BlackEconomics.org®

"Are Black Americans (Afrodescendants) Mis-Educated or Misunderstood?"

Purpose: **To contribute to the reversal of popular opinion concerning the economic rationality of Black Americans (Afrodescendants), which is too often miscalculated even by Black economists, who may join NonBlack economists in concluding that we experience difficulty in identifying and optimizing preferred states of wellbeing (utility). This essay responds to an upsurge of interest in renewing the Black American mind to facilitate our rise.**

Introduction

To the casual observer and even many economists today, as Dr. Carter G. Woodson explained, the Negro (Black American (Afrodescendant)) appears to be mis-educated.[i] That is, even as a now slightly under educated group, we appear unable to use knowledge and the educational process to elevate ourselves from the near bottom of the U.S. socioeconomic heap.[ii] *A prioi*, this testifies to our mis-education.

But, as my father admonished often and well, "things are not always as they seem." In other words, there is a counter argument to the above description of Black America's mis-education. Not that the idea of our mis-education is not always and everywhere false, but there are very important examples—especially economic examples—where there is clear evidence that we are not "mis-educated." Rather, we may be misunderstood. Laypersons have presented arguments and examples of the type to be highlighted below, but most economists (even Black American economists) do not emphasize enough the importance of economic incentives—especially when considering Black economic topics. Generally, economists support the theory that provision of the correct incentives will generate desired and related outcomes.[iii] That is, if preferred outcomes are identified, then it is just a matter of determining the correct and related policy actions that serve as incentives that can produce these outcomes. Usually, such arguments are trotted out at the behest of governments or large firms that want to further promulgate the "incentive-to-policy-to-outcome" paradigm because it is in their best interest to do so.

Even BlackEconomics.org has posed questions and presented submissions that hint at the irrationality of Black American economic choices.[iv]

However, a few weeks back, due to ICE's (Immigration and Customs Enforcement's) seeming ubiquitous presence in the media, we began thinking broadly about crime. Relatedly, we thought in a cursory fashion about our often highlighted and outsized role and problematic nature of the nation's Health Care industry, but we have not explored in sufficient detail the role of crime.[v] We know that even during America's burgeoning frontier years that were depicted on television during our youth, the first structures erected in frontier towns were: Saloons, banks, jails, and churches. We were programmed to believe that these were essential elements of American life. Consequently, the following idea surfaced: **The US economy cannot survive well without crime and jails.**[vi] But because of a variety of factors, we delayed a submission on this topic. Now about one month later, we rethink all of that and return to a core point that is often overlooked.

Is it that Black Americans (Afrodescendants) are not mis-educated, just misunderstood? In so many cases and places, Black American intelligence goes unrecognized and disrespected. **We exhibit over investment behavior in pursuit of entertainment careers.** We are assumed to be ignorant and that our behavior signals poor optimization of our wellbeing. On the other hand, there are our exceptional "geniuses." But as a follow up to the Dr. Kenneth and Mammie Clark "Black Dolls" study, should we not plan a Black vs. White "Intelligent Dolls" study.[vii] We could pose the following question to a representative sample of appropriately-aged youth in the US: "When it comes to intelligence or smartness, which doll (Black or White) do you prefer?" Do you not possess a firm Bayesian Prior concerning such a study's results?

Analytical Reasoning

To suggest answers to the lead question in the previous paragraph using crime and entertainment as examples, let us adopt the position that Black Americans are **misunderstood not mis-educated**. For example, it is very difficult for most persons (expert and laypersons alike) to conclude that Black Americans engagement in the criminal "injustice" system is rational. That is, our participation in, and the type of crimes that we commit, are not considered rational behavior. Similarly, many Black and NonBlack Americans believe that Black Americans over invest in pursuit of careers in entertainment industries. How do we assess these behaviors to determine whether they are economically rational? We employ statistical analysis, cost-benefit analysis, and logical inferences.

Our statistical analysis reveals the following results:

- There is a positive (procyclical ?) relationship between the natural log of the number of Black American arrests and the Black unemployment rate.[viii] That is, from a purely economic statistical perspective, Black Americans actually appear to optimize our wellbeing when we commit crimes, are arrested, and then find a full ("free") social benefit program in the nation's prisons and jails. This reflects wise decision-making for those who have few options given the poor quality of education they receive at the elementary and secondary level, which is characterized partially by the fact that 37 percent of Black youth attended high-poverty schools as recorded five year ago.[ix] A choice to commit a crime may be an even wiser decision if imprisonment occurs where "free" education and training are offered, and where job placement programs function well. Such education and training can transform the lives of young Black Americans, who are devoid of post-secondary school education or training opportunities. Also, wise decision-making may be reflected when few alternatives to the "thug life" exist, and incarcerees build deep relationships with "gang" leaders and members while in prisons/jails; thereby planning and preparing for an improved (increased wellbeing) economic and social life after incarceration.

- **Table 1** (**Addendum A**) presents statistics on the top five crimes (offenses) and sub-crimes for which Black Americans were arrested during 2010-2019.[x] We use the data for these arrests by the offenses charged and related national average sentences for those convicted of these offenses to conclude that: (1) Five of the seven "Offenses Charged" show a **minimum sentence** of no (0) time served; and (2) five of the seven "Offenses Charged" reveal a **maximum sentence** of one-year or less. These statistics, while general and average in nature, infer that Black Americans may be using prisons/jails as a ready resource to bridge gaps in the nation's social benefits program when alternatives sources of economic support are not be available.

  In other words, it is reasonable to proffer a calculus that Black Americans' decision to commit crimes is economically rational. An easy consensus at which to arrive is that, as already noted (see Endnote viii), there is a positive correlation (possibly a pro-cyclical pattern) between arrests and the related duration of incarcerations of Black Americans that result from those arrests and US economic slowdowns.[xi] Is this coincidental, or is it sound and logical calculus?

As for cost-benefit analysis without data analytics, we restrict our consideration to entertainment (e.g., Spectator Sports (712) an Entertainment (Motion Pictures & Video Recording (5121), Sound Recording (5122), and Radio and Television Broadcasting (5151)).[xii] We consider entertainment industries to show succinctly that, while Black Americans are often cited as acting in an economically irrational manner by over investing in entertainment as a career choice, **Table 2** (**Addendum B**) reveals that costs incurred by Black Americans to become professional entertainers versus the benefits gained signals that such choices reflect rational economic behavior.

Using logical inferences, common knowledge, and selected statistical sources, Table 2 highlights the basis for our conclusion that Black Americans make rational economic choices when they pursue careers in entertainment industries based on a comparison of absolute, relative, and opportunity costs and benefits. Specifically, such choices do not point to irrational "over investing" in entertainment industries. The table features a comparison of average costs and benefits for Black and NonBlack Americans and shows generally that Black Americans face lower costs than NonBlacks to achieve professional status in sports. Also, the table shows, that with one exception (lower relative benefits), Black Americans face higher average benefits than NonBlacks after rising to the professional ranks among entertainers.

Keep in mind that our conclusion is based on rational economic decision making by **individuals**, not **group** decision making. The difficulty is that Black American youth are only concerned about the wellbeing that might be derived from their career choices, not the overall wellbeing of Black Americans. Also, the analysis presented in Table 2 reflects broad average results that do not account for specific skills and abilities of individual decision makers. The intent of the table is to show that individually, Black Americans make rational economic decisions. Whether such decisions are rational for Black Americans as a group is another issue altogether.[xiii,xiv]

As a final consideration of whether Black Americans are economically irrational when pursing entertainment careers, it is noteworthy that Nobel Prize Winning economist Kenneth Arrow's ground-breaking work on asymmetric information in decision making (specifically what has become known as "credential discounting") explains the arising or existence of conditions where the most educated or well-trained Black Americans encounter the most economically adverse racial discrimination. The analysis performed in this essay infers that Black Americans who are not generally the most educated or well-trained are able to escape—at least to some extent—adverse economic impacts from racial discrimination through entertainment careers. We should not forget that Black Americans who live out entertainment careers enjoy individual victories. However, for Black America to advance economically as a group, collective economic victories are required. Fortunately, certain Black entertainers use some of their financial and other resources to aid Black and NonBlack Americans to advance their careers in entertainment and other industries.

<u>Summary/Conclusion</u>

The content of this essay makes clear that Black Americans (Afrodescendants) are likely to be **more misunderstood than mis-educated**. While we may not be recognized in large numbers among the world's great scientists today, we should not forget that inhabitants of the "African" continent were the first scientists and laid a solid foundation for today's scientists in all long existing sciences (agriculture, physics, geology, meteorology, mathematics, social sciences, medicine, biology, etc.), which has facilitated the development of a now extraordinarily dynamic, sophisticated, and technological world.

While BlackEconomics.org may have presented arguments on the other side of this analysis in the past, we should not forget that positions and theories on economic topics change from time-to-time given new data, new circumstances, and time to rethink the old in a new and brighter light made possible by (technological) advancements in the economics and other fields of study.

One of BlackEconomics.org's three primary starting points for considering our world is: (1) The supreme importance of knowledge; (2) the unparallelled power of the human mind; and (3) the essentiality of asking "Why" when pursuing more knowledge. Now, we add to this list of operational tools a new requirement for exploring Black economics: (1) Be a true scientist, who does not accept what is readily observable on the surface; and (2) always remember that "Things are not always as they seem." If we all adhere to these starting points for analyzing Black American concepts, issues, policies, plans, problems, and concerns, then we should progress steadily toward, and achieve, the objectives and goals that we establish for ourselves. As part of such development, we can remind onlookers that we are not mis-educated. Rather, too often, we are misunderstood.

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Addendum A

Table 1.—Top Five Crimes Engaged by Black Americans and Minimum and Maximum Sentences, 2010-2019

Rank	Offenses Charged	Minimum Sentences	Maximum Sentences
1	All other offenses (except traffic)* [7.4 million]	0 time (fines, warnings, or time served)	Up to 1 year.
2	Drug abuse violations [3.5 million]		
	Simple possession	0 time (probation, diversion, or time served)	1 year for first conviction; 2 years each conviction thereafter
	Trafficking, manufacturing, and/or distribution	5-to-10 years depending on drug type and volume, up to 20 years if distribution causes injuries or death to drug users.	For first offense 40 years with limited drug volume; up to life in prison depending on drug volume and for repeat felony offenders.
3	Other assaults [3.2 million]	0 time (probation, community service, fines, or time served)	6 months to 1 year
4	Larceny/Theft [2.7 million]		
	Petty larceny/Misdemeanors	0 time (probation, community service, fines, or time served)	Less than 1 year
	Grand larceny	20-to-25 years	1-to-25 years
5	Disorderly conduct [2.5 million]	0 time (fines, infractions or community service)	6 months

Sources: FBI's UCR Program's CIUS; Google's LLM AI BOT GEMINI definitions and sentence data; and BlackEconomics.org visualizations. *—All other offenses is a catchall catch-all category that groups misdemeanors and minor violations.

Addendum B

Table 2.—Average Costs and Benefits for Black Americans versus Non-Black Americans in Sports and Other Entertainment Industries

Line No.	Costs and Benefits	Sports Entertainment: Spectator Sports (712)	Other Entertainment: Motion Picture & Video Recording (5121); Sound Recording (5122); Radio and Television Broadcasting (5151)
1	**Costs**		
2	Absolute costs	Lower on average for Black Americans due to: (i) Affordability; (ii) availability of competition; (iii) availability of training environment; (iv) availability of no- or low-cost "expert" trainers.	Lower on average for Black Americans due to: (i) Affordability; (ii) availability of competition; (iii) availability of training environment; (iv) availability of no- or low-cost "expert" trainers.
3	Relative costs		
4	Black vis-a-vis Non-Black Americans	Lower for Black Americans for reasons cited under "Absolute costs."	Lower for Black Americans for reasons cited under "Absolute costs."
5	Entertainment vis-à-vis other industries	Likely substantially higher than for high compensation industries *de jour*. Currently STEMAIR[+] industries are high compensation industries. The cost of all inputs required to produce college or professional sportspersons is likely greater than the inputs required to produce a high-quality STEMAIR expert.	Likely substantially higher than for high compensation industries *de jour*. Currently STEMAIR industries are high compensation industries. The cost of all inputs required to produce college or professional sportspersons is likely greater than the inputs required to produce a high-quality STEMAIR expert.
6	Opportunity costs	Lower for Black Americans because average earnings are lower than for Non-Black Americans across all industries.	Lower for Black Americans because average earnings are lower than for Non-Black Americans across all industries.

Line No.	Costs and Benefits	Sports Entertainment: Spectator Sports (712)	Other Entertainment: Motion Picture & Video Recording (5121); Sound Recording (5122); Radio and Television Broadcasting (5151)
7	**Benefits**		
8	Absolute benefits	Largely indeterminant based on recent econometric studies that isolate the relationship between earnings and race.	Higher on average because average Black American earnings from Entertainment industries are likely greater than for non-Entertainment industries.*
9	Relative benefits		
10	Black vis-a-vis Non-Black Americans	Largely indeterminant for the reasons cited under "absolute benefits."	Lower on average because non-Blacks reflect higher average earnings than Blacks in Entertainment industries.
11	Entertainment vis-à-vis other industries	Benefits are higher on average because average earnings for Blacks in sports industries exceed average earnings in all other industries.	Benefits are higher on average because average earnings for Blacks in Entertainment industries likely exceed average earnings in all other industries.
12	Opportunity benefits	Higher for Black Americans because, while there may be nearly no earning differences between Blacks and NonBlacks in Sports industries, there are no industries available from which Black Americans experience higher average earnings.	Higher for Black Americans for two reasons: (i) The difference between average earnings for Non-Blacks in Entertainment industries and all other industries is smaller than a similar value for Blacks Americans.

Sources: BlackEconomics.org framework and visualization; results from Google's LLM AI BOT GEMINI searches; and statistics from the U.S. Census Bureau's 2022 American Community Survey on Median Earnings by Education, Race/Ethnicity, and detailed occupation (see Table 6). https://www.census.gov/data/tables/2022/demo/acs-2022.html (Ret. 081026

Endnotes

[i] Carter G. Woodson (1933). *The Mis-Education of the Negro*. The Associated Publishers.

[ii] The following hierarchy of educational attainment in the U.S. is common knowledge: (1) Asian Americans; (2) White Americans; (3) Black Americans (Afrodescendants); and Hispanic Americans.

[iii] The most well-known examples of using incentives to produce desired economic outcomes concern U.S. monetary and fiscal policy. For monetary policy, simply lower interest rates to bolster economic growth and increase interest rates to slow growth. For fiscal policy, reduce taxes and/or increase subsidies to corporations or other business forms to motivate business investment (add employees and purchase new capital assets) and increase economic growth, and reverse those provisions to slow economic growth.

[iv] For example, BlackEconomics.org has pointed to Black America's over investment in sports and entertainment as irrational and detrimental to our success: "More Physicists Fewer Fullbacks" aka "HBCUs Should Produce Quantum Physicists, Not Quarterbacks." https://nationalcenter.org/ncppr/2008/09/01/hbcus-shouldproduce-quantum-physicists-not-quarterbacks-by-b-b-robinson-ph-d/. The same idea comes across in very recent BlackEconomics.org research: "An Important Barrier to 'Doing for Self:" https://www.blackeconomics.org/BEFuture/aibtodfs052826.pdf. We have gone so far as to blatantly enquire: "Are Black Americans Rational Economic Agents?..." https://www.blackeconomics.org/BELit/abarea.pdf. (All Ret. 080526)

[v] BlackEconomics.org's first discussion of the idea that the U.S. Health industry/sector is too large appears in: "Drivers But Not Beneficiaries of Health Output." https://www.blackeconomics.org/BELit/dbnbho.pdf (Ret. 080526).

[vi] It might be instructive for National Accountants to develop a statistical analysis of crime's importance to the U.S. economy, much as the U.S. Bureau of Economic Analysis (BEA) has chronicled the importance of the Health Care Sector to the nation's economy. See Robert Kornfeld, *et al* (2020). "A Reconciliation of Health Care Expenditures in the National Health Expenditures Accounts and in Gross Domestic Product." BEA Working Paper Series, WP2020-8. https://www.bea.gov/sites/default/files/papers/BEA-WP2020-8.pdf (Ret. 080926). It is noteworthy that U.S. governments' spending for the Public Order and Safety Function (to include Police, Fire, Law Courts, and Safety) averages about one-half the nation's spending on National Defense, which excludes completely private sector spending to manage criminal behavior. See the National Income and Product Accounts' "Table 3.15.5—Government Consumption Expenditures and Gross Investment by Function. Bureau of Economic Analysis. https://apps.bea.gov/iTable/?reqid=19&step=2&isuri=1&categories=survey&_gl=1*75u9gb*_ga*MTM4NjM5Mjg5NS4xNzc2NzY1ODQ5*_ga_J4698JNNFT*czE3ODYyNzUwNzckbzckZzEkdDE3ODYyNzU0NzUkajQ2JGwwJGgw#eyJhcHBpZCI6MTksInN0ZXBzIjpbMSwyLDNdLCJkYXRhIjpbWyJjYXRlZ29yaWVzIiwiU3VydmV5Il0sWyJOSVBBX1RhYmxlX0xpc3QiLCIxMTciXV19 (Ret. 080926).

[vii] Kenneth and Mammie Clark are known for their invention of the Black versus White "Dolls Study." Three of the most important publications that describe this work and the related results are respectively: (1939) "Segregation as a factor in the racial identification of Negro pre-school children: A preliminary report." *Journal of Experimental Education*, 11, 161–163; (1939) "The development of consciousness of self in the emergence of racial identification in Negro pre-school children." *Journal of Social Psychology,* 10, 591-597; and (1940) "Skin color as a factor in racial identification of Negro preschool children." *Journal of Social Psychology*, 11, 159–169.

[viii]As part of a broader argument that Black Americans are rational from an economic perspective, we believe that there is a positive (procyclical) relationship between the number of Black Americans imprisoned (sentenced prisoners under the jurisdiction of Federal and State correctional authorities) and the Black American unemployment rate. Although we used a relatively short ten-year-long time series (2010-2019), we found that the Pearson Correlation Coefficient for the number of Black American prisoners and the Black American unemployment rate was **.942**. The Black American unemployment rate data are from the Bureau of Labor Statistics, while the number of Black American prisoners is from E. Ann Carson (2021), U.S. Department of Justice Office of Justice Programs, Bureau of Justice Statistics, *Prisoners in 2020 – Statistical Tables* (Table 3) https://bjs.ojp.gov/content/pub/pdf/p20st.pdf (Ret. 080726). Note that we purposely only include in our computation of the above cited correlation statistic data from 2010-2019, thereby excluding consideration of extraordinary disruptions caused by COVID-19 and the shakeout thereafter.

[ix] This statistic appears in Wes Bellamy (2026). "The Economic State of Black Men and Boys in the United States." John Mercer Langston Institute: See page 8. https://www.vsu.edu/sola/departments/political-science/political-science/economic-state-black-men-boys.php (Ret. 080526).

[x] Statistics on arrests for "offenses charged" are from *Crime in the United States* (*CIUS*), an annual publication by the FBI under its Uniform Crime Reporting (UCR) program. https://www.fbi.gov/how-we-can-help-you/more-fbi-services-and-information/ucr/publications (Ret. 081026). Table 43A of the CIUS publication presents arrests by race/ethnicity.

[xi]Google's LLM AI BOT GEMINI reports statistics from the National Bureau of Economic Research that the duration of three US economic contractions since 2000 were: (1) March to November 2001 (8 months); (2) December 2007 – June 2009 (18 months); and February – April 2020 (2 months). The average of these contractions is about nine (9) months. More definitive statements about the "procyclical nature of the relationship between arrests and recessions" can only be formulated after monthly statistics (ideally) are available on arrests and those monthly statistics are seasonally adjusted.

[xii] The numbers in parenthesis represents North American Industry Classifications System (NAICS) codes.

[xiii] Only in the context of national or group decision making can a conclusion be drawn about the rationality of Black Americans' decision making as a group. In other words, only broad strategic plans of the *Long-Term Strategic Plan for Black America* variety can enable an assessment of whether Black Americans as a group should invest more or less human or other resources to produce those qualified to enjoy careers in entertainment industries. As two important and related notes, we cannot forget that: (i) Frederich Von Hayek's very important 1945 essay "The Use of Information in Society" focuses on the importance of individual, not aggregate behavior; and (ii) Von Hayek's essay supports Adam Smith's "invisible hand" concept. Both concepts are well aligned with our analysis.

[xiv] Another factor that contributes to many Black American youth's decisions to pursue entertainment careers is that they know directly or within a few degrees of separation someone who has obtained a college scholarship to participate in athletics and/or someone who is, or was, a professional entertainer. Former BlackEconomics.org contributor, Lindsey Robinson, shared this point years ago and it is discussed further on page 29 of 21st Century Protests: A Handbook for Black America.