

The Aggregate Effects of the Great Black Migration

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Abstract

In the United States, four million African Americans migrated from the South to the North between 1940 and 1970. How did it impact aggregate US output and the welfare of African Americans and others? To answer this question, I quantify a dynamic general equilibrium model of the spatial economy in which cohorts of African Americans and others migrate across states. I compare the baseline equilibrium matched with US data from 1940 to 2010 with counterfactual equilibria in which African Americans or others cannot relocate across the North and the South between 1940 and 1970. The mobility of African Americans and others increased aggregate output by 0.7 and 0.3 percent, respectively. Although African Americans accounted for about 10 percent of the US population, their relocation impacted the aggregate economy more than the relocation of the other 90 percent did. The mobility of African Americans induced a large increase in the welfare of African Americans in the South, a small decrease in the welfare of African Americans in the North, and little change in the welfare of others.