NBER WORKING PAPER SERIES

HATRED AND PROFITS: GETTING UNDER THE HOOD OF THE KU KLUX KLAN

Roland G. Fryer, Jr
Steven D. Levitt

Working Paper 13417
http://www.nber.org/papers/w13417

NATIONAL BUREAU OF ECONOMIC RESEARCH
1050 Massachusetts Avenue
Cambridge, MA 02138
September 2007

We are grateful Edward Glaeser, Claudia Goldin, Lawrence Katz, Robert Margo, and Peter Temin for helpful comments and suggestions. The authors thank the Bowling Green University, Clark Historical Library, Emory University, Harvard University Libraries, University of Kentucky, the Indiana Historical Society, the Montana Historical Society, and the Pennsylvania State Archives for their help in constructing our database. Paras Bhayani, Mandy Ching, Steve Cicala, Ethan Lieber, Alipo Melusi, and Lisandra Rickards provided exceptional research assistance. Correspondence can be addressed to either of the authors at (Fryer) 1805 Cambridge Street, Littauer Center -- North Yard, Harvard University, Cambridge MA 02138 [rfryer@fas.harvard.edu]; (Levitt) 1126 East 59th Street, University of Chicago, Chicago IL 60637.

Hatred and Profits: Getting Under the Hood of the Ku Klux Klan
Roland G. Fryer, Jr and Steven D. Levitt
NBER Working Paper No. 13417
September 2007
JEL No. J15,N32

ABSTRACT

The Ku Klux Klan reached its heyday in the mid-1920s, claiming millions of members. In this paper, we analyze the 1920s Klan, those who joined it, and the social and political impact that it had. We utilize a wide range of newly discovered data sources including information from Klan membership roles, applications, robe-order forms, an internal audit of the Klan by Ernst and Ernst, and a census that the Klan conducted after an internal scandal. Combining these sources with data from the 1920 and 1930 U.S. Censuses, we find that individuals who joined the Klan were better educated and more likely to hold professional jobs than the typical American. Surprisingly, we find few tangible social or political impacts of the Klan. There is little evidence that the Klan had an effect on black or foreign born residential mobility, or on lynching patterns. Historians have argued that the Klan was successful in getting candidates they favored elected. Statistical analysis, however, suggests that any direct impact of the Klan was likely to be small. Furthermore, those who were elected had little discernible effect on legislation passed. Rather than a terrorist organization, the 1920s Klan is best described as a social organization built through a wildly successful pyramid scheme fueled by an army of highly-incentivized sales agents selling hatred, religious intolerance, and fraternity in a time and place where there was tremendous demand.

Roland G. Fryer, Jr
Department of Economics
Harvard University
Littauer Center, M-7
Cambridge, MA 02138
and NBER
rfryer@fas.harvard.edu

Steven D. Levitt
Department of Economics
University of Chicago
1126 East 59th Street
Chicago, IL 60637
and NBER
slevitt@midway.uchicago.edu

I. Introduction

The Ku Klux Klan (KKK) is without a doubt the most prominent hate-based organization in American history. Founded in the aftermath of the Civil War as a whimsical social club, the Klan quickly transformed into a terrorist organization aimed at subjugating newly freed blacks and driving out moderate whites who attempted to improve the plight of Freedmen in the Reconstruction South. Legal and military action undermined the effectiveness of the Klan, and by the 1870s it had largely disappeared. The Klan was revived in 1915. Its popularity and influence grew, first slowly, and then more rapidly, to a peak in the mid-1920s. By that time it claimed four million members, was credited with engineering the election of politicians across the country, and included in its membership some of the most powerful men in America.[1] Marred by a high profile sex scandal, the Klan's membership rolls decreased dramatically in the latter half of the 1920s and the Klan has since remained a shadow of its former self.

In this paper, we analyze the Klan during its peak years in the 1920s with the goal of understanding a number of different questions. First, is the 1920s Klan principally a terrorist organization, as most believe, or better described as a popular social club with an enormously successful marketing department? Second, what were the quantifiable social and political impacts of the 1920s Klan? Third, does economics provide a useful lens for understanding the internal organization of the Klan?

Few words can conjure up the history of racism, intimidation, and violence in America as much as the word "Klan," and few symbols can send this message as strongly as the Ku Klux

[1] It is alleged that President Warren Harding was inducted into the Klan in a ceremony performed at the White House (Wade 1987), though there is disagreement among historians on this point (Newton 2006).

Klan's calling-card since 1915: the burning cross. It is believed that the Klan is responsible for thousands of deaths since its inception. [2]

On the other hand, extreme segments of any organized group are not likely to represent the views or actions of the typical member.[3] Had all the Klan's four million members had an appetite for extreme violence and intimidation, the Klan could have had a debilitating impact on the advancement of civil rights and, indeed, on the whole course of Black history. It is an open question as to whether the 1920s Klan is better characterized as a terrorist organization hell-bent on subjugating blacks and Catholics, or a social club immensely successful at bundling racial and religious intolerance with other goods and services.

To begin to answer these questions, we first construct a unique data set on membership in the Ku Klux Klan in the 1920s. The datasets contains data on over 60,000 actual Klan members whose names we gleaned from internal Klan documents including membership lists, filed application forms, meeting attendance sheets, pieces of signed correspondence between members and officials, and order forms for robes and other paraphernalia. Using the names, the individual's geographic location, and other identifying characteristics from the Klan records, the individuals were then matched with census records, giving us data on a range of demographic and other variables.

Second, we use county-level data from Indiana and Pennsylvania, two Klan strongholds during the 1920s, on the number of Klansmen in a given county to relate the popularity of the

[2] Some of the most well-known examples are the Colfax Massacre, the assassination of NAACP leader Medgar Evers, the deaths of four black schoolgirls at the 16th Street Baptist Church, and the murder of civil rights organizers James Chaney, Andrew Goodman, Michael Schwerner, and Viola Liuzzo.

[3] For instance, Terry, et. al. (2003) estimates that four percent of Catholic priests have been accused of abusing a child.

Klan to measures of migration and political influence. Finally, using credible estimates of the number of Klan members in Indiana between 1923 and 1925 from two sources, an internal audit performed by Ernst & Ernst and a census of Klan members in Indiana conducted in response to the scandal surrounding the Klan leader of Indiana and twenty-two other states, we estimate the revenues that high-ranking individuals within the Klan likely accrued.

The results we obtain using our new dataset on members of the Klan are in some cases quite surprising. Individuals who joined the Klan were better educated and more likely to hold professional jobs than the typical American, reinforcing earlier findings of a number of historians on the subject (Goldberg 1981). Yet, despite the sophistication of its members and its enormous rolls, we find that the Klan had few tangible social or political impacts. There is little evidence that the Klan had an effect on black or foreign-born residential mobility or on lynching patterns. There is some evidence that the Klan was successful at getting candidates it favored elected, but the direct impact of the Klan was small. Moreover, even when the Klan succeeded in the electoral process (e.g. Indiana in 1925 had a Klan-endorsed governor, as well as control of the state legislature), there is little evidence that the legislation that got passed effectively advanced the Klan's mission (Jackson 1992, Goldberg 1981).

Instead, the Klan's true genius lay in its uncanny ability to raise revenue. We estimate that at the peak of the Klan, initiation fees, dues, and profits from robes in the state of Indiana alone generated nearly $4 million (in 2006 dollars) annually for the national Klan leader, $2.4 million for the head of the Indiana Klan, and over $300,000 each for the national head salesman and the salesman responsible for Indiana. Per capita income in the United States at this time was roughly $8,000 in 2006 dollars. Rather than a terrorist organization, the 1920s Klan is better

described as a wildly successful pyramid scheme fueled by an army of highly incentivised sales agents.

The structure of the paper is as follows. Section II provides a brief history of the Ku Klux Klan. Section III describes and summarizes our unique dataset and provides some basic social and economic demographics of Klan members. Section IV estimates the effect of the Klan on lynching, black and foreign-born migration, and politics in Indiana and Pennsylvania. Section V estimates the revenues that accrued to key Klan officials from the state of Indiana during the peak years of membership. Section VI concludes. There are two appendices: Appendix A provides details of how we constructed our database of Klan members and Appendix B is a guide to Klan terminology.

II. A Brief History of the Ku Klux Klan

In December 1865, six ex-Confederates from Pulaski, Tennessee (near the Alabama border) organized a social club in which the six, dressed in white sheets, rode around on horseback for amusement.[4] They called themselves the Ku Klux Klan, merging the Greek for circle (*kyklos*) with "clan." The founding members envisioned the group as a secret fraternity replete with ridiculous names, costumes, and an elaborate initiation ceremony that consisted of blindfolding the candidate, subjecting him to lengthy oaths, and bringing him before a "royal altar" (a mirror) where he was to be invested with the "royal crown" (two large donkey ears).

[4] Our discussion of the history of the Klan draws heavily on the excellent accounts provided in Chalmers (1987), Wade (1987), Moore (1991), Alexander (1965), Newton (2006), Newton (2001), Tucker (1991).

The group soon discovered that their strange appearance frightened newly freed African-Americans (Chalmers 1987).[5] The idea caught on among others, and similar autonomous Klans began to emerge across the south. Many of the Klan's early activities were child-like mischief. In one favorite Klan tactic, a white-sheeted, masked Klansman would ride up to a Black home at night and demand water. When the well bucket was offered, the Klansman would gulp it down and demand more, having actually poured the water through a rubber tube that flowed into a leather bottle concealed beneath his robe. After draining several buckets, the Klansman would exclaim that he had not had a drink since he died on the battlefield at Shiloh, and gallop away.

In April 1867, representatives of the various—and heretofore independent—Klans met in Nashville, Tennessee (Chalmers 1987). The meeting, organized by the original, Pulaski-based Klan in an effort to unify the disparate organizations under common leadership, resulted in the election of Nathan Bedford Forrest, a former Confederate general from Memphis, as the Klan's chief, or Grand Wizard. In addition, the representatives agreed on an elaborate hierarchy and nomenclature for local groups and leaders.

According to historians, this Klan was remarkably effective at spreading fear and influencing politics (Chalmers 1987, Wade 1987, Newton 2006).[6] But despite its apparent

[5] Prior to the Klan, there had been only one similar organization in U.S. history: the American Party, better known as the "Know-Nothings." The Know-Nothings were an actual political party whose beliefs were predicated on a strong opposition to immigration. The party was largely based on nativism, not racism. The party arose during a period of massive immigration and directed its fire at new immigrants from nations such as Ireland, which had experienced a horrendous Potato Famine in 1848. Because the subjugation of Blacks was not a concern before the Civil War—most were enslaved, after all—the Reconstruction Klan was the first major American organization whose primary objective was targeting Blacks.

[6] Contemporary reports state that during the particularly Klan-active winter in 1870-1871, many South Carolina blacks slept in the woods (Chalmers 1987). In Meridian, Mississippi at an 1871 trial of Black leaders accused of making inflammatory speeches, freedmen assembled to show support for their leaders, leading to a riot in which a number of freedmen were shot and killed, the Black leaders executed, and the remaining freedmen chased into the

success, the Klan's membership began to "deteriorate" as it spread. Having once included prominent southerners and high-ranking Confederates, the Klan became less selective as older members dropped out in favor of lower status new members. In January 1869, Nathan Forrest ordered the dissolution of the Klan, arguing that it was "being perverted from its original honorable and patriotic purposes, becoming injurious instead of subservient to the public peace." Though many local Klans did dissolve following Forrest's orders, many others did not (Chalmers 1987).

In response to continued Klan violence in the South, the Radical Republicans began a campaign to destroy the Klan through the use of federal law enforcement. In January 1871, Senator John Scott of Pennsylvania held committee hearings on Klan atrocities, and in February, Representative Benjamin Franklin Butler of Massachusetts, a former Union General, introduced legislation modeled after state-level anti-Klan laws. The bill, known as the Ku Klux Klan Act, was passed that spring and signed by President Ulysses S. Grant in the summer of 1871. Combined with the 1870 Force Act, an early civil rights law, federal authorities began using U.S. Army troops to break up Klan activities and began prosecuting Klansmen in federal courts. The Klan ceased operations by the mid-1870s, but not before the Colfax massacre in Louisiana—the bloodiest incident of Klan violence in history—which resulted in the death of 280 Blacks (Wade 1987).

The Second Coming and the Height of Power

---

woods, where many were hunted down and shot. "Unless there were federal troops at hand, the safest thing for Negroes to do was to hide during periods of Klan activity" (Chalmers 1987).

For over forty years the Klan laid dormant. Around 1915, it is widely believed that the confluence of two events, the release of *The Birth of a Nation* and the lynching of Leo Frank led to the coming of the second Klan (Wade 1987, Newton 2006).

In the summer of 1915, D.W. Griffith released a largely fictional documentary, *The Birth of a Nation*, which greatly enhanced the public opinion of the Klan. Griffith's film was an adaptation of a book—*The Clansmen: An Historical Romance of the Ku Klux Klan,* by Thomas Dixon—that largely conformed to what was the commonly accepted historical record of the day (Wade 1987).[7] The film's second portion, which focuses on the Klan, portrays ex-slaves as being criminals intent on raping white women and northern carpetbaggers as co-conspirators in Blacks' attempt to subjugate white southerners. The film shows the Klan as an organization founded to empower and defend white southerners, particularly "white womanhood," and willing to engage in noble violence to achieve its ends. The film, which some have claimed had the highest box office gross of any silent movie, was endorsed by President Woodrow Wilson, a former historian and friend of Dixon. After a White House screening, Wilson commented: "My only regret is that it is all so terribly true" (Wade 1987).

Around the time of the release of *The Birth of a Nation*, an affluent, a Cornell-educated Jew named Leo Frank, a manager at a pencil factory, was arrested and accused of raping and

[7] David Wark Griffith was an up-and-coming filmmaker when he directed *The Birth of a Nation*. A Kentuckian and son of a Confederate colonel, Griffith got his start with Biograph Studios in 1908, for whom he spent five years making several well-received films notable for his experimentation with lighting and camera setups. In 1913, Griffith resigned from the studio to start his own company. During his first few months in business, Griffith made a few more small-impact films, and in March 1914, he announced to his company that they were going to make a big picture based on Thomas Dixon's novel *The Clansman*. According to Wade, "Race baiting was not unusual in turn-of-the-century America. But Dixon was unique. The degree to which he saw the difference between good and evil determined entirely by race was unrivaled until *Mein Kampf*." (Wade 1987) Indeed, while many books and films from this period depicted Blacks as being subhuman, what made both *The Clansman* and *Birth of a Nation* different was the presence of a "good" guy. Through their portrayal of the Klan, Dixon and Griffith provided not only people for racist whites to hate, but also another group for them to glorify.

murdering one of his employees: a 12-year-old girl named Mary Phagan. Despite the fact that prosecutors provided only circumstantial evidence against Frank, he was convicted, and all of his appeals—including one to the U.S. Supreme Court, where his position was backed by Charles Evans Hughes and Oliver Wendell Holmes—were denied. After the emergence of evidence that questioned the validity of Frank's conviction, however, the governor of Georgia commuted his sentence to life in prison.

After the commutation, a thirty-man group calling itself the Knights of Mary Phagan immediately began to plan a lynching of Frank. On August 17, 1915 the group kidnapped Frank from his prison cell and transported him to a site nearly 150 miles away where they lynched him. After this, the group went to Stone Mountain, a large granite dome outside of Atlanta, and burned a large cross—an aspect of Klan myth that had been invented in *The Birth of a Nation*. (Wade 1987, Newton 2006)

In September 1915, a Georgia physician named William J. Simmons saw Griffith's film. Inspired, he led a group of 34 men, including two veterans of the first Klan and many members of the Knights of Mary Phagan, on a second trip to Stone Mountain. On Thanksgiving Day, in what Simmons would later claim were sub-zero temperatures, the group inaugurated the second coming of the Klan. Simmons declared himself Grand Wizard (Newton 2006, Wade 1987).

Over the next several years, the Klan spread, though the overall membership remained small. In 1921, new Klan leadership forced Simmons out and instituted strong financial incentives for recruiters. Only then did membership truly accelerate. By 1924, estimates of the Klan's peak size range from 1.5 million (Jackson 1992) to as many as four million, or roughly 5-

14% of the eligible population.[8] The largest estimates of membership are based on claims of Klan leaders, which are likely to be inflated. Figure 1 depicts this dramatic rise.[9]

The second coming of the Klan was far more centralized than its predecessor. The organizational structure of the Ku Klux Klan of the 1920s is a hybrid of a social club and a multi-level marketing firm, with two distinct sets of reporting hierarchies that operated more or less independently. One hierarchy was made up of the Klan's members, from the lowliest rank and file to the highest leadership. This hierarchy corresponds to the social club aspect of the Klan—the arm that intimidated Blacks and foreigners and attempted to influence political outcomes. In addition, however, there was a nearly invisible, parallel hierarchy of Klan recruiters, organized like a modern multi-level marketing firm, which represents the financial arm of the Klan. This highly incentivised sales force was responsible for recruiting new members to the Klan, and almost all of the financial rewards accrued to either the handful of top leaders or the individuals in this auxiliary hierarchy.

The structure of the main portion of the Klan is presented in Figure 2. The highest level of the organization was the Empire, which governed the Klan's national operations. The Grand Wizard (or Emperor) served as the nominal chair of the body, with the Imperial Wizard acting as

[8] While these self-reported Klan numbers are likely an exaggeration, they are not completely out of the realm of possibility. An analysis of data from an internal census of Indiana Klan membership in 1925 finds that a total number of Klansmen is 162,267 or 18.44% of the eligible Indiana population. Klan penetration into Indiana is reputed to have been among the highest in the country, so extrapolating this percentage to the whole of the United States will yield a (potentially very loose) upper bound of 5.2 million Klan members. If instead we extrapolate from the membership rolls of the Pennsylvania we obtain estimates of approximately 400,000; using the Colorado Klan numbers yields an estimate even greater than the 5.2 million based on Indiana.

[9] While the Klan's rapid rise and fall make it rare among membership organizations, the years in which it hit peak operations are almost exactly those in which similar cross-class, fraternal organizations reached their apex (Skocpol (2003)). Given that the Klan was part of a broader trend of civic engagement, one interesting question is *why* these groups thrived in these particular historical periods. Skocpol (2003) argues that the civil war and World War I had important impacts on views regarding mobilizing citizens under common civic causes. Of course the motivations of the founders of the Klan were not civic in the conventional sense—they were fueled not by a sense of progressivism but by what they considered affronts to southern and national dignity.

the chief executive and aided by a fifteen-member Imperial Kloncilium. These included the Klaliff (first vice president), the Klazik (second vice president), the Klokard (lecturer), the Kludd (chaplain), the Kligrapp (secretary), the Klabee (treasurer), the Kladd (conductor), the Klarago (inner-guard), the Klexter (outer-guard), the Klonsel (general counsel), the Night Hawk (courier), and the four Klokann (auditors). These individuals were responsible for keeping the Klan's books, providing in-house legal advice, and serving as a Klan cabinet. (Newton 2006)

The next tier of the organization consisted of the Realms, or the states, which were overseen by Grand Dragons and their staffs. The Realms served as administrative centers that recorded and processed new members. They also coordinated political activities within the states; in places of great Klan strength, such as Indiana, the Grand Dragon often wielded great political power. Reporting to the Grand Dragon was a fifteen member cabinet composed of Hydras, who held the same responsibilities as the Imperial Kloncilium, but at the state level. The most important positions were the Kligrapp, akin to a chief operating officer, and the Klabee, the treasurer. These officials handled much of the actual administration of the Klan (Newton 2006, Wade 1987).

In the bottom tier of the organization, individual Klansmen, or Ghouls, were organized into local Klaverns. Exalted Cyclopses presided over the Klaverns—which at the Klan's peak typically had as many as 200 active members—and organized Klan activities, including monthly meetings.

In addition to the main Klan hierarchy, there was an auxiliary structure (illustrated in Figure 3) that existed primarily as a source of income generation for those involved. Klan members generated a tremendous amount of revenue. Each Ghoul paid a $10 initiation fee

(equivalent to $115 in current dollars), $6.50 to buy an official Klan robe (which cost roughly $2 to make), an annual membership fee of $5, an imperial tax of $1.80, and was also encouraged to purchase other Klan-sanctioned merchandise including swords, Bibles, helmets, dry-cleaning, and life insurance.

Joining the Klan was not a cheap endeavor. Using the numbers above, the first year of membership costs $23.30 (roughly $275 in 2006 dollars) and subsequent years were $6.80 (approximately $80 in 2006 dollars). At its peak in 1924, the Klan conservatively generated annual revenues from all sources of at least $25 million – equivalent to $300 million in current dollars. Only a small portion of this revenue was required to fund basic operations (Alexander 1965).

The period of the Klan's membership explosion was also the period when their political power is believed to have reached its pinnacle, especially in Indiana, Tennessee, Colorado, Oklahoma, and Oregon, where the Klan controlled portions of the state governments.[10] The Klan shifted its focus from opposing the rights of Freedmen to those of immigrants, while also becoming more populist. The Klan typically aligned itself with the Democratic Party (at least in the South), though a candidate's religion was a better indicator of Klan support (Moore 1991, Tucker 1991).

The second Klan fell as swiftly as it rose. David Curtis Stephenson, the Grand Dragon of Indiana and twenty-two other states and arguably the most powerful and visible Klan official in the country, was accused of raping and murdering Madge Oberholtzer, a 28-year-old schoolteacher in whom he had a sexual interest (Wade 1987).

[10] See, for instance, Jackson (1992), and Moore (1991).

In March 1925, Stephenson kidnapped Oberholtzer, forced her onto a train heading to Chicago, forced her to drink, raped her, and even bit off portions of her flesh. Oberholtzer died shortly thereafter, leaving a death bed statement detailing her treatment at Stephenson's hands. In November 1925, Stephenson was tried and convicted of second-degree murder and sentenced to life in prison. The trial received spectacular media attention. The details of the murder were so gory and contrasted so sharply with Stephenson's support of temperance and his self-defined image as a defender of "Protestant womanhood," that entire Klaverns deserted the Klan. Ed Jackson, the governor who had been Stephenson's protégé, refused to pardon him. In response, Stephenson released two boxes full of "dirt" he had collected on politicians and individuals he had once supported, destroying the careers of many Indiana officials. This internal turmoil devastated the Klan: by 1930, its national membership had declined to 30,000 (Moore 1991, Wade 1987).

In 1939, Grand Wizard Hiram Evans sold the Klan to James Colescott, an Indiana veterinarian. Throughout World War II, the Klan was tarnished by persistent accusations that Colescott was a Nazi-sympathizer and that the Klan was attempting to disrupt the American war effort. In 1944, the U.S. government filed suit against the Klan for $685,000 in back taxes, forcing its official dissolution. Although splinter groups operating under the Klan name—including Knights of the Ku Klux Klan and the United Klans of America—continued their activities, the Klan has never returned to the prominence it enjoyed in the 1920s.

IV. Constructing a Database of Members of the Ku Klux Klan

We have developed an extensive database of members of the Klan during the 1920s, when the organization was at its peak of popularity. The database was developed in three stages. First, we scoured the country for archives, libraries, and historical societies that contained data on the Klan. Once we found those that contained potentially relevant information, we analyzed these collections for data on individual Klan members, minutes from Klavern meetings, expenses, applications, and so on. Many of these forms contain information about each Klan member (e.g., name, height, weight, years of education). From this, we developed an initial list of Klan members. In the final stage, we link Klan members to the 1920 and 1930 Censuses so that they could be compared to non-Klan individuals. Appendix A details each of these stages.

Our two most comprehensive datasets are from Pennsylvania and Colorado. The Pennsylvania data consists of thirty microfilms worth of material and 32,390 Klan members. The majority of the membership data comes from dues records, personal correspondence, and applications for membership. There is also a wealth of information on finances, including receipts, checks, and quarterly reports sent from the Klabee to the Realm office. The data from Colorado is contained on three microfilms, one of which is a copy of the membership and dues ledger from the Denver metro area Klans totaling 20,351 names, addresses, and records of dues paid.

We have similar individual level data, though less expansive in terms of numbers of Klansmen or accompanying information, gathered from Harlowton, Montana; Knox County,

Tennessee; and Wood County, Ohio. The total number of Klansmen in these data was 2,800 making a total of over 55,000.[11]

Given the clandestine nature of Klan activities, it is impossible to know how representative the data set we have assembled is. We are encouraged, however, by the geographic diversity of the areas the data cover, and by the varied ways in which the different data sources originated (in one case Klan headquarters was burglarized and the stolen files dropped off at a police station; in another case old records were found years later stored in an attic). Perhaps the most limiting feature of our data is that we were unable to obtain any records on Klan members or activities in the Deep South.

After finding and constructing our bank of Klan members, the final stage was to link them with their census data. The extent of information on individual Klan members varied widely from archive to archive. For instance, Knoxville reports years of formal education while much of Pennsylvania consisted only of last name and first initial. Because of this, matching individuals to their census information is key to providing a uniform structure across datasets. Further, it allows us to have a way of formally comparing Klan members to a representative cross-section of the population.

To link our database to the census, we used three approaches. For the smallest community – Harlowton – it was feasible to manually keypunch all of the information from the

[11] These data were found in the following archives: Emory University (Knox County Klan Number 14, Knoxville, Tennessee), the Pennsylvania State Archives (Census of Pennsylvania, Delaware, and New Jersey Klans), Bowling Green University (Ohio Knights of the KKK, Wood County), the Indiana Historical Society (Census of Indiana), the Montana Historical Society (Wheatland Klan Number 29, Harlowton Montana), and the Colorado Historical Society (Denver Area Klans). Other individual level data was available for Bayfield, Colorado, Tillamook, Oregon and Tulsa, Oklahoma. Unfortunately, a large fraction of the data only contains last name and first initial that makes matching to the census too unreliable.

1920 decennial censuses using copies of the original hand-written census rolls that we downloaded from Ancestry.com. We then linked the data we have from Klan membership rolls directly to the census data. Thus, for Harlowton, we not only have a complete match of Klan members and census data, but also all non-Klan members in the data set.

For Knox and Wood counties, we follow the same matching procedure using the original Census rolls, but found it impractical to type in the entire population of non-Klan members. Instead, for these two cities, our control group of non-Klan members is constructed from two complimentary sources. First, we include individuals from those counties who are included in the Integrated Public Use Microdata Series (IPUMS) from the University of Minnesota Population Center in 1920 and 1930. Unfortunately, the IPUMS is only a 1 percent sample in 1920 and a 0.5 percent sample in 1930, yielding relatively small control samples.[12] To supplement this, we constructed a random sample of 500 individuals in Knox County and 1,000 individuals in Wood County by randomly choosing PDF pages of the original hand-written census rolls for the 1920 census, and keypunching all of the information on white males above twenty-one.

The Pennsylvania and Colorado data sets are too large to feasibly link individual Klan members to original census rolls by hand. Instead, we matched our Klan data to 1920 and 1930 IPUMS data using last names and first names, or in some cases, first initials, along with city or county of residence. The merge of our Klan data with IPUMS yields 475 matches on first name, last name, and county in Pennsylvania and 243 on first and last name in Colorado. We used the observations from the census data that did not merge with the Klan data as our controls. Two

[12] The data from Knoxville was quite comprehensive; 6 of the census variables were already in our files. Further, there were other interesting variables in the data such as years of education. As such, we just appended census data onto these datasets and assumed that those from the census were not Klan members.

different types of errors can arise when merging IPUMS and Klan data this way. First, since IPUMS is only a 1 percent sample in 1920 and 0.5 percent sample in 1930, most Klan members will go unmatched. This reduces our usable sample size, but will not otherwise bias our findings. More problematic is the fact that if an individual's name is at all common, there maybe multiple people in the county who share that name. The IPUMS entry that matches the name in the Klan data base may be a different person who happens to share the same name. To deal with this problem, we cataloged the names of every individual included in the 1910, 1920, and 1930 IPUMS in states geographically proximate to Pennsylvania and Colorado respectively.[13] Based on the population of the county in question, we then used this large pool of names to estimate the expected number of people in the county who shared the same name as a Klan member whenever we found a match between IPUMS and the Klan data.[14] The probability that the IPUMS record that matches the Klan data is a true match is the inverse of the expected number of people with that name, and that is the value we use as our measure of Klan involvement in the Pennsylvania and Colorado samples. For common names in large counties, the expected number of people sharing a name is not trivial, e.g. we estimate that there were approximately 500 John Smith's in Philadelphia County in 1920. Most names, however, are relatively uncommon, making the probability high that the match we find is the correct one.

[13] For Colorado, we used Arizona, Colorado, Idaho, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Utah and Wyoming. For Pennsylvania, we used D.C., Delaware, Illinois, Indiana, Maine, Massachusetts, Michigan, New Hampshire, New York, Ohio, Pennsylvania, Rhode Island, West Virginia, Vermont and Virginia.

[14] More precisely, we estimated the expectation of the number of people sharing the name of the Klan member in the county conditional on there being at least *n* people in the county with that name, where *n* is the number of people with that name in the county's IPUMS data. Because *n* people are present in IPUMS with that name, there must be at least that many people in the county as a whole with that name.

Summary statistics for Klan members and our comparison group of males aged 21 and up who are not in the Klan members are displayed in Table 1 for each of our five data sets. Klan members are shown in the odd-numbered columns, with non-Klan males in the even columns. In Colorado and Pennsylvania we match Klan members probabilistically. Any case with a positive match is classified as Klan members, with the entries in those columns weighted in inverse proportion to our estimate of the number of people sharing that name in the county. As one would predict, members of the Klan are much more likely to be native born. They are also less likely to hold unskilled jobs and more likely to be in service jobs or professionals (except in Pennsylvania), which stands in sharp contrast to the image of today's Klansmen. Literacy rates for all individuals, Klan and non-Klan, are very high, but slightly higher within the Klan. In most locations, Klan members are less likely to never have been married. In both Colorado and Pennsylvania, where we have data across counties, the share of blacks and foreigners is similar for Klan members and those not in the Klan.

Table 2 presents regression estimates of the social, demographic, and economic predictors of Klan membership in each of our locations for which we have individual level data. The specifications estimated are of the form:

$$klan\_membership_i = \alpha + \alpha_1 \Gamma^{economic} + \alpha_2 \Phi^{social} + \varepsilon_i \quad ,$$

where *klan_membership* is the probability that individual *i* is a Klan member. Except in Pennsylvania and Colorado, this variable takes a value of 0 or 1 (either we know you are in the Klan or we know you are not); in Pennsylvania and Colorado, any name in IPUMS that matches a name in our Klan data base will have a positive value, but that value is always less than one because of the possibility that multiple people share the same name. The set of covariates

available in both the Klan data sets and the census in these years is limited to indicator variables for whether an individual is native born, a measure of occupational status (which we have divided into three mutually exclusive categories: unskilled/trade jobs (e.g. manual laborers, carpenters), service workers (e.g. clerks, salesman, agents), and professional jobs (e.g. doctors, lawyers, engineers)). In our regressions, unskilled jobs are the omitted category. Other covariates include age (which we turn into a dichotomous variable corresponding to whether the person is above or below the median age in the sample),[15] and whether the respondent is literate, owns his own home, has ever been married, is the head of household, and is a veteran. Because the Pennsylvania data cover a broad geographic area, we are able to estimate an additional specification which controls for the percent Black and percent foreign in an individual's county, which we dichotomize into above or below the median of counties in the state.[16]

With the exception of Pennsylvania and Colorado, we estimate this equation using a logistic specification. The coefficient estimates are interpretable as odds ratios. Given the relative size of our Klan and IPUMS observations varies widely across data sets, odds ratios are more easily interpretable than are OLS coefficients.[17] The dependent variable in Pennsylvania and Colorado is continuous, thus we cannot use the logistic specification. Instead, we use OLS, but transform these estimates into odds ratios, using the Delta Method to compute the appropriate standard errors. Finally, since our data in Pennsylvania and Colorado crosses county lines, we are able to include county-level variables measuring whether the county of residence is

[15] We dichotomize the continuous covariates in order to make the interpretation of the odds ratios more straightforward.
[16] For our other data sets, all of the individuals reside in just one county.
[17] For instance, in Bowling Green we have the universe of Klan members, but only a small fraction of non-Klan residents in the county. The OLS parameter estimate will not have the usual interpretation in this setting.

above or below the median percentage Black and foreign born for the sample of included counties. The two standard error confidence interval is reported in parentheses.

A number of patterns emerge from Table 2. As would be expected given the strong nativist sentiments of the Klan, being native born is positively associated with Klan membership in all of our samples, with odds ratios ranging from 1.38 in Harlowton (i.e. being native born raises the likelihood of being in the Klan by 38 percent) to 3.26 in Pennsylvania (being native born more than triples the likelihood of being in the Klan). For Knoxville all Klan members are native born, so the parameter can not be estimated. The estimate is statistically different from one for all columns except Harlowton. For all of the areas except Pennsylvania, Klan membership is associated with relatively high status jobs (both those in service jobs and professionals are over-represented relative to the unskilled/unemployed), although the differences are not always statistically significant. Literacy is higher among Klansmen in all samples, though the estimates are not statistically significant in a few of the cases. These findings are consistent with a quote MacLean (1994, p. xii) attributes to an unnamed contemporary who described Klan members as "if not the 'best people,' at least the next best…the good, solid middle class citizens." [18] Klan members also tend to be older and more likely to have been married. In Colorado and Pennsylvania, where we can include the share of

[18] In terms of having relatively high education, this pattern of Klan membership parallels that of modern day terrorist organizations, as reported by Krueger and Malecková (2003), or social movements more generally (Glaeser, Laibson, and Sacerdote 2002).

the population in the county that is Black or foreign, the only statistically significant result is that in Pennsylvania Klan membership is strongly positively related to the percent foreign.[19]

IV. Quantifying the Social and Political Impact of the Ku Klux Klan

There are extensive anecdotal examples of both the terror that the Klan produced and its political clout, but there has been little in the way of systematic quantitative analysis to substantiate such claims. Complicating this analysis is the fact that even if one finds a positive correlation between Klan activity at the county level and an outcome such as hate crimes, it is unclear whether this is causal since the same factors that lead people in an area to commit hate crimes lead them to embrace the Klan. The Klan may worsen hate crimes, or it may simply thrive in places where hate crimes would have occurred regardless of their presence.

Our attempts to differentiate these two stories hinge on the crucial role that D.C Stephenson played in the rise and fall of the Klan. Stephenson's charisma and entrepreneurial skills were critical to the success of the Klan in Indiana. Although similar nativist sentiments were at work in nearby states such as Pennsylvania and Ohio, the Klan grew much more slowly in these places absent a Stephenson-like figure. Thus, one might argue that a comparison of Indiana to Pennsylvania over the first part of the 1920s provides a crude measure of an independent contribution of the Klan. With Stephenson's conviction for murder, however, the Indiana Klan collapsed even more quickly than it grew. Assuming that underlying nativist beliefs were unlikely to dissipate simply because of the murder trial and the dissolution of an

[19] To further understand the determinants of Klan involvement, we regressed county-level data on klan membership on county characteristics. Unfortunately, very imprecise estimates made this exercise of little marginal value beyond the individual level regressions presented.

organization, the period immediately following his conviction in 1925 provides another avenue for identifying the causal impact of the Klan.

In this section, we look for evidence of an impact of the Klan in the form of the number of lynchings, migration patterns of Blacks and foreigners, vote shares in congressional elections, and legislation passed. We tackle these various outcomes in turn.

Klan membership and the number of lynchings

Given the hate-based beliefs of the Klan and its notoriety for violence, it is plausible that Klan activity would be associated with the increased frequency of hate crimes. The only type of hate crime for which there is any form of systematic data during this time period is lynchings.[20] The Tuskegee Institute has assembled an extensive catalog of documented lynchings in collaboration with Project HAL – an amazing effort to accumulate a database of all the lynchings that have taken place in the United States.[21]

Figure 4 presents a time series of Black lynching from 1880-1930 using data from Project HAL. The time series pattern in lynchings is exactly opposite of what one would expect if the Klan had a major impact. The number of lynchings peaked after 1890—a time period in which the Klan did not exist—and decreases steadily afterward. Between 1915 and 1925, when Klan memberships grew at fever pace, lynching continued to decrease, hitting their lowest levels in the time-series precisely when Klan popularity is at its peak. There is not a single recorded Black lynching in either Pennsylvania or Indiana in the 1920s when the Klan was thriving there.

[20] For instance, the Federal Bureau of Investigation's uniform Crime Reports, for instance, are not available until 1929, though these data would not have provided any systematic insight into hate crimes anyway.
[21] See http://people.uncw.edu/hinese/HAL/HAL%20Web%20Page.htm#HAL%20History for more information on the database, its origins, and purpose.

The relationship between Klan membership and patterns of migration for Blacks and foreigners

Even if there is little evidence of widespread lynching on the part of the 1920s incarnation of the Klan, it is nonetheless possible that the Klan engaged in less drastic forms of intimidation and persecution which made life difficult for Blacks and foreigners. If that is the case, than one would expect to observe increased emigration and decreased immigration for these two groups in places where the Klan was most active.

To test this hypothesis, we run first differenced county-level regressions of the form

$$\Delta \%Black_{c,t} = \beta(\%Klan_{c,1924}) + \gamma_1 \ln(Pop_{c,t-10}) + \gamma_2 \ln(Black_{c,t-10}) + \gamma_3 \ln(Foreign_{c,t-10}) + \varepsilon_{c,t} \quad (1)$$

where the dependent variable is the percent change in the Black (or in some cases foreign) population in the county from one decennial census to another. The key explanatory variable is the percent of men aged 21 and up in the county who were in the Klan in 1924. The sample used is all counties in Pennsylvania and all counties in Indiana for which we have data.

We examine changes between the 1910-1920 censuses as a test of pre-existing trends in these outcomes that we do not think should be strongly causally related to our measure of Klan activity both because the Klan was not particularly strong in this period (the meteoric rise of the Klan began in 1921), and because our Klan measure is for the later period. In contrast, we do think that migration patterns between 1920 and 1930 are potentially influenced by Klan activity. In all cases, the unit of observation is a county with observations weighted by county population.

Table 3a presents estimation results for Pennsylvania. Columns 1-4 correspond to changes between the 1910 and 1920 censuses; columns 5-8 are for changes between 1920 and

1930. In each case the dependent variable in the first two columns is the change in percent Black, with the change in percent foreign in the next two columns. We present regressions coefficients on our Klan measure with no controls and including controls for the log of population and share Black and foreign at the start of the period.

The results in Table 3a provide little evidence for a causal impact of Klan activity on migration patterns of Blacks or foreigners. The coefficients in the period before the Klan becomes active (columns 1-4) are generally similar in sign and magnitude to those when the Klan is at its peak (columns 5-8). Absent controls, for both these periods the Klan measure is associated with strong negative values on migration of both groups. In other words, the places where the Klan will thrive/is thriving, are places that are experiencing relative declines in the share Black or foreign. Once one controls for county population and the initial shares, however, the results for Blacks disappear. Black populations are growing more quickly in the most populous counties (such as Philadelphia), which are also areas with relatively little Klan activity. The coefficients for foreigners persist with controls. The fact that the same pattern exists in the 1910-1920 period, however, suggests a common cause of foreign emigration and Klan activity, as opposed to a causal impact of the Klan itself. All results are robust to the exclusion of Philadelphia and Pittsburgh, the two urban centers of Pennsylvania.

Table 3b is identical in structure to Table 3a, except that the sample used is Indiana counties. The results largely parallel the findings from Pennsylvania. The Indiana results for Blacks provide a hint of evidence that the Klan had some impact. In the pre-period, there is no apparent relationship between future Klan intensity and Black migration patterns. Between 1920 and 1930, there is a statistically significant negative relationship between the Klan and Black

migration when controls are absent. Once controls are included, both the magnitude of the coefficient and the statistical significance decline, but the point estimate remains negative. The coefficient implies that a 10 percentage point increase in Klan prevalence is associated with roughly a 0.3 percent reduction in the Black share of the population between 1920 and 1930. The baseline Black share of the population was 3 percent, so in percentage point terms, a 10 percentage point increase in the Klan reduces the Black share of the population from 3 percent to 2.91 percent. The data provide no support whatsoever for a claim that Klan activity drove away the foreign born; in all four specifications presented, the coefficient on the Klan variable is positive, and the point estimates in the later period are larger than in the pre-period.

The impact of the Klan on Voting Behavior and Legislation

The Klan of the 1920s is well-known for its political influence. Numerous historians have documented widespread electoral victories for Klan-supported candidates across the nation (Jackson 1992). The Klan exercised its political might in other ways as well, such as marching 50,000 Klansmen down Pennsylvania Avenue in August 1925. There is anecdotal evidence of Klan-initiated voter intimidation; an example is depicted in figure 5.

Politicians of both parties throughout the south and Midwest were under the Klan's sway. Five U.S. Senators and at least four governors were Klansmen (Jackson 1992, McVeigh 2001). In 1924, the Klan captured the Republican primaries in Colorado, elected a governor of one house of the legislature, several judges and sheriffs, and the Denver chief of police. (Goldberg 1981). In Alabama, it ended the career of veteran Senator Oscar Underwood, whom it

denounced as the "Jew, jug, and Jesuit candidate," and replaced him with Hugo Black, who accepted an engraved life membership in the KKK (Morison 1980).

While the Klan clearly had a national reach and was particularly strong throughout much of the Midwest and the South, most historians believe that it experienced the most political success in Indiana. Stephenson not only aggressively boosted Klan membership and used his wealth to sponsor favored candidates, but actively meddled in Republican Party politics to engineer the election of pro-Klan candidates. At the 1924 Republican convention, Stephenson was able to force a large number of anti-Klan Republicans off the party's ticket, an event that foreshadowed a near sweep of the state legislature and the Indiana congressional delegation that November.[22] Edward L. Jackson's election to the governorship was the Klan's crowning achievement that year (Jackson 1992).

Many historians have presented these anecdotes as prima facie evidence that the Klan had an important impact on the political scene. Here we attempt a more rigorous, quantitative approach. Again using county level data on Klan membership in Indiana and Pennsylvania, we estimate the Klan's effect on the change in republican vote share during the Klan's rise and fall. To do this, we estimate first differences county-level regressions similar to equation (1):

$$\Delta \text{ Republican Vote}_{c,t} = \alpha(\%Klan_{c,1924}) + \theta_1 \ln(pop_{c,1920}) + \theta_2 \ln(blackpop_{c,1920}) + \theta_3 \ln(foreignpop_{c,1920}) + \varepsilon_{c,t}$$

where the dependent variable is the change in the Republican vote share. Election data is gleaned from electoral data for counties in the US between 1840-1972. We examine changes between

[22] The Klan turned Republican around this time as the Republican Party became more conservative and the Democrats turned more liberal. At least in Indiana, the Klan focused its efforts on knocking "old-guard" liberal Republicans out of the party, as best seen by the defeat of Merrill Moores, a veteran congressman from Indianapolis, at the 1924 Republican convention.

1920 and 1924 when the Klan's membership growth was in overdrive and their political strength hit its zenith. We also investigate the change in Republican vote share between 1924 and 1926 and between 1924 and 1934. The Stephenson case, which initiated the crumbling of the Klan, occurred in 1925. This provides a rare opportunity to estimate the impact of the Klan during its decline. In all cases, the unit of observation is a county, with observations weighted by the county's population.

Table 4a presents results for Pennsylvania. Columns 1-2 correspond to changes between 1920 and 1924, the rise of the Klan; columns 3-4 relate to changes between 1924 and 1926, the immediate impact of the Stephenson trial; and column 5-6 cover the years between 1924 and 1934, the years subsequent to the Klan's fall. We present regression coefficients on our Klan measure with no controls and including controls for the log of population and log of Black and foreign population, respectively.

The estimates in Table 4a provide little evidence that the Klan had much influence on vote shares in Pennsylvania during its peak years. Between 1920 and 1924, the effects actually go in the opposite direction that one might have expected. Similarly, from 1924 to 1926, there is an increase in Republican vote shares, the opposite of what one might expect, which then declines modestly.[23]

Table 4b provides the estimates of most interest, partly because many have argued that the Klan had an overwhelming influence on Indiana politics (Moore 1991) and partly because Stephenson provides a quasi-experiment regarding the effect of the Klan's rapid rise and fall on politics. Yet, as the table suggests, the Klan had surprisingly little influence. During the Klan's

[23] These results are robust to excluding the two most populous counties, Philadelphia and Pittsburgh, from the estimation.

peak growth period, the coefficient on percent Klan is .22. Evaluated at the mean, this implies that a 10 percentage point increase in Klan was associated with a 2.2 increase in the Republican vote share between 1920 and 1924. Klan popularity in a county is associated with a small decline immediately following the Stephenson trial, a decline that grows larger with time.

Figure 6 further underscores the lack of causal influence the Klan had on politics. The figure plots the change in Republican vote share in three states: Pennsylvania, Indiana, and Illinois. Illinois makes an interesting "control" state, as it was deeply nativist but experienced only limited Klan activity. The trend lines follow a remarkably similar pattern.

Despite our estimates regarding the relatively small effect of the Klan on changes in vote shares, one cannot deny that eleven of the thirteen elected candidates elected to the U.S. House in Indiana in the 1924 elections were those backed by the Klan, and the Klan controlled virtually the entire state government. A key question, then, is whether these politicians were able to pass legislation that furthered Klan goals. In 1925, a series of bills were introduced, mainly concerning education, to further the Klan's "100 percent Americanism" campaign. Weaver (1954) provides careful documentation of Klan-initiated legislation. The bills included the Religious Garb Bill, which would have prevented any person (i.e. Catholic nuns) who wore religious garb from teaching in the public schools; the Public Schools Graduate Bill, which would have required that teachers' licenses in Indiana be granted only to individuals who attended public schools; the Uniform Textbook Bill, which would have made it compulsory for private and public schools to use the same textbooks; and the Bible Reading Bill, which would have made Bible reading mandatory in the public schools. Also on the Klan's agenda were bills to allow college students to receive credit for Bible study outside the school, to allow public

school students to leave school early for religious education, to create an entirely new board of education, and to have all students in Indiana study the U.S. Constitution. The final bill, which lost by the thinnest of margins in the previous congress, was the only one enacted (Weaver 1954).

V. The Fiscal Genius of the Klan

While the Klan did not appear to have much impact on social policy, it was tremendously successful at the activity it truly put its mind to: making money. Indeed, the true genius of the Klan was how it managed to amass millions of dollars from members in the form of dues, taxes, and product sales.

Unlike a firm, which generates revenues by selling products to outsiders, the Klan derived all of its funds from its own members. Growing the membership was therefore critical to generating profits for those in leadership positions in the Klan. In order to fuel this growth, the Imperial Wizard and Imperial Kleagle created a sales force in 1921 whose job it was to enlist new members. The subsequent meteoric growth in the Klan appears to be directly attributable to the work of this sales force, as well as the Klan's new posture against groups such as Jews, Catholics, and immigrants (Alexander 1965, Wade 1987).

For most members of the social hierarchy, the promise of financial rewards was not an important enticement. Among the local leadership, only the Exalted Cyclops and the Kligrapp were paid for their services, but this pay was minimal and these individuals almost always held other jobs outside the Klan as well. Klan membership appears to be driven less by pecuniary opportunities and more by the factors that underlie social clubs of all kinds, namely shared

interests and ideologies, networking opportunities, a sense of belonging or "fraternity," etc. (Alexander 1965).

The one exception was the Grand Dragon in charge of a state (or "realm").[24] When the sales structure was initially put into place in 1922, it appears that none of the initiation fees went to the Grand Dragon who was in charge of the state, but by 1924, $2.50 of each initiation was funneled to the Grand Dragon. In addition, each member was required to pay an annual $1 realm tax which was paid to the Grand Dragon responsible for that state (Alexander 1965). Loucks (1936) also reports that 50 cents of the $6.50 cost of a robe went to the Grand Dragon.

The strongest financial incentives, however, were for the sales force and the national leaders. The sales force was organized on a multi-level marketing principle, much like modern companies such as Amway and Avon. The U.S. was split into nine Domains with a Grand Goblin in charge of each. A Goblin would then hire a King Kleagle for each state under his control; the King Kleagle was responsible for the army of Kleagles, salesmen who were paid by commission, in his state. The Kleagles were the core of the financial structure, actively hawking memberships for $10 apiece, and pocketing $4 from each membership sold. As noted earlier, by 1924, $2.50 was directed to the Grand Dragon who ran the state. The remaining $3.50 was sent up the recruiting structure, with the person in charge of sales in the state (King Kleagle) taking $1, the regional sales overseer (Great Goblin) getting $.50, the national sales overseer (Imperial Kleagle) $1.25, and the two most powerful men in the klan (Imperial Wizard and Grand Wizard) splitting 75 cents.

[24] At his pinnacle, D.C. Stephenson was Grand Dragon of 23 states.

Robes and other Klan paraphernalia generated a second source of revenue. All Klan members were required to purchase an official Klan robe produced by an approved factory; Klan members were not allowed to make their own robes. These robes were sold initially for $6.50, with the price later reduced to $5.00 when the Klan constructed its own robe production factory (Jackson 1992). The robes cost only $2.00 to produce, generating large profits for the Klan leadership. The revenues from the sale of robes were split four ways. The Kleagle who recruited the purchaser, the King Kleagle, and the Grand Dragon who headed the realm each received 50 cents. The remaining $5 went to the national headquarters, which netted $3 in profit after paying the $2 production cost.

In addition to being a source of direct revenue for the Klan national leaders, the requirement that all members purchase officially sanctioned robes presumably served a second important purpose. Individual salesmen had strong financial incentives to under report the number of new members they recruited, allowing them to keep the full $10 initiation fee rather than sharing it with the central leadership. Because each member had to purchase a robe from the Klan leadership, that provided the central office with a roster of all new members, potentially allowing the Klan leaders to identify new members whose initiation fees had been pilfered by the local sales agent.

Besides the purchase of robes, members were encouraged to buy an array of other officially-sanctioned products ranging from life insurance sold through the Empire Mutual Life Insurance Company, robe dry-cleaning services, and even specially wrapped candies with the klan insignia on it (Alexander 1965).

The final source of income was the "Imperial Tax," which was levied on all members of a Klavern after it had received its charter, usually when it had 100 members (Alexander 1965). The tax, which totaled $1.80 per Klansmen per year, was levied in four parts of $0.45 year. This revenue stream flowed directly to the top and was not shared by anyone outside the Imperial office.[25]

Reliable information on the total earnings of those in the financial side of the Klan is generally not available since the number of Klan members nationwide is so uncertain. There is, however, credible membership numbers for Indiana during the period 1923-25, allowing us to calculate revenues generated in Indiana during that time period. In 1923, the Klan commissioned Ernst & Ernst to conduct an internal audit in Indiana to investigate impropriety within the hierarchy. As of August 27, 1923, the report shows 117, 245 members. In 1925, as part of the D. C. Stephenson trial, the Klan took an internal census, reporting approximately 162,000 members. Based on these numbers, knowledge of initiation fees, membership dues, and purchases of robes and other paraphernalia, we are able to construct estimates of revenues accruing to the various levels of the hierarchy. It is important to stress, however, that this case study is far from representative – the Klan's recruiting success in Indiana was unparalleled and the period studied represents the Klan's peak there. In addition, a number of important caveats apply. First, there is anecdotal evidence that the Klan had some difficulty actually collecting dues from members, and at least in later years offered discounts on initiation fees. (Kennedy 1990) This would lead us to overstate Klan revenues across the board. On the other hand, we make two assumptions that will bias our calculated revenues downwards: (1) our calculations on merchandise are limited to

[25] There are also references to local taxes levied by individual Klaverns (see Alexander 1965), but we have been unable to determine how widespread or large such taxes might have been.

robes, excluding other paraphernalia, and (2) we compute new initiations as the increase in the size of the membership, ignoring the fact that there was exit as well. Since much of the revenue was generated from initiation fees, trading a new member for an existing member boosted revenues.

Table 5 provides estimates of the distribution of the annual revenues generated by the Klan from the state of Indiana at its peak. The first four columns correspond to the four different sources of revenues: new initiations, robes, the realm tax, and the imperial tax. The final column is the sum of these sources. The values shown have been transformed into 2006 dollars using the consumer price index.[26] Our estimates are based off an assumption of 140,000 total Klan members in Indiana and 22,511new members per year, with the latter number derived from the increase between the two Klan internal audits. New initiation fees, shown in column 1, generated revenues of nearly $200,000 for the national headquarters, over $300,000 for the highest ranking person in the national sales structure (Imperial Kleagle), over $600,000 for D.C. Stephenson, the Grand Dragon of Indiana, $132,000 for the regional sales manager (Great Goblin), $265,000 for the sales manager in Indiana (King Kleagle), and over $1 million for the street-level salesmen (Kleagles). Because we have no reliable data on the number of Kleagles in Indiana, we are unable to calculate a per capita wage for the salesmen.

The sale of robes generated almost $800,000 in profit for the national headquarters; these numbers are net of the costs of supplying the robes. The Grand Dragon, King Kleagle, and the Kleagles each received over $100,000 from robes. The Imperial Tax was the single greatest

[26] Between 1924 and 2006, prices rose approximately 1200 percent.

source of revenue, contributing nearly $3 million to national headquarters. The Realm Tax provided $1.65 million to D.C. Stephenson.

According to our estimates, the single state of Indiana generated nearly $4 million in revenues for the national headquarters.[27] After some modest expenses, most of that revenue would go directly to the Imperial Wizard, with the Grand Wizard having claims on some of it. D.C. Stephenson, the head of the Indiana Klan, received nearly $2.5 million annually from the state's operations. The head of the state sales hierarchy pocketed nearly $400,000 a year. To put these numbers into perspective, in current dollars, a typical full professor during this time earned $45,000 in current dollars (Bachman 1929), Babe Ruth earned $613,000, and President Calvin Coolidge earned $885,000.[28]

VI. Conclusion

The Ku Klux Klan symbolizes the extremes of race hatred in America. Since its inception in the months after the Civil War, the Klan's organization, mission, and power have varied tremendously, with membership and political influence peaking in the mid-1920s when over one million Americans were members. Our statistical analysis, however, finds that, contrary to conventional wisdom, the Klan had little impact on Black or foreign born migration, lynchings, or politics during this time period. Rather, the 1920s Klan is best described as an enormously successful marketing ploy; a classic pyramiding scheme – officials at the top getting rich off of

[27] Alexander (1965) reports that D.C. Stephenson remitted $641,475 (in 1923 dollars) to Klan national headquarters covering the period February 17-July 14, 1923. In current dollars, that is roughly $7 million for a five-month period. That number is roughly three times higher than our estimate and is inconsistent with the other numbers reported in Alexander (1965).

[28] It was not until 1931 that Ruth famously demanded a salary of $80,000 -- $5,000 more than President Calvin Coolidge – with the explanation that "I had a better year than he did."

the individuals at the bottom – energized by sales agents with enormous financial incentives to sell hatred. Our findings fit squarely into Glaeser's (2005) pioneering analysis of "entrepreneurs of hate," in which political and business leaders create and encourage hatred for private benefit.

References

Alexander, Charles. "Kleagles and Cash." 1965. *The Business History Review.* Vol. 39, No. 3, pp. 348-367

Bachman, Frank P. (1929) "Salaries and Supplemental Earnings of College Teachers." *Science*, Vol. 70, No. 1802, pp 26-29.

Chalmers, David. *Hooded Americanism*. 1987. Durham, NC: Duke University Press.

Davis, Lenwood and Janet Sims-Wood. 1984. *The Ku Klux Klan: A Bibliography.* Westport, CT: Greenwood Press.

Glaeser, Edward L. "The Political Economy of Hatred." 2005. *Quarterly Journal of Economics*. Vol. 120, No. 1, pp. 45-86.

Glaeser, Edward L., David Laibson, and Bruce Sacerdote. 2002. "The Economic Approach to Social Capital," Economic Journal 112, 437-458.

Goldberg, Robert Alan. 1981. *Hooded Empire: The Ku Klux Klan in Colorado*. Urbana: University of Illinois Press.

Jackson, Kenneth T. *The Ku Klux Klan in the City, 1915-1930*. 1992. Chicago, IL: Elephant Paperback.

Kennedy, Stetson, 1990, *The Klan Unmasked*. University Press of Florida.

Krueger, Alan and Maleckova, Jitka. "Education, Poverty, and Terrorism." 2003. *The Journal of Economic Perspectives.* Vol. 17, No. 4, pp. 119-144.

Loucks, Emerson Huntsberger. *The Ku Klux Klan in Pennsylvania, a Study in Nativism*. 1936. New York, Harrisburg, PA: The Telegraph Press.

MacLean, Nancy. *Behind the Mask of Chivalry: The Making of the Second Ku Klux Klan*. 1994. New York: Cambridge University Press.

McVeigh, Rory. "Power Devaluation, the Ku Klux Klan, and the Democratic National Convention of 1924." 2001. *Sociological Forum* 16(1):1-30.

Moore, Leonard. *Citizen Klansmen.* 1991. Chapel Hill, NC: University of North Carolina Press.

Morison, Samuel, Commager, Henry, and Leuchtenburg, William. *The Growth of the American Republic.* 1980. Oxford: Oxford University Press.

Newton, Michael. *The Ku Klux Klan.* 2006. Jefferson, NC: McFarland and Company.

Newton, Michael. *The Invisible Empire.* 2001. Gainesville, FL: University of Florida Press.

Skocpol, Theda. *Diminished Democracy*. 2003. Norman, OK: University of Oklahoma Press.

Terry, et al. "The Nature and Scope of the Problem of Sexual Abuse of Minors by Catholic Priests and Deacons in the United States: A Research Study Conducted by the John Jay College of Criminal Justice." 2003. http://www.usccb.org/nrb/johnjaystudy/index.htm

Tucker, Richard. *The Dragon and the Cross*. 1991. Hamden, CT: Archon Books.

Wade, Wyn Craig. *The Fiery Cross.* 1987. Oxford: Oxford University Press.

Weaver, Norman. The Knights of the Ku Klux Klan in Wisconsin, Indiana, Ohio, and Michigan. 1954. Ph.D. Dissertation, University of Wisconsin.

Appendix A: Data Appendix

We have developed an extensive database of members of the Ku Klux Klan during the 1920s. The database was developed in three stages. First, we scoured the country for archives, libraries, and historical societies that contained data on the Ku Klux Klan. Once we found those that contained potentially relevant information, we attempted to partner with these institutions by offering to pay for their collections to be microfilmed. Our price: one copy of all microfilm. Second, we analyzed these microfilms for data on individual Klan members, minutes from Klavern meetings, expenses, filed applications, and so on. Many of these forms contain information about each Klan member (name, height, weight, e.g.). From this, we developed the initial list of Klan members from all the microfilm that had such information. The final stage in creating our database was to link up Klan members to census information so that they could be compared to non-Klan members. Below, we detail each of these stages.

Below, we provide the details of this process.

In Search of Klan Members

For obvious reasons, identifying members of secret societies or terrorist groups is a difficult task. We began by searching university libraries, archives, and historical societies around the country. Twenty-three of these organizations possessed a total of thirty collections regarding the Ku Klux Klan (see Appendix Table 1 for details). Most were simply old copies of Klan propaganda, a robe here and there, or various copies of the Kloran and the Klan monthly newsletter. Five institutions, contained remarkable data on members of the Invisible Empire including membership roles and dues paid, financial records, first and last names, as well as other useful information. These included Emory University (Knox County Klan Number 14, Knoxville, Tennessee), the Pennsylvania State Archives (Census of Pennsylvania, Delaware, and New Jersey Klans), Bowling Green University (Ohio Knights of the KKK, Wood County), the Indiana Historical Society (Census of Indiana), Clark Historical Library (Newaygo and Mecosta County, Michigan and Calvin Enders Collection), and the Montana Historical Society (Wheatland Klan Number 29, Harlowton Montana).

As with most data on organizations that are difficult to obtain, one worries that the information that has been discovered is not representative of the organization. While we cannot answer this directly, we have gone to great lengths to understand the origins of each of the collections in our database. The Klan collections arrived at their respective locations in various ways. In Pennsylvania, the Grand Wizard was burglarized and all the Klan's confidential files were dropped off at the State Police headquarters in Harrisburg in the middle of the night. The collections at Emory and Bowling Green Universities and the Montana Historical Society were donated by unknown sources; typically an individual who discovered the files in their attic and believes they may have historical value but for which they want to distance themselves. The Indiana Historical Society was donated by a series of individuals in various parts of Indiana. Further information about the Indiana Klan was made publicly available through the criminal trial of D.C. Stephenson.

Once the files from the assorted collections were microfilmed, we printed each page to PDFs, which are available from the authors upon request. We then keypunched all information on individual members from these PDFs into Excel. This serves as the set of Klan members. Other information of interest such as dues records, expenses, checks written, bank statements, or other financial information were also type into separate spreadsheets.

Matching Klan Members to the 1920 and 1930 Censuses

To link our database to the census, we used three approaches. For the smallest community (Harlowton), it was feasible to manually keypunch all of the information from the 1920 and 1930 decennial censuses using PDF versions of the original hand-written census rolls available at ancestry.com. Appendix Figure 1 provides a sample of a typical census image. The census rolls are small and hand-written, which can make it difficult to be certain about some entries. In cases in which information was either blank or not legible, we created an indicator variable to denote both of these types of missing data.

We then linked the data we have from Klan membership rolls directly to the Census data. Thus, for Harlowton, we not only have a complete match of Klan members and census data, but also have all non-Klan members included in the data set.

For Knox and Wood counties, we follow the same matching procedure using the original Census rolls, but found it impractical to type in the entire population of non-Klan members. Instead, for these two cities, our control group of non-Klan members is constructed from two complimentary sources. First, we include individuals from those counties who are included in the Integrated Public Use Microdata Series (IPUMS) from the University of Minnesota Population Center in 1920 and 1930. Unfortunately, the IPUMS is only a 1 percent sample in 1920 and a 0.5 percent sample in 1930, yielding a relatively small control samples.[29] To supplement this, we constructed a random sample of 500 individuals in Knox County and 1,000 individuals in Wood County by randomly choosing PDF pages of the original hand-written census rolls for the 1920 decennial census available at ancestry.com, and keypunching all of the information on white males 21 or older.

The randomization was accomplished in a few steps. First, we set the number of observations equal to the total number of sheets available across all enumeration districts in a county. Then we generated a variable that took the values of 1 through the total number of sheets. Next, we took a random sample of 50 of those numbers. Before we took the sample we set the seed, which allows you to re-produce the same random numbers each time you run the do file. Finally, we took those numbers and calculated the actual sheet number within each district. For example, random number 151 in Knoxville represents sheet 39 of District 95.

The Pennsylvania and Colorado data sets were too large to feasibly link individual Klan members (more than 50,000 of them) to original census rolls by hand. Thus, in these data, we exclusively matched our Klan observations to IPUMS data. Unfortunately, the data on Klan members from Pennsylvania and Colorado consisted mainly of last names and first names, or in

[29] The data from Knoxville was quite comprehensive; 6 of the census variables were already in our files. Further, there were other interesting variables in the data such as years of education. As such, we just appended census data onto these datasets and assumed that those from the census were not Klan members.

many cases, first initials, along with city or county of residence. Merges were performed on last name, first name, and county.

Appendix B: A Guide to Klan Terminology

Realm: In both the Reconstruction and modern Klans, a realm is equivalent to a state, administered by a grand dragon. The term is never applied to smaller geographical units, although the 1920s saw the term occasionally applied to larger areas, when membership in one state was insufficient to justify an imperial charter. Thus, the states of Maine, Vermont, and New Hampshire were considered a single realm.

Kludd: the chaplain of a Klan, this rank is occupied by an ordained Protestant minister whenever possible. A great kludd offers prayers at the province level, with a grand kludd serving the realm and an imperial kludd selected for the Invisible Empire at large.

Klokard: designated as the lecturer of a klan, the klokard has no counterpart at the province level. A grand klokard serves for the realm, while an imperial klokard is elected for the Invisible Empire at large.

Klexter: Designated as the outer guard of a klan, the klexter is responsible for external security during regular meetings. The office does not exist at the province level. Each realm is served by a grand klexter, while the imperial klexter operates from KKK national headquarters.

Kligrapp: As secretary of a klan or other jurisdictional unit, this title is further designated by rank to include the great kligrapp (at the province level), the grand kligrapp (of a realm), and the imperial kligrapp (for the overall Klan).

Klokan: An individual member of the klokann, this officer serves as an adviser, auditor, and investigator for his respective geographical unit.

Klokann: The advisory board of a klan, serving as auditors and investigators, the klokann is composed of several members dubbed klokans. At the klanton and province levels, three members are selected for each board, with the latter body known as the great klokann. Five members are specified for the grand klkann (at the realm level), and the imperial klokann (at national headquarters).

Klavern: Technically applied to the local headquarters of a klan, this term is often used interchangeably to describe the klan itself.

Kleagle: IN Klan parlance, a kleagle is an organizer or recruiter, appointed by the imperial wizard or his imperial representative to “sell” the KKK among nonmembers. Kleagles are generally paid on commission, receiving an established percentage of each recruiter’s klectoken.

Klarogo: As the inner guard of a klanton, the klarogo is roughly equivalent to a sergeant-at-arms. The office does not exist at the province level. Other rank designations include the grand klarogo (of a realm) and the imperial klarogo (for the national Klan).

Klabee: The treasurer of a klanton, klabees are further designated by rank with the title of great klabee (at the province level), grand klabee (for a realm), and imperial klabee (for the national Klan).

Kladd: As the conductor of a klanton, a kladd is the custodian of ritual paraphernalia, and he also introduces candidates for "naturalization." The office does not exist at the province level, but rank is otherwise designated by the titles of grand kladd (for a realm) and imperial kladd (at the national levels).

Klaliff: The vice president of a klanton, klaliffs multiply as one ascends the Klan ladder of rank. At the province level, three great klaliffs serve as an advisory board for the great titan. The grand klaliff is vice president of a realm, while the imperial klaliff serves as second in command after the imperial wizard.

Klan: The smallest unit of the Invisible Empire, a klan is administered by an exalted Cyclops and his twelve terrors presiding. To further confuse the issue, local units of the Constitutional Union Guard were also referred to as "klans" during Reconstruction.

Imperial Kloncilium: In the modern United Klans of America, the kloncilium consists of fifteen genii serving as the imperial wizard's command staff. Members include the imperial klaliff, imperial klokard, imperial kludd, imperial kligrapp, imperial klabee, imperial kladd, imperial klarogo, imperial klexter, imperial klonsel, imperial nighthawk, and the five-man imperial klokann.

Imperial Wizard: Since 1915, this title has generally applied to the presiding officer of the Invisible Empire. He is the Klan's supreme chief executive, its military commander-in-chief, and (at least in the United Klans of America) chairman of the imperial kloncilium, consisting of his fifteen genii. Some Klans use other titles for their leader: a few cling to the original "grand wizard" designation used by Nathan Forrest during Reconstruction. Other Klan chiefs have proclaimed themselves "emperor," "grand emperor," or simply "president."

Hydras: IN Klan parlance, hydras are the advisory officers chosen to serve a grand dragon. During Reconstruction, there were six, each one without individual titles. The modern Klan specifies nine hydras, including the grand klaliff, grand klokard, grand kludd, grand kligrapp, grand klabee, grand kladd, grand klarogo, grand klexter, and grand nighthawk.

Grand Wizard: As supreme leader of the Reconstruction Klan, the grand wizard was advised and assisted by ten genii.

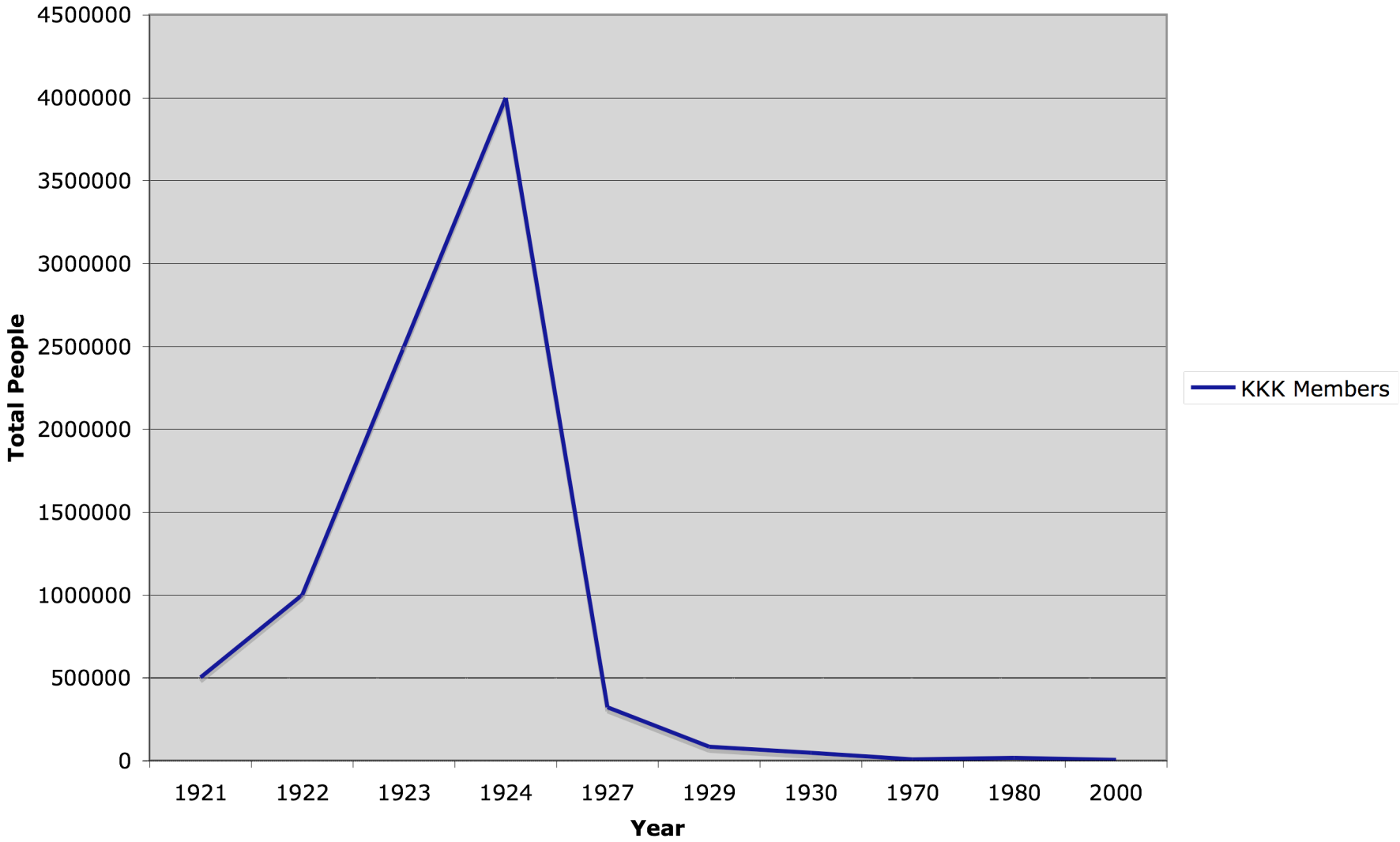
Grand Titan: The commanding officer of a dominion during Reconstruction, this officer was advised by six furies.

Grand Dragon: Throughout Klan history, this title has applied to the chief officer of a realm. During Reconstruction, the grand dragon was advised by eight hydras, a number increase to nine for the 20th century Klan.

Ghouls: The original prescript of the Reconstruction KKK applied this designation to rank-and-file Klansmen. Published sources differ on whether the term still applies to modern Klansmen, but it does not appear in the Kloran or in any current constitution of the various competing Klans.

Klavern: The official designation for local Klan unit or meeting place.

Figure 1: Membership in the Ku Klux Klan, 1921-2000



Sources: 1921, Jackson (1992); 1922, Chalmers (1965), 1923-1930, Newton (2006); and 1970-2000, Anti-Defamation League (Year?)

Figure 2: Klan Basic Organization

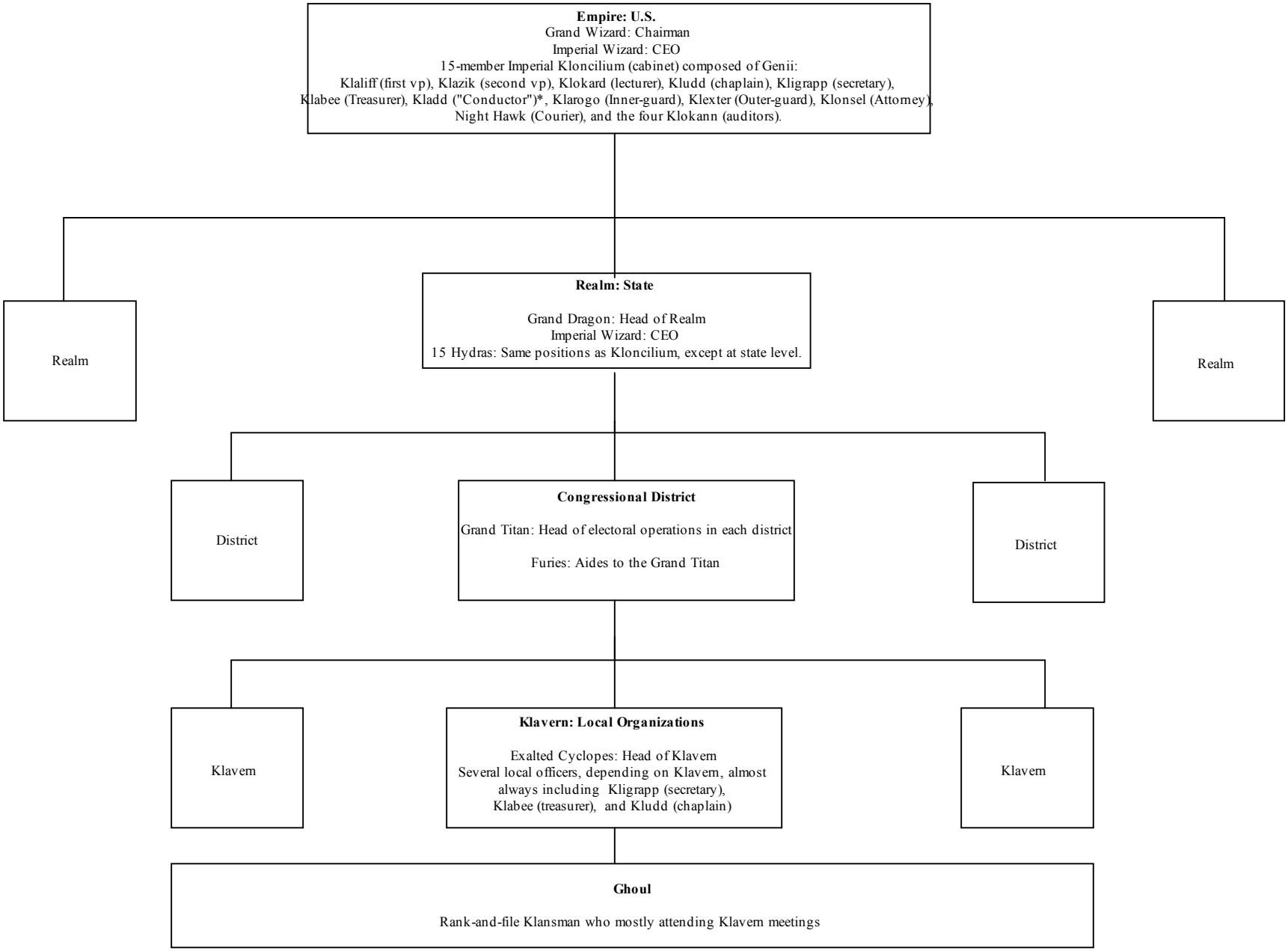
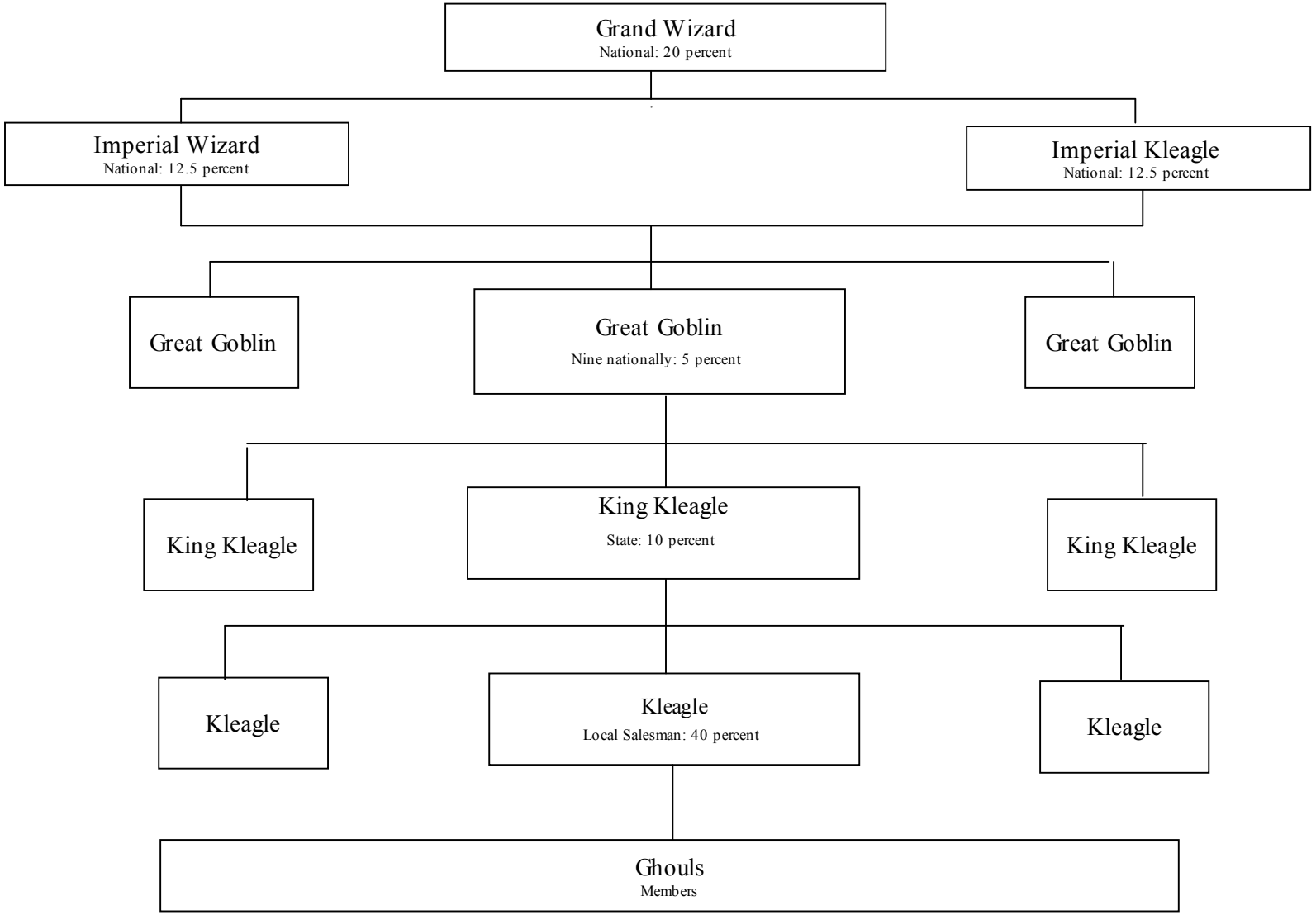


Figure 3: Auxiliary Recruiting Structure of the Ku Klux Klan



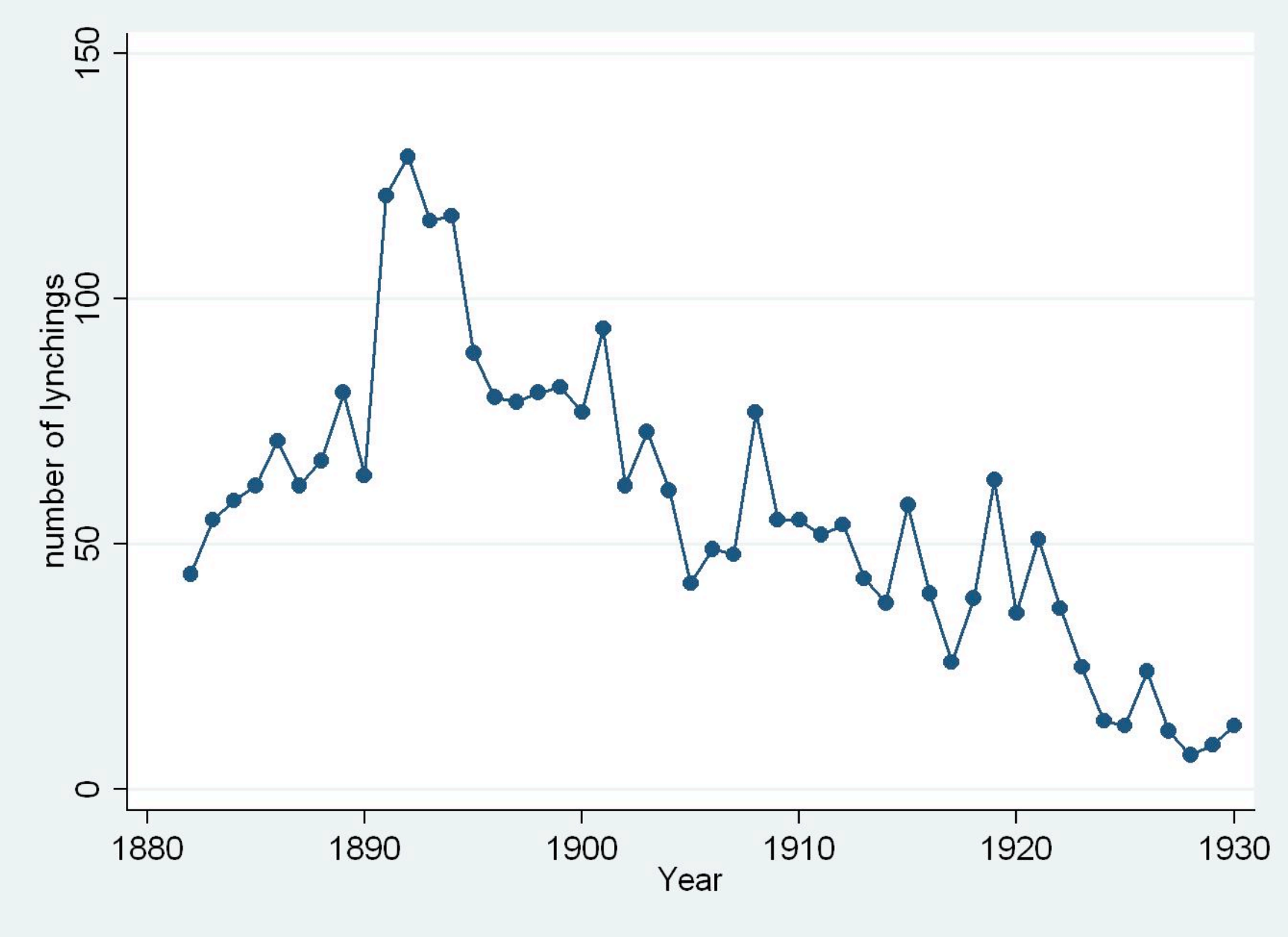


Figure 4: Black Lynching, 1880-1930

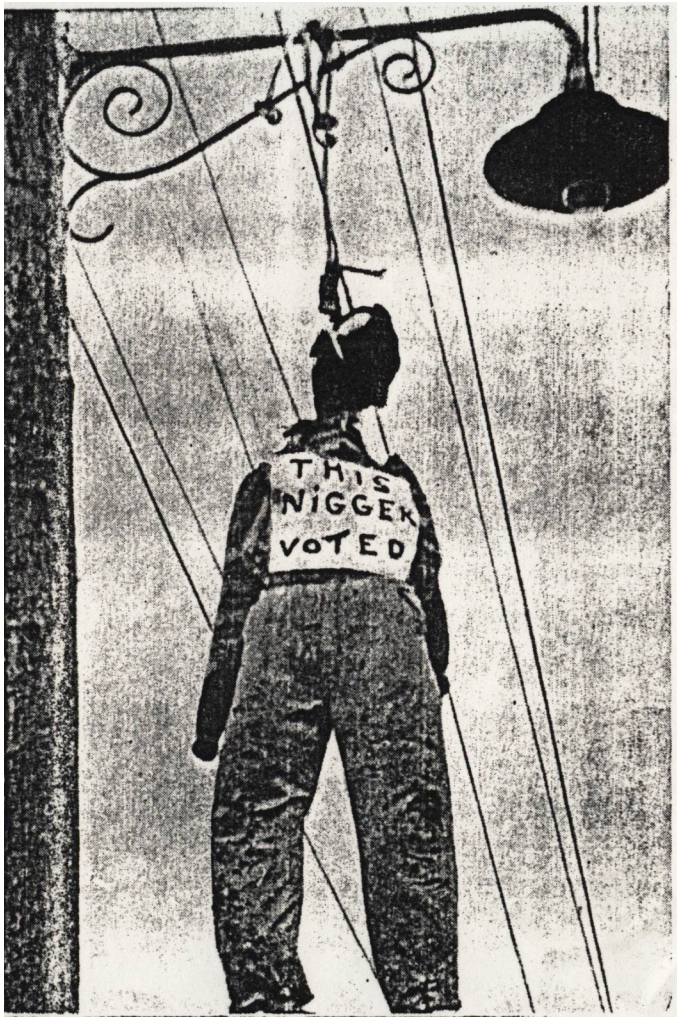


Figure 5: An Example of Klan Initiated Voter Intimidation

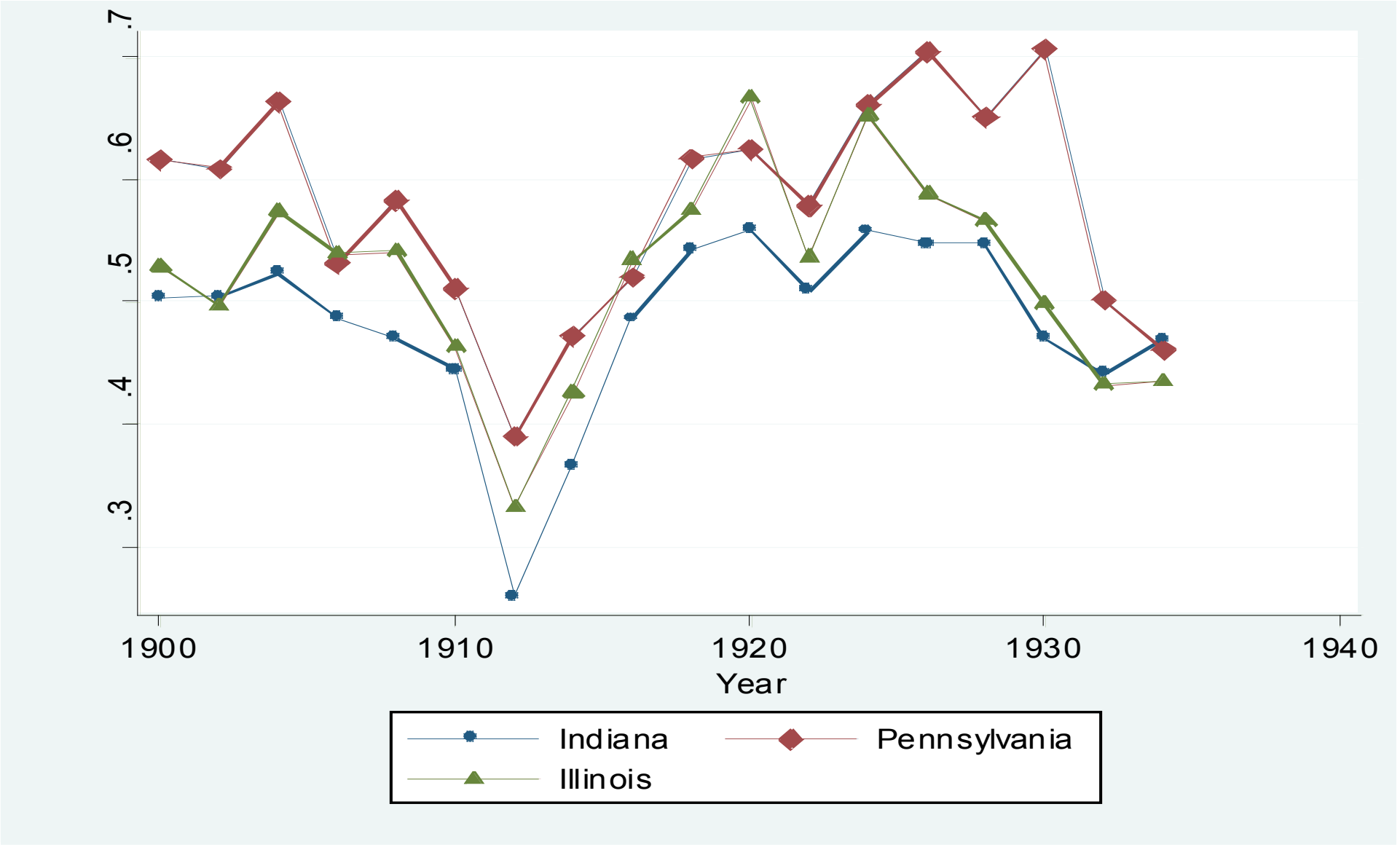
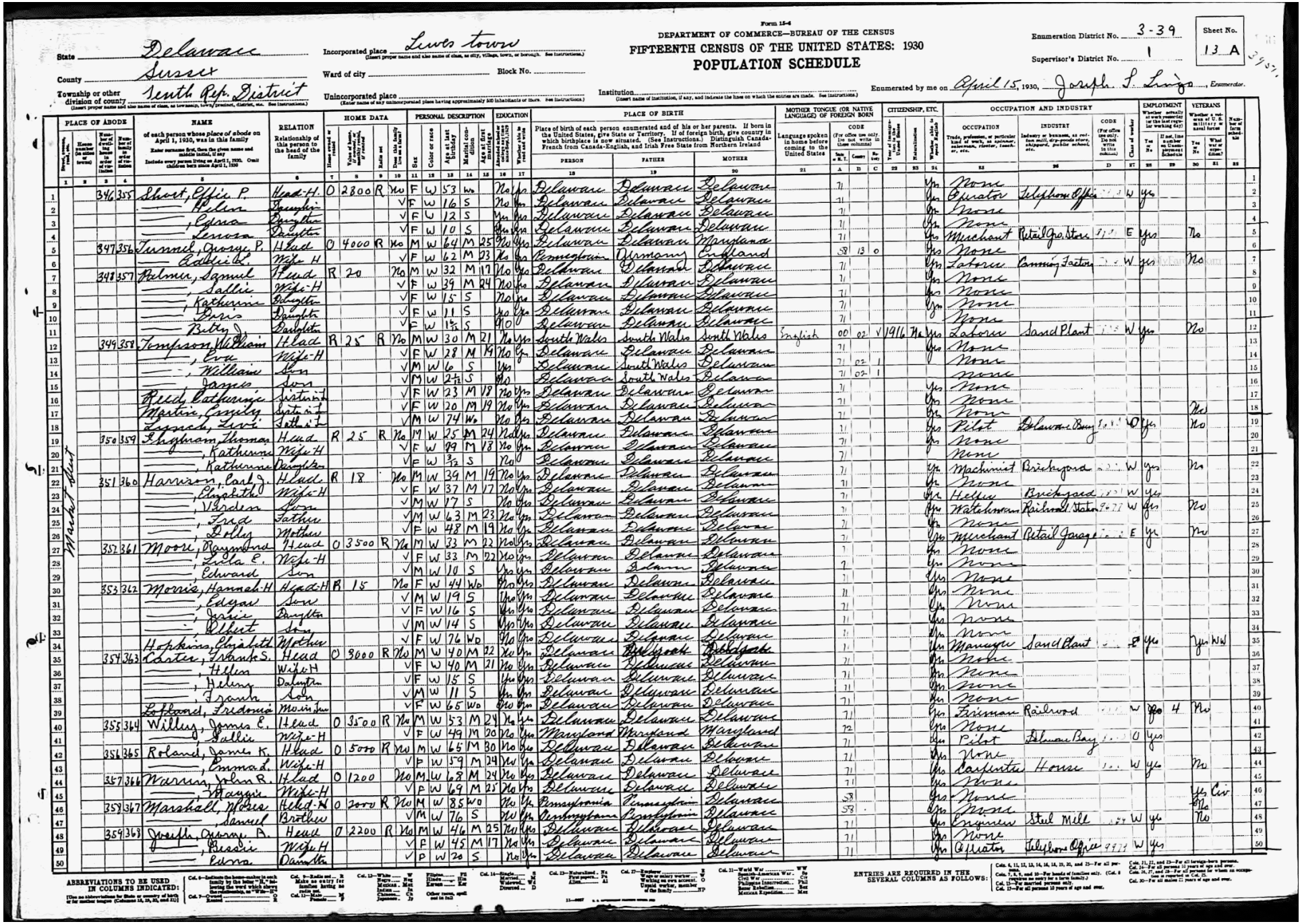


Figure 6: Republican Vote Share, by State



Form 15-6

DEPARTMENT OF COMMERCE—BUREAU OF THE CENSUS

FIFTEENTH CENSUS OF THE UNITED STATES: 1930

POPULATION SCHEDULE

State: Delaware
County: Sussex
Township or other division of county: South Rep. District
Incorporated place: Lewes town
Ward of city:
Unincorporated place:
Block No.:
Institution:
Enumeration District No. 3-39
Supervisor's District No. 1
Sheet No. 13 A
Enumerated by me on April 15, 1930, Joseph L. Livingston, Enumerator.

Dwelling number	Family number	Name of each person whose place of abode on April 1, 1930, was in this family	Relation	Home data: Home owned or rented	Home data: Value of home, or monthly rental if rented	Home data: Radio set	Home data: Does this family have a radio set	Sex	Color or race	Age at last birthday	Marital condition	Age at first marriage	Attended school or college any time since Sept. 1, 1929	Whether this is the usual home of this person	Place of birth: Person	Place of birth: Father	Place of birth: Mother	Mother tongue (or native language) of foreign born: Language spoken in home before coming to the United States	Citizenship: Year of immigration to the United States	Citizenship: Naturalization	Citizenship: Whether able to speak English	Occupation: Trade, profession, or particular kind of work, no matter how poor	Occupation: Industry or business	Occupation: Class of worker	Employment: Whether out of work on April 1, 1930 (Census Day)	Veterans: Whether a veteran of the U.S. military or naval forces	Veterans: If so, what war or expedition?	Number of farm schedule
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
1		346	358	Short, Effie P.	Head-H	O	2800	R	No	F	W	53	Wd		No	Yes	Delaware	Delaware	Delaware				Yes	None							
2				——, Helen	Daughter					F	W	16	S		No	Yes	Delaware	Delaware	Delaware				Yes	Operator	Telephone Office	W	Yes				
3				——, Elsie	Daughter					F	W	12	S		Yes	Yes	Delaware	Delaware	Delaware				Yes	None							
4				——, Teresa	Daughter					F	W	10	S		Yes	Yes	Delaware	Delaware	Delaware				Yes	None							
5		347	356	Tunnell, George P.	Head	O	4000	R	No	M	W	64	M	25	No	Yes	Delaware	Delaware	Maryland				Yes	Merchant	Retail Gro. Store	E	Yes		No		
6				——, Eddie E.	Wife-H					F	W	62	M	23	No	Yes	Pennsylvania	Germany	England				Yes	None							
7		348	357	Palmer, Samuel	Head	R	20		No	M	W	32	M	17	No	Yes	Delaware	Delaware	Delaware				Yes	Laborer	Canning Factory	W	Yes		No		
8				——, Sallie	Wife-H					F	W	39	M	24	No	Yes	Delaware	Delaware	Delaware				Yes	None							
9				——, Katherine	Daughter					F	W	15	S		No	Yes	Delaware	Delaware	Delaware				Yes	None							
10				——, Doris	Daughter					F	W	11	S		Yes	Yes	Delaware	Delaware	Delaware				Yes	None							
11				——, Betty J.	Daughter					F	W	1 7/12	S		No		Delaware	Delaware	Delaware					None							
12		349	358	Tompson, William	Head	R	25	R	No	M	W	30	M	21	No	Yes	South Wales	South Wales	South Wales	English	00	02	Yes	1916	No	Yes	Laborer	Sand Plant	W	Yes		No		
13				——, Eva	Wife-H					F	W	28	M	19	No	Yes	Delaware	Delaware	Delaware				Yes	None							
14				——, William	Son					M	W	6	S		Yes		Delaware	South Wales	Delaware		7	02	1								
15				——, James	Son					M	W	2 7/12	S		No		Delaware	South Wales	Delaware		7	02	1				None				
16				Reed, Catherine	Sister-in-l					F	W	23	M	18	No	Yes	Delaware	Delaware	Delaware				Yes	None							
17				Martin, Cayley	Sister-in-l					F	W	20	M	19	No	Yes	Delaware	Delaware	Delaware				Yes	None							
18				Lynch, Levi	Father-in-l					M	W	74	Wd		No	Yes	Delaware	Delaware	Delaware				Yes	None					No		
19		350	359	Hughman, Thomas	Head	R	25	R	No	M	W	25	M	24	No	Yes	Delaware	Delaware	Delaware				Yes	Pilot	Delaware Bay	O	Yes		No		
20				——, Katherine	Wife-H					F	W	99	M	18	No	Yes	Delaware	Delaware	Delaware				Yes	None							
21				——, Katherine	Daughter					F	W	3 5/12	S		No		Delaware	Delaware	Delaware					None							
22		351	360	Harrison, Carl J.	Head	R	18		No	M	W	39	M	19	No	Yes	Delaware	Delaware	Delaware				Yes	Machinist	Brickyard	W	Yes		No		
23				——, Elizabeth	Wife-H					F	W	37	M	17	No	Yes	Delaware	Delaware	Delaware				Yes	None							
24				——, Virden	Son					M	W	17	S		No	Yes	Delaware	Delaware	Delaware				Yes	Helper	Brickyard	W	Yes				
25				——, Fred	Father					M	W	63	M	23	No	Yes	Delaware	Delaware	Delaware				Yes	Watchman	Railroad Station	W	Yes		No		
26				——, Dolly	Mother					F	W	48	M	19	No	Yes	Delaware	Delaware	Delaware				Yes	None							
27		352	361	Moore, Raymond	Head	O	3500	R	No	M	W	33	M	22	No	Yes	Delaware	Delaware	Delaware				Yes	Merchant	Retail Garage	E	Yes		No		
28				——, Lula E.	Wife-H					F	W	33	M	22	No	Yes	Delaware	Delaware	Delaware				Yes	None							
29				——, Edward	Son					M	W	10	S		Yes	Yes	Delaware	Delaware	Delaware				Yes	None							
30		353	362	Morris, Hannah H	Head-H	R	18		No	F	W	44	Wd		No	Yes	Delaware	Delaware	Delaware				Yes	None							
31				——, Edgar	Son					M	W	19	S		Yes	Yes	Delaware	Delaware	Delaware				Yes	None							
32				——, Josie	Daughter					F	W	16	S		Yes	Yes	Delaware	Delaware	Delaware				Yes	None							
33				——, Albert	Son					M	W	14	S		Yes	Yes	Delaware	Delaware	Delaware				Yes	None							
34				Hopkins, Elizabeth	Mother					F	W	76	Wd		No	Yes	Delaware	Delaware	Delaware				Yes	None							
35		354	363	Carter, Frank S.	Head	O	8000	R	No	M	W	40	M	22	No	Yes	Delaware	Delaware	Delaware				Yes	Manager	Sand Plant	E	Yes		Yes	WW	
36				——, Helen	Wife-H					F	W	40	M	21	No	Yes	Delaware	Delaware	Delaware				Yes	None							
37				——, Helen	Daughter					F	W	15	S		Yes	Yes	Delaware	Delaware	Delaware				Yes	None							
38				——, Frank	Son					M	W	11	S		Yes	Yes	Delaware	Delaware	Delaware				Yes	None							
39				Lofland, Fredonia	Mother-in-l					F	W	65	Wd		No	Yes	Delaware	Delaware	Delaware				Yes	None							
40		355	364	Willey, James E.	Head	O	3500	R	No	M	W	53	M	24	No	Yes	Delaware	Delaware	Delaware				Yes	Fireman	Railroad	W	No	4	No		
41				——, Sallie	Wife-H					F	W	49	M	20	No	Yes	Maryland	Maryland	Maryland				Yes	None							
42		356	365	Roland, James K.	Head	O	5000	R	No	M	W	65	M	30	No	Yes	Delaware	Delaware	Delaware				Yes	Pilot	Delaware Bay	O	Yes				
43				——, Emma J.	Wife-H					F	W	59	M	24	No	Yes	Delaware	Delaware	Delaware				Yes	None							
44		357	366	Warren, John R.	Head	O	1200		No	M	W	68	M	24	No	Yes	Delaware	Delaware	Delaware				Yes	Carpenter	House	W	Yes		No		
45				——, Maggie	Wife-H					F	W	69	M	25	No	Yes	Delaware	Delaware	Delaware				Yes	None							
46		358	367	Marshall, Moses	Head-W	O	2000	R	No	M	W	85	Wd		No	Yes	Pennsylvania	Pennsylvania	Delaware		58			None					Yes	Civ	
47				——, Samuel	Brother					M	W	76	S		No	Yes	Pennsylvania	Pennsylvania	Delaware		58			None					No		
48		359	368	Joseph, George A.	Head	O	2200	R	No	M	W	46	M	25	No	Yes	Delaware	Delaware	Delaware		71			Engineer	Steel Mill	W	Yes		No		
49				——, Bessie	Wife-H					F	W	45	M	17	No	Yes	Delaware	Delaware	Delaware		71			None							
50				——, Elva	Daughter					F	W	20	S		No	Yes	Delaware	Delaware	Delaware		71			Operator	Telephone Office	W	Yes				

Marked Sheet

ABBREVIATIONS TO BE USED IN COLUMNS INDICATED:

ENTRIES ARE REQUIRED IN THE SEVERAL COLUMNS AS FOLLOWS:

Appendix Figure 1: 1930 Census Image from Ancestry.com

Table 1: Summary Statistics from our Data Files

Area:	Harlowton		Knoxville		Bowling Green		Colorado		Pennsylvania	
	Klan	Non-Klan	Klan	Non-Klan	Klan	Non-Klan	Klan	Non-Klan	Klan	Non-Klan
Number of observations	41	569	551	942	2208	1316	243	1573	475	40789
Native born	0.902	0.851	1.000	0.983	0.961	0.882	0.895	0.765	0.886	0.740
	(0.300)	(0.357)	(0.000)	(0.129)	(0.194)	(0.323)	(0.307)	(0.424)	(0.318)	(0.438)
Unskilled/unemployed	0.439	0.711	0.595	0.664	0.499	0.812	0.518	0.593	0.713	0.737
	(0.502)	(0.454)	(0.491)	(0.473)	(0.500)	(0.391)	(0.501)	(0.491)	(0.453)	(0.441)
Service worker	0.390	0.171	0.297	0.265	0.373	0.127	0.395	0.336	0.265	0.219
	(0.494)	(0.377)	(0.458)	(0.442)	(0.484)	(0.333)	(0.490)	(0.473)	(0.442)	(0.413)
Professional	0.171	0.118	0.108	0.071	0.127	0.061	0.086	0.071	0.022	0.045
	(0.381)	(0.323)	(0.310)	(0.257)	(0.333)	(0.239)	(0.282)	(0.257)	(0.147)	(0.207)
Literate	1.000	0.991	0.959	0.936	0.987	0.960	0.996	0.987	0.994	0.952
	(0.000)	(0.093)	(0.198)	(0.245)	(0.112)	(0.197)	(0.065)	(0.112)	(0.079)	(0.214)
Own home	0.771	0.408	---	---	0.607	0.594	0.465	0.509	0.484	0.521
	(0.426)	(0.492)			(0.489)	(0.491)	(0.500)	(0.500)	(0.500)	(0.500)
Never married	0.075	0.294	0.183	0.246	0.205	0.188	0.255	0.335	0.251	0.297
	(0.267)	(0.456)	(0.387)	(0.431)	(0.404)	(0.391)	(0.437)	(0.472)	(0.434)	(0.457)
Age	46.900	41.820	34.849	37.069	43.336	43.948	41.619	40.405	40.162	39.642
	(11.112)	(14.911)	(11.064)	(14.204)	(16.852)	(15.480)	(14.593)	(15.640)	(14.752)	(15.116)
Head of household	0.927	0.698	---	---	0.724	0.765	0.657	0.556	0.638	0.621
	(0.264)	(0.460)			(0.447)	(0.424)	(0.476)	(0.497)	(0.481)	(0.485)
Veteran	0.171	0.167	---	---	0.124	0.078	---	---	---	---
	(0.381)	(0.374)			(0.330)	(0.269)				
% black in county	---	---	---	---	---	---	0.020	0.020	0.041	0.037
							(0.009)	(0.008)	(0.034)	(0.035)
% foreign born in county	---	---	---	---	---	---	0.130	0.131	0.171	0.147
							(0.022)	(0.024)	(0.056)	(0.068)

Notes: Data in this table correspond to the five different geographic areas noted in the column headings. The first column in each area corresponds to Klan members that we successfully matched to individuals in either the 1920 or 1930 Census; the second column contains Census data for white males over 21 who did match anyone in our Klan records. For Harlowton, the Non-Klan data reflects the entire Census population. For the other areas, the non-Klan samples are based on all individuals included in the Public Use Microdata for 1920 and 1930 in these areas. In addition, we supplemented the PUMS data with a random sample drawn from the original Census rolls in Knoxville and Bowling Green. For Colorado and Pennsylvania, a probablistic match was made between Klan records and the PUMS data (see appendix for details). Any record with a positive match with the Klan data is treated as a Klan member in these summary statistics; some of these are false positives do to multiple people in a county sharing the same name. Standard deviations in parentheses.

Table 2: Odds Ratios of Characteristics Associated with Klan Membership

City/State:	Harlowtown	Knoxville	Bowling Green	Colorado	Pennsylvania
Variables:	Klan	Klan	Klan	Klan	Klan
nativity	1.38	---	2.27	2.74	3.26
	(0.45 - 4.26)		(1.29 - 4.00)**	(1.76 - 4.28)**	(2.43 - 4.37)**
service workers	3.66	1.19	5.20	1.22	1.00
	(1.68 - 7.98)**	(0.86 - 1.63)	(3.47 - 7.80)**	(0.89 - 1.68)	(0.81 - 1.24)
professionals	2.00	1.75	3.15	1.27	0.40
	(0.77 - 5.22)	(1.06 - 2.89)*	(1.75 - 5.65)**	(0.73 - 2.19)	(0.21 - 0.75)**
literacy	---	1.36	1.68	1.58	4.66
		(0.69 - 2.66)	(0.66 - 4.31)	(0.20 - 12.28)	(1.47 - 14.74)**
own home	4.38	---	0.96	0.90	0.87
	(1.89 - 10.16)**		(0.65 - 1.42)	(0.66 - 1.22)	(0.72 - 1.06)
never married	0.59	0.69	2.08	0.88	0.64
	(0.14 - 2.58)	(0.48 - 1.00)	(1.28 - 3.36)**	(0.57 - 1.36)	(0.47 - 0.86)**
Age greater than median in sample	1.67	0.73	0.88	1.21	1.23
	(0.78 - 3.59)	(0.54 - 0.99)*	(0.63 - 1.24)	(0.89 - 1.65)	(1.00 - 1.51)*
Head of household	5.51	---	1.70	1.11	0.80
	(0.84 - 36.03)		(0.90 - 3.18)	(0.72 - 1.73)	(0.61 - 1.05)
Veteran	1.02	---	1.54	---	---
	(0.39 - 2.68)		(0.69 - 3.45)		
% black in county greater than median county	---	---	---	0.94	0.82
				(0.62 - 1.44)	(0.66 - 1.01)
% foreign born in county greater than median county	---	---	---	1.45	3.03
				(0.73 - 2.87)	(2.39 - 3.82)**
Observations	528	1493	3522	1805	41150
Klan Observations	41	551	2208	243	475

Notes: Coefficients in the table are estimated odds ratios. Each column in the table represents results from a single regression. The first three columns are from a logistic regression. Because the Klan/Census match is done probabilistically for Colorado and Pennsylvania, the dependent variable in the final columns is a continuous variable rather than an indicator variable. The entries in the final two columns are based on linear probability models, with the coefficients transformed into odds ratios. 95 percent confidence intervals in parentheses. For the final two columns, these confidence intervals are computed using the delta method. One asterisk denotes statistical significance at the 5% level; two asterisks denote statistical significance at the 1% level. Literacy in column 1 and nativity in column 2 are dropped because there is no variation within Klan members.

Table 3A: The Relationship Between KKK Membership and Migration, Pennsylvania

Decade:	1910 -1920				1920-1930			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Variable:	% change in blacks	% change in blacks	% change in foreigners	% change in foreigners	% change in blacks	% change in blacks	% change in foreigners	% change in foreigners
% Klan in 1924	-0.3054	0.0021	-0.3263	-0.7244	-0.6269	0.0040	-0.4408	-0.6631
	(0.0834)**	(0.0724)	(0.2560)	(0.2151)**	(0.1606)**	(0.1223)	(0.2002)*	(0.1523)**
log (county pop in 1910)	_	0.0036	_	-0.0062	_	_	_	_
		(0.0022)		(0.0067)				
log (black pop in 1910)	_	0.0007	_	0.0066	_	_	_	_
		(0.0007)		(0.0019)**				
log (foreign pop in 1910)	_	0.0001	_	-0.0110	_	_	_	_
		(0.0011)		(0.0033)**				
log (county pop in 1920)	_	_	_	_	_	0.0075	_	0.0147
						(0.0034)*		(0.0043)**
log (black pop in 1920)	_	_	_	_	_	0.0022	_	0.0003
						(0.0010)*		(0.0013)
log (foreign pop in 1920)	_	_	_	_	_	-0.0012	_	-0.0161
						(0.0018)		(0.0022)**
Observations	67	67	67	67	67	67	67	67
R-squared	0.17	0.61	0.02	0.57	0.19	0.69	0.07	0.65

Notes: The dependent variable in odd columns is the percent change in the black population in a county between decennial censuses; the dependent variable in even columns is the percent change in percent foreign born in the county. The first four columns are the changes between 1910 and 1920; the last four columns represent changes between 1920 and 1930. The key dependent variable in the specifications is the percent of the eligible county residents in the Klan at its peak in 1924. Klan membership began to grow rapidly beginning in 1921. Standard errors in parentheses. One asterisk denotes significance at the 5 percent level; two asterisks reflect significance at the 1 percent level. See the data appendix for further details on the data sources and construction. The unit of observation is a county in Pennsylvania.

Table 3B: The Relationship Between KKK Membership and Migration, Indiana

Decade:	1910 -1920				1920-1930			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Variable:	% change in blacks	% change in blacks	% change in foreigners	% change in foreigners	% change in blacks	% change in blacks	% change in foreigners	% change in foreigners
% Klan in 1924	-0.0254	0.0083	0.0990	0.0320	-0.0709	-0.0285	0.1483	0.0423
	(0.0146)	(0.0120)	(0.0244)**	(0.0174)	(0.0175)**	(0.0160)	(0.0337)**	(0.0229)
log (county pop in 1910)		0.0054		0.0123		_		_
		(0.0030)		(0.0043)**				
log (black pop in 1910)		-0.0023		0.0003		_		_
		(0.0007)**		(0.0011)				
log (foreign pop in 1910)		0.0038		-0.0139		_		_
		(0.0012)**		(0.0017)**				
log (county pop in 1920)		_		_		-0.0098		0.0303
						(0.0038)*		(0.0054)**
log (black pop in 1920)		_		_		0.0002		-0.0020
						(0.0010)		(0.0014)
log (foreign pop in 1920)		_		_		0.0083		-0.0219
						(0.0015)**		(0.0022)**
Observations	84	83	84	83	84	82	84	82
R-squared	0.04	0.49	0.17	0.67	0.17	0.48	0.19	0.72

Notes: The dependent variable in odd columns is the percent change in the black population in a county between decennial censuses; the dependent variable in even columns is the percent change in percent foreign born in the county. The first four columns are the changes between 1910 and 1920; the last four columns represent changes between 1920 and 1930. The key dependent variable in the specifications is the percent of the eligible county residents in the Klan at its peak in 1924. Klan membership began to grow rapidly beginning in 1921. Standard errors in parentheses. One asterisk denotes significance at the 5 percent level; two asterisks reflect significance at the 1 percent level. See the data appendix for further details on the data sources and construction. The unit of observation is a county in Indiana.

Table 4A: The Effect of th KKK on Political Vote Shares, Pennsylvania

Variable:	(1) Change in republican vote 1920-1924	(2) Change in republican vote 1920-1924	(3) Change in republican vote 1924-1926	(4) Change in republican vote 1924-1926	(5) Change in republican vote 1924-1934	(6) Change in republican vote 1924-1934
% Klan in 1924	-0.4829	-0.5313	0.6555	2.3358	2.6619	-0.3480
	(0.8892)	(1.0899)	(0.8327)	(0.9708)*	(1.1883)*	(1.0713)
log (county pop in 1920)	---	-0.0468	---	0.0261	---	0.0580
		(0.0321)		(0.0286)		(0.0316)
log (black pop in 1920)	---	0.0094	---	0.0093	---	-0.0363
		(0.0093)		(0.0083)		(0.0092)**
log (foreign pop in 1920)	---	0.0255	---	-0.0137	---	-0.0360
		(0.0163)		(0.0145)		(0.0160)*
Observations	67	67	67	67	67	67
R-squared	0.00	0.06	0.01	0.15	0.07	0.52

Notes: The dependent variable in all cases is the percent change in the Republican vote share for the U.S. House of Representatives in a county across elections. Virtually all Klan supported candidates in the North were Republican. The key dependent variable in the specifications is the percent of the eligible county residents in the Klan at its peak in 1924. Klan membership began to grow rapidly beginning in 1921 and then quickly declined after 1924. Standard errors in parentheses. One asterisk denotes significance at the 5 percent level; two asterisks reflect significance at the 1 percent level. See the data appendix for further details on the data sources and construction. The unit of observation is a county in Pennsylvania.

Table 4B: The Effect of the Klan on Political Vote Shares, Indiana

Variable:	(1) Change in republican vote 1920-1924	(2) Change in republican vote 1920-1924	(3) Change in republican vote 1924-1926	(4) Change in republican vote 1924-1926	(5) Change in republican vote 1924-1934	(6) Change in republican vote 1924-1934
% Klan in 1924	0.1186	0.2182	-0.0541	-0.0932	0.0450	-0.1584
	(0.0694)	(0.0597)**	(0.0706)	(0.0693)	(0.1088)	(0.0749)*
log (county pop in 1920)	---	0.0169	---	-0.0586	---	0.0194
		(0.0143)		(0.0166)**		(0.0179)
log (black pop in 1920)	---	-0.0036	---	0.0101	---	-0.0038
		(0.0036)		(0.0042)*		(0.0045)
log (foreign pop in 1920)	---	0.0125	---	0.0088	---	-0.0390
		(0.0059)*		(0.0069)		(0.0074)**
Observations	84	82	84	82	84	82
R-squared	0.03	0.42	0.01	0.24	0.00	0.61

Notes: The dependent variable in all cases is the change in the Republican vote share for the U.S. House of Representatives in a county across elections. Virtually all Klan supported candidates in the North were Republican. The key dependent variable in the specifications is the percent of the eligible county residents in the Klan at its peak in 1924. Klan membership began to grow rapidly beginning in 1921 and then quickly declined after 1924. Standard errors in parentheses. One asterisk denotes significance at the 5 percent level; two asterisks reflect significance at the 1 percent level. See the data appendix for further details on the data sources and construction. The unit of observation is a county in Indiana.

Table 5: Estimates of the Revenues Generated by the Klan in Indiana in 1924, (in thousands of $2006)

	Source of Revenue				
Recipient of Revenue	Initiation Fees	Robes	Imperial Tax	Realm Tax	Total
National Headquarters	532	796	2,971	0	4,299
Imperial Wizard	100	796	2,971	0	3,867
Grand Wizard	100	0	0	0	100
Imperial Kleagle	332	0	0	0	332
Grand Dragon of Indiana	663	133	0	1,650	2,447
Great Goblin	133	0	0	0	133
King Kleagle	265	133	0	0	398
All other Kleagles combined	1,062	133	0	0	1,195
Total	2,655	1,195	2.971	1,650	8,472

Notes: Entries are the estimated revenues (in thousands of $2006) generate by the Klan in the state of Indiana in the year 1924 for Klan leaders and the sales force. Estimates are based on author calculations. Estimated number of Klan members in Indiana in 1924 is 140,000, with 22,511 new Klan members that year. The sources of revenue and the distribution across Klan leaders are based on a number of (sometimes conflicting) historical accounts, but especially on Anderson (1965). Entries are inflation adjusted using the CPI.

Appendix Table 1: Results From our Search for Klan Archives and Special Collections

Collection Name	Location	Description	Size
Ku Klux Klan collection (ca. 1915-[ongoing])	Atlanta History Center, Atlanta GA	No membership roles or finances	2 boxes (.5 cu.ft.)
Ohio Knights of the KKK, Wood County	Bowling Green State U	Detailed Membership Records	very large
Ku Klux Klan (1915-)	CALIFORNIA STATE UNIV, NORTHRIDGE	Correspondence, Newspapers, and Pamphlets	33 items (1 box) ; 28 cm.
Ku Klux Klan (Newaygo County, Mich.), (Mecosta County, Mich.), Calvin Enders Collection.	CLARKE HIST LIBR	Membership Cards	3.5 cubic ft.
Ku Klux Klan (1915-)	Colorado Historical Society, Stephen H. Hart Library, Denver CO	One volume of members and applications for membership	3 linear ft. (1 box, 2 oversize volumes).
Collection of miscellaneous papers,	DUKE UNIV LIBR	No membership roles or finances	146 items.
Ku Klux Klan	East Carolina University, J. Y. Joyner Library, Special Collections, Greenville NC	Klan Publications	0.073 cu. ft. (6 items)
Ku Klux Klan. No. 30 Butte, Montana	EASTERN WASHINGTON STATE HIST	Membership and financial records	2 ft.
Ku Klux Klan (1915-) Knox County Klan No. 14, Knoxville, Tenn.	Emory University, Robert W. Woodruff Library, Special Collections Department, Atlanta GA	Membership and Dues Records	288 items (8 linear feet)
Ku Klux Klan (1915-), Crown Point Klan #72 (Crown Point, Ind.), Whitewater Klan #60 (Richmond, Ind.), Local Officers, Indiana, Odon Unit, Klan 90, Logansport, Indiana	Indiana Historical Society	Membersip and financial records	4 microfilm Reels
Ku Klux Klan (1915-). Wheatland Klan No. 29 (Harlowton, Mont.)	Montana Historical Society, Library and Archives Dept., Helena MT	Membership Records	.1 linear ft.
Ku Klux Klan (1915-). Ohio Knights	Ohio Historical Society, Archives-Library Division, Columbus OH	Correspondence of Brown Harwood	1/6 ft.
Ku Klux Klan (1915-). La Grande, Or., Chapter No. 14	Oregon Historical Society, Library, Portland OR	Minutes of meetings relating to Klans Involvement in politics	190 items
Pennsylvania State Police Collection, 30.16 – 30.19	Pennsylvania State Archive	Membership and financial records	30 microfilm reels
Ku Klux Klan (1915-). Pond Creek Klan, no. 117 (Ky.)	UNIV OF KENTUCKY LIBR	Membership Records	1 microfilm reel
Ku Klux Klan Women's Organization (Okla.)	UNIV OF OKLAHOMA	Oklahoma Women's group from 1924-1928	.66 ft.

Women of the Ku Klux Klan. Klan 14 (Chippewa Falls, Wis.).	UNIV OF WISCONSIN, EAU CLAIRE	Minutes of meetings	0.2 c.f. (5 folders)
Ku Klux Klan (1915-). Athens Klan #5 (Athens, Ga.)	University of Georgia, Libraries, Hargrett Rare Book and Manuscript Library, Athens GA	Membership and financial records	2.5 linear ft., 3068 items
Ku Klux Klan. Klan No. 51, Mt. Rainier, Maryland	University of Maryland, Archives and Manuscripts Department, College Park MD	Minutes	0.5 ft. or 5 ft. (two listings differ)
Ku Klux Klan ((1915-))	University of Memphis, Special Collections / Mississippi Valley Collection, McWherter Library, Memphis TN	Miscellaneous papers	1 box
Ku Klux Klan (1915-) Tillamook, Or., Chapter No. 8	University of Oregon, Knight Library, Special Collections, Eugene OR	Membership records	1.25 linear ft. (4 containers)
Ku Klux Klan	University of Tulsa, McFarlin Library, Tulsa OK	Membership list	140 (11x17) printed pages
Bayfield Ku Klux Klan Collection	Fort Lewis College, Colorado	Membership Records	.8 linear ft.