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## Winter Update 2019



# DEAR FRIENDS AND SUPPORTERS,

**I**n February, MI was thrilled to announce the appointment of its next president: Reihan Salam. Over the course of his career, including the last five years spent as executive editor of *National Review*, Salam has championed a quality-of-life conservatism that can speak to all Americans, and especially to those seeking to climb the economic ladder.

Such concerns have long been central to the Manhattan Institute. They have also inspired the work of the 2019 recipients of MI's Alexander Hamilton Award, which we will confer this May: MI president Larry Mone and U.S. Secretary of Education Betsy DeVos. Mone, who will retire this spring after 24 years as president, has guided MI's efforts to develop and disseminate policies that promote personal responsibility and opportunity among

groups who have needed help the most, from the urban poor and ex-offenders to, increasingly, America's distressed working class. Secretary DeVos, even before taking the reins at the Department of Education, has been an unwavering champion of school choice, working to give students and their parents meaningful alternatives to failing schools.

Of the Secretary's many accomplishments, among the most recent was her decision to advise President Trump to rescind administrative guidance on school discipline that had been promulgated by the Obama administration. In 2014, the U.S. Department of Justice and the U.S. Department of Education issued a joint "Dear Colleague" letter, advising school superintendents nationwide that racial disparities in suspension rates would be grounds for finding school districts in violation of federal antidiscrimination law, putting them at risk of losing federal funding. Over the past two years, MI senior fellow



**I know not only  
that ideas matter,  
but also that MI's  
ideas can change  
lives for the better.**

**REIHAN SALAM**  
Future president of MI



**HAMILTON**  
AWARD RECIPIENTS

**Lawrence J. Mone**  
President, Manhattan Institute

&

**Betsy DeVos**  
Secretary, U.S. Dept. of Education

Max Eden has been the foremost critic of this guidance, highlighting how, following its issuance, schools were under pressure to reduce the number of suspensions, and that violence and disorder subsequently increased. In addition to Eden's empirical research on this phenomenon, his writing and analysis on this issue have appeared in such publications as the *Washington Post*, *New York Times*, *USA Today*, *Politico*, *New York Post*, and *New York Daily News*. Over the past year, he has worked with families affected by the 2018 shooting at Stoneman Douglas High School in Parkland, Florida, to understand how changes in disciplinary policies may have contributed to that tragedy. He has testified before the U.S. Commission on Civil Rights and Congress about school discipline. And last year, he

helped organize a delegation of parents and teachers to share with Secretary DeVos and her staff their own experience of the rise of disorder in schools.

The Obama administration's guidance was premised on the notion that it would help advance racial equality. But according to MI's Heather Mac Donald, author of the 2018 book *The Diversity Delusion*, minority students are disproportionately affected by a school's relaxation of disciplinary standards, as they are more likely to be victims of violent and disruptive behavior in schools—a point she underscored in an op-ed for the *New York Post*, "The Lunacy of Crying 'Racism' over School Suspensions." Further, the reluctance of a school to discipline students appropriately and instill the lesson that actions have consequences

will likely harm students over the long run, in some cases leading to criminal behavior and time in prison, as Mac Donald discussed in an interview on Tucker Carlson Tonight.

The important role that schools play in character formation is often underappreciated in discourse on education reform. Yet for kids coming from disadvantaged backgrounds, the opportunity to grow in virtues such as self-discipline and regard for others will be just as critical to their future success as mastery of reading, math, and other subjects. This focus on character has been a mainstay of many religiously affiliated schools, with Catholic schools, in particular, having provided an invaluable alternative for urban low-income families—many of whom are not Catholic themselves, but who appreciate their moral ethos. In New York alone, Catholic schools serve 55,000

African-American and Hispanic students, and more than half the state's private-school students live in areas where the median annual family income is less than \$65,000. But financial pressures, in addition to competition

for students from new high-performing charter schools, have contributed to a decline in Catholic schools. Because further decline would represent a loss to the U.S. educational landscape, MI has commenced an initiative to develop policy ideas to encourage a diversity of schooling options. In that vein, during National School Choice Week (January 20–26), MI education policy director Ray Domanico penned an op-ed in the *New York Daily News* supporting

tax credits for private-school scholarships for needy families—a program that already exists in some form in 18 states. This spring, look for MI to publish a paper on the concept of “educational pluralism,” a more capacious

**The opportunity to grow in virtues such as self-discipline and regard for others will be just as critical to their future success as mastery of reading, math, and other subjects.**

**Eden** has criticized Obama-era administrative guidance on school discipline by leveraging empirical research that highlights how it resulted in more violence and disorder.

**Domanico** supports tax credits for private-school scholarships for needy families—encouraging a diversity of schooling options.



notion of “public” education that embraces a diversity of schooling options.

In public discourse on postsecondary education, the idea of so-called “free college” has gained ground. Yet as MI senior fellow Beth Akers has long stressed, it is misguided to focus only on up-front tuition costs and aggregate debt loads. A better framework is to view education as an investment: while debt can be devastating for people who fail to complete their degree programs or end up in low-paying jobs, taking out a loan, even a costly one, can be a wise decision if the degree leads to higher lifetime earnings. In a January MI issue brief, Akers, along with coauthors Kim Dancy and Jason Delisle, found that while borrowing has increased in recent years for students across all income categories, the biggest increase was among the most affluent students—even though such students could enroll in lower-cost programs that would leave them debt-free. This suggests that many students prefer higher short-run costs (enabling attendance at more prestigious schools) in exchange for higher expected long-run returns (often in the form of better-paying jobs). Thus, efforts to assess college affordability that ignore long-run returns and focus exclusively on short-run costs paint an incomplete picture of

the value delivered to students.

At the same time, college is not the only worthy pathway for students, as many politicians mistakenly make it out to be. Reforming America’s education system so that it benefits most Americans, especially the majority of whom will not earn even an associate degree, has been central to the research agenda of MI senior fellow Oren Cass, author of the 2018 book *The Once and Future Worker: A Vision for the Renewal of Work in America*. In a *New York Times* op-ed published in December, “The Misguided Priorities of Our Educational System,” Cass highlighted the dramatic imbalance in public resources directed toward college versus vocational education, which, if structured properly, could provide a meaningful route to well-paying work. Echoing Akers, Cass argued that the burden of financing a college education remains manageable for those who graduate and use their degrees. Cass has been discussing the need to reorient the U.S. education system, along with other themes from the book, on a national speaking tour of college and university campuses, including a forum with J. D. Vance, author of *Hillbilly Elegy*, at The Ohio State University, as well as briefing journalists and members of the administration.

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**SHARPEL WELCH**  
runs a Community  
Renewal International  
Friendship House  
in the Allendale  
neighborhood of  
Shreveport, Louisiana,  
where after-school  
programs, adult  
literacy programs,  
and other community  
activities are hosted.

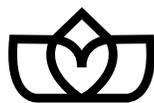


**LUMA MUFLEH**  
is the CEO and  
founding director of  
Fugees Family, Inc.,  
a nonprofit organization  
with schools in  
Atlanta, Georgia, and  
Columbus, Ohio, that  
uses the power of  
soccer, education, and  
community to empower  
refugee children to  
successfully integrate  
into the United States.



**REID PORTER**  
is the founder  
and president of  
Act, Advocates  
for Community  
Transformation, an  
organization based  
in Dallas, Texas, that  
uses the justice system  
to empower inner-  
city residents to fight  
crime on their streets.





— TOCQUEVILLE PROJECT —

# CIVIL SOCIETY

## FELLOWS

With support from the Lynde and Harry Bradley Foundation, MI has launched a new initiative, the Tocqueville Project, named after the 19th-century French writer who famously observed that the spirit of association was essential to the health of American democracy. Steered by MI vice president for research and publications Howard Husock, the Tocqueville Project consists of two main programs. The first is the Civil Society Awards, a reconstitution of the Institute's Social Entrepreneurship Awards. For more than 15 years, these awards have recognized young civil society organizations that have shown

great promise by ameliorating social problems in their communities in new and effective ways. MI thanks the William E. Simon Foundation, J.M. Kaplan Fund, and trustee Nick Ohnell for their past support of the awards program. Second, in February we launched the Civil Society Fellows Program open to former award recipients. Our goal is to help our fellows (pictured here) draw attention not only to their inspiring work, but also to the unique ability of civil society organizations, especially those driven by philanthropy and volunteerism, to address social problems in ways that government cannot.

**“Another problem with too many of our discussions about racial inequality today is that they are often driven by emotion and political correctness, which is understandable, but not particularly helpful when trying to come up with ways to improve matters.”**

**— JASON RILEY**  
Senior Fellow

Culture, in addition to public policy, has a bearing on economic opportunity. Yet the importance of culture, relative to other factors, is a controversial issue. In recent years, there has been a wave of activism, commentary, and academic work alleging that systemic racism in American institutions is primarily to blame for problems such as black poverty and higher rates of involvement with the criminal-justice system. MI senior fellow Jason Riley, author of books such as *Please Stop Helping Us: How Liberals Make It Harder for Blacks to Succeed* and *False Black Power?*, has been the leading counterpoint to that narrative, arguing that cultural handicaps are far more determinative of blacks' success, and that the prioritization of seeking political influence has done relatively little to help African-Americans get ahead.

In February, to discuss these issues, Riley convened an MI conference, “Barriers to Black Progress: Structural, Cultural, or Both?” The conference centered on a forthcoming MI paper, “Culture, Causation, and Responsibility,” by Brown University economics professor Glenn Loury. The first black tenured professor of economics at Harvard University, Loury has long researched issues involving race, drawing attention early in his career for a 1984 essay in *The New Republic*, “A New American Dilemma,” discussing what

he termed “the fundamental failure of black society,” including black-on-black crime, the lagging performance of black students, and the rising rate of black unwed pregnancy. Following a conversation between Riley and Loury, a group of panelists responded to Loury's paper. Panelists included Michael Fortner, assistant professor of political science, CUNY Graduate Center; Ian Rowe, CEO of Public Prep, a charter network that develops single-sex elementary and middle schools; and Coleman Hughes, writer and Columbia University student. Panelists agreed that there exists a disconnect between the priorities of many black Americans and some of the leaders who purport to speak on their behalf, and they stressed the urgency of instilling in black youth a sense of their own agency and control over their life's destiny.

MI will publish Loury's paper later this year—when race relations will likely be a salient issue in the presidential primary campaigns, which have already begun. Because candidates running for office bring policy ideas to the forefront of public discourse, campaigns often provide opportunities to educate citizens about broader issues. During recent presidential election cycles, MI scholars have provided extensive rapid-response commentary, drawing upon our storehouse of past research on issues from



**I'm trying to make a communal appeal to African-American agency, on the one hand, but I'm also trying to make a civic appeal to the American nation, on the other.**

**—GLENN C. LOURY**  
Professor of Economics,  
Brown University

Manhattan Institute convened an event called "Barriers to Black Progress" on February 8, 2019.

# ISSUES 2020: MI RESPONDS



## MEDICARE-FOR-ALL

“Medicare-for-All isn’t a serious health-care reform proposal. It will either cost Americans trillions or cause widespread hospital closures if we don’t cover the costs—neither of which are good solutions.”

CHRIS POPE

“This problem isn’t unique to Los Angeles. As the costs for pensions and retiree health care for education employees increase, less and less money is available for schools in the here and now.”

DANIEL DISALVO



## TEACHERS’ STRIKES



## GREEN NEW DEAL

“Renewable energy alone cannot meet our economy’s enormous energy needs, and no amount of populist spin can change that fact.”

ROBERT BRYCE

“It is an illusion that America can finance socialism—or even balance the budget—mainly on the backs of the rich.”

BRIAN RIEDL



## TAX THE RICH



## FREE TUITION

“Free” college is exactly the *wrong* sort of disruption higher education needs right now.

BETH AKERS

**Already, candidates have advanced policy proposals that reflect ideological commitments more than realistic attempts to address national problems.**

entitlements to energy and the environment to health care. This is a strategic deployment of research that we intend to expand as the 2020 presidential election draws near. Already, candidates have advanced policy proposals that reflect ideological commitments more than realistic attempts to address national problems. Consider, for example, the concept of a “Green New Deal” that has so far been endorsed by four candidates for president. This cornucopia of policies would seek, among other goals, to reduce carbon emissions dramatically. Shortly after the plan was released, MI energy and environmental policy fellows Jonathan Lesser and Robert Bryce issued statements highlighting ramifications of the Green New Deal that the public must understand—for example, that it will require covering vast swaths of rural America with wind turbines and transmission lines at the very time that states from Maine to California are rejecting those same projects. In publishing their statements online, MI drew attention to articles that our scholars recently authored on these issues: Lesser’s piece in *The Hill*, “Green Dreams and Energy Reality”; and Robert Bryce’s *National Review* article, “The Green New Deal Is the Antithesis of Green.”

So, too, have teachers’ strikes in Los Angeles provided an opportunity to call attention to the problem of the dramatic increase in resources necessary to fund public-employee

pensions. As senior fellow Daniel DiSalvo explained in an op-ed for the *Washington Examiner*, teachers’ demands for higher pay have “run headlong into the fiscal wall created by big employee-benefit promises to retirees.” In other words, because of the rising cost of pensions and benefits, cities and states are hard-pressed to maintain or increase funding for current public services—including teachers in the classroom. In an op-ed for the *New York Post*, DiSalvo noted how this problem is not unique to Los Angeles, and that Gotham could run into similar problems down the road. These analyses are of a piece with extensive past MI research on the “crowd-out” effect of legacy costs: how we are paying more for the past at the expense of current and future needs.

The projects discussed in this update reflect MI’s long-held approach: understanding problems at their roots and shaping public discourse on how best to address them, refuting bad ideas and elevating good ones in their place. This involves focusing not just on policy reform, as important as that is. We also consider the role of culture, ascertaining the limitations of government and where it is best to encourage solutions from within civil society. As we embark on a new chapter in the life of the Institute, our scholars and staff look forward to building on our proud legacy. We ask that our friends and supporters please join us in welcoming Reihan Salam as the new president by contributing to the Institute financially and sharing our scholars’ research. Thank you for your interest in MI and our efforts to influence America’s public life.

Alexander  
**HAMILTON**  
AWARD DINNER  
May 1<sup>st</sup>

The 2019 Alexander Hamilton Award Dinner, honoring Manhattan Institute president Larry Mone and U.S. Secretary of Education Betsy DeVos, is a special opportunity to support MI. To purchase tables or tickets, or to make a leadership gift if you cannot attend, please contact the MI sponsorship office at 212-599-7000 or [hamiltondinner@manhattan-institute.org](mailto:hamiltondinner@manhattan-institute.org).



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