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3/25/65

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REPORT BY THE COUNCIL OF ECONOMIC ADVISERS
ON THE ECONOMIC COST OF DISCRIMINATION

The President today presented to the Cabinet the following report from the CEA on the economic cost of discrimination:

1. Negroes have not been sharing fully in the abundance of our economy. On the average, they have less education, work in less skilled occupations, suffer more unemployment, and get paid lower wages.
2. If Negroes received the same average pay as whites having the same education, the personal income of Negroes and of the Nation would be \$12.8 billion higher. This is a measure of the effect of discrimination in employment.
3. If Negroes also had the same educational attainments as white workers, and earned the same pay and experienced the same unemployment as whites, their personal income -- and that of the Nation -- would be \$20.6 billion higher.
4. The entire economy would benefit from better education of Negro workers and an end to job discrimination. Industry would earn additional profits. The total Gross National Product would rise by an estimated \$23 billion, or an extra 3.7%.

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*Nothing else sent to
Central Files as of 1/24/65*

FOR IMMEDIATE RELEASE

MARCH 25, 1965

Office of the White House Press Secretary

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CEA
3/19/65

DRAFT VOLUNTARY ON ECONOMIC COST OF DISCRIMINATION

1. Negroes have not been sharing fully in the abundance of our economy. On the average, they have less education, work in less skilled occupations, suffer more unemployment, and earn lower incomes.
2. I have asked the Council of Economic Advisers to estimate the cost of ~~this~~ inequality of job opportunity to this country.
3. If Negroes received the same pay as whites even with their present education and unemployment rates, their personal income would be higher by \$12.8 billion. This is a measure of the effect of wage discrimination.
4. If Negroes had ^{as} much education and as favorable an unemployment rate as white workers, their personal income would be higher by \$20.6 billion.
5. The entire economy would benefit from better educated Negro workers, and an end to discrimination. Industry would earn additional profits. The total Gross National Product would rise by \$22.8 billion, or an extra 3.7%.

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