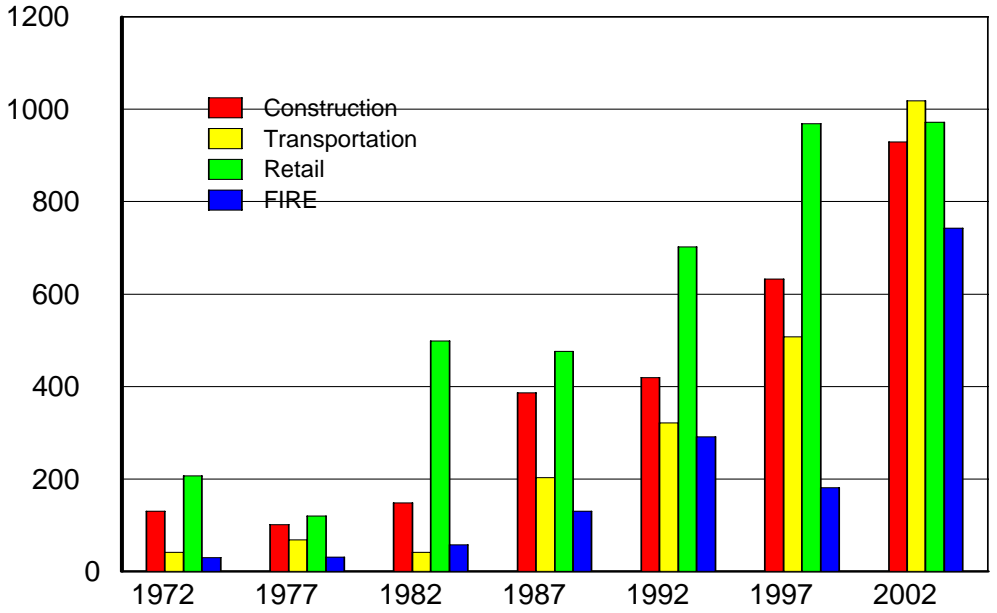


Figure 4

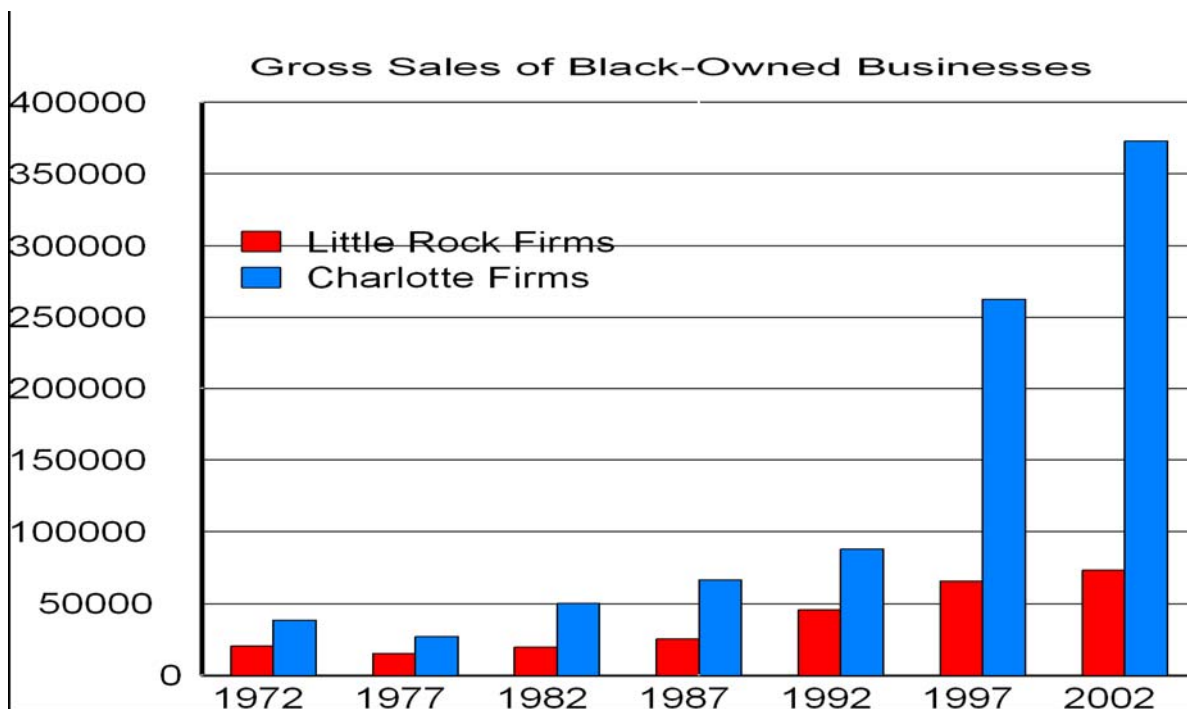
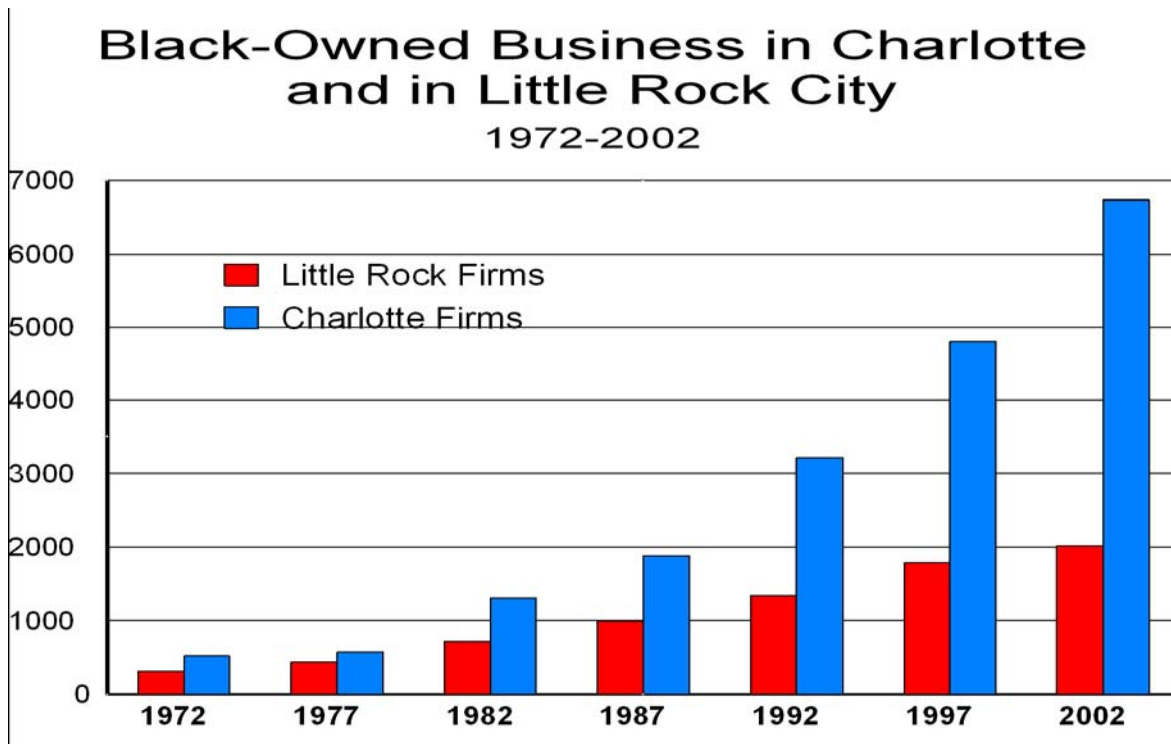


Figure 5

Black-Owned Businesses in Birmingham 1969-2002

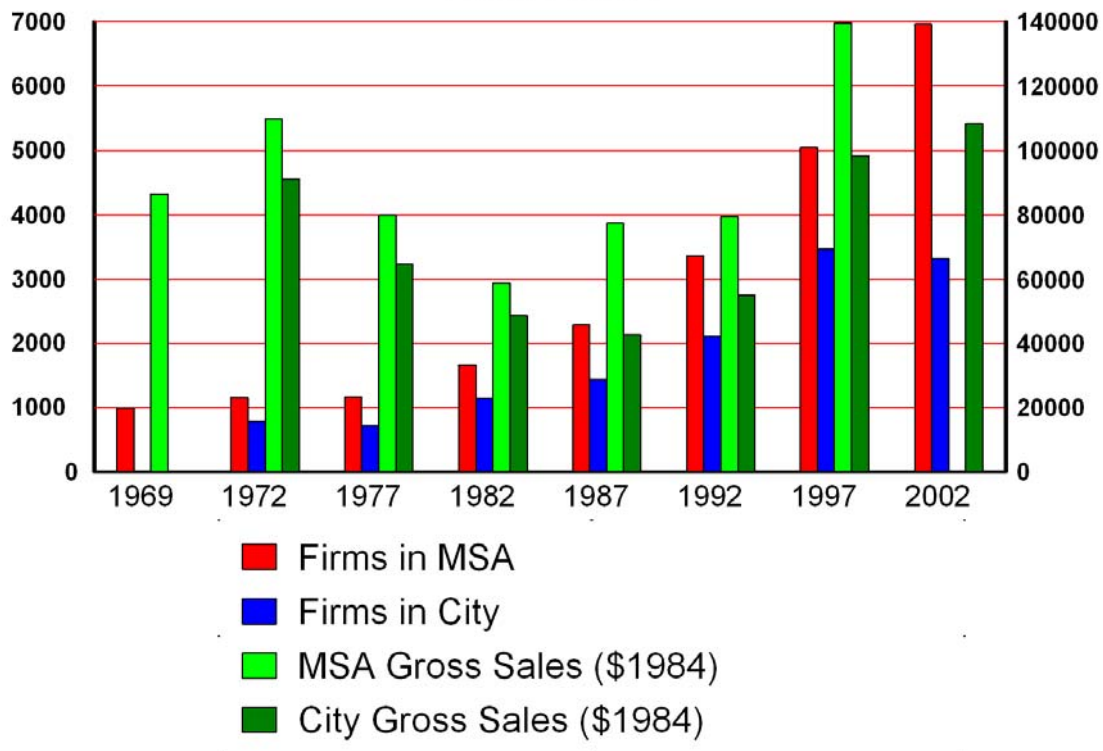


Figure 6