**John Bitzan and Glenn Loury Challey Institute Interview**

Glenn Loury was born in 1948 and grew up in the south side of Chicago. He described his peers as second generation Americans trying to make it. Ended up going to Northwestern and getting a degree in Mathematics. Graduated high school at 16 and went to IIT then proceeded to drop out after becoming pregnant with his girlfriend at the time. By 1969 he was full-time as a production employee, college drop-out, and attending community college part-time. One of his community college calculus professors thought he was a promising young student and suggested a full scholarship opportunity at Northwestern. Long story short, he started taking math, philosophy, and economics as a minor. In two and a half years he made the dean’s list consistently, took graduate courses, and all while supported a family. Glenn mentions that his father, who had thought he was a "deadbeat”", was a big part of his inspiration for making it though college. After John mentioned Glenn’s similarity to Milton Friedman, they moved on to speak about why Economics.

It began with Glenn’s interest in clarifying economic models that were seemingly complicated. More specifically finds race and inequality the most interesting. Following the political debates in the news and in the national debate, right after graduate school he went to the University of Michigan and continued paying attention until the early 80’s. At that point he started writing about it because of a lot of factors. He had a lot of sympathy for the conservative voices and worryied about the social fiber in the lower-income African American groups. Listening to the rhetoric of the politicians at the local and state levels and how they conceived of what needed to be done about the ‘civil rights movement’ being done influenced Glenn significantly this lead him to think more about the supply side of economics. After his first publication, one of the faculty members at the university told him to watch out or he could be mistaken for a conservative. However, Glenn felt this was an overblown concern and that he was trying to stay true to what he had believed. After this John steered the question toward what insights Glenn would like to share about his work.

“How can Social Capital and Social Stratification play a continuing role in racial inequality?” (John). Glenn starts off mentioning he was lucky to have used the term, “social capital” before it had entered the mainstream. Glenn felt he was credited wrongly with being the one to introduce the term because he did not do much work in that area and all he had was a framework and a theory. The theory was that you have a dynamic system of overlapping generations where they belong to racial groups and if history had been discriminatory toward one of these groups, they started out behind. If there were a regime change, where the discrimination was eliminated. What would you expect the result to be? As long as the market was treating all factors equally regardless of race, you might be able to anticipate that wealth convergence would occur. Glenn was most interested in whether or not this was true. In Glenn’s model, the disparity which was generated as the result of the racial inequality in the absence of spillover effects showed that there would be a convergence. However, in a model which incorporated spillovers in the human capital process, then historically disparity between the racial groups could persist indefinitely. In essence, when you account for social capital in the human capital acquisition process, the racial disparity between groups was proven to persist after the regime change. The takeaway here is that there is a tendency for social groups to stick together and it has a persisting effect on human capital in racial groups.

Is there a role for racial preferences? 1976 Glenn would say that Laissez Faire was insufficient. Leveling the playing field did not do that trick, you would have persistent racial inequality. Glenn goes in-depth describing the national environment during the 70s and moves on to now in 2023. He doesn’t have as much enthusiasm for these sorts of things. His point of view is, we cannot just focus on “what is good for black people”. We need to focus on what is good for the country. As a permanent and institutionalized practice, t would be damaging for us long-term as a country because you would effectively be incentivizing elites to come to power and only those elites. Not everyone in the population is not able to perform to the highest of criteria, that is why you have things like test scores, etc. When you take that away and select for other criteria you are making a mistake for the society long-term. It is bad for the beneficiary of the practice too.

John asked about universal voucher system and school choice and whether that could influence racial disparity much. Glenn states this is not his strongest suit, but he is going to try and describe it in the spirit of Milton Friedmann and by first principles. Public employees have a right to organize, but if the services being delivered are not as good as those that otherwise could be. Glenn has a hard time believing that not giving people that choice should be disallowed. “let 1000 flowers bloom” Experiment. Wherever kids are performing the worst, try it there and open things up despite him knowing that will be extremely controversial.

The conversation then moved on to describing his academic advisor role on an initiative which was born out of the 1619 effort at the New York Times. 1619 is allegedly the year when the first slaves landed in Virginia for the first time. The 1619 effort was an effort to rewrite the historical narrative of the country and the story of African Americans. The story is typically about domination, unfairness, and violence. The forceful and clear-eyed account of African American history was the goal of Glenn’s initiative. They wanted to recognize while slavery was an abomination, inconsistent with the ideals of the founding ideas of this country (as he thinks our history actually communicates). We eradicated slavery and that is a great thing. He wants to communicate more about the greatness of American civilization rather than focusing so much on our flaws as he thinks our history focuses on. The real story is that American history communicates how he failed to live up to our ideals of our founding documents.

Glenn is also critical of our overly punitive criminal justice system. His ideas on reforming the system are to: