Selective American universities, like Harvard, Yale, and Princeton, have never claimed to admit their students based only on academic prowess. Historically, women were excluded, African Americans almost entirely so, and Jews were subject to quotas. Princeton used to be described as a club for Southern gentlemen, and marked the northernmost boundary of the territory within which a Southern family might safely entrust the education of its young men. Paradoxically, when times changed, the absence of a simple meritocratic rule was an advantage. "Building a class" was what admissions officers had always done, and the change in criteria could be accomplished without change in procedures. Although preferences for minority applicants were challenged in the courts, especially when applied by public universities, the 1978 Bakke decision of the Supreme Court (involving admission to a University of California medical school) led to the widespread use at selective schools of admissions procedures by which minority candidates were assigned additional points towards the total score needed for admission. This status quo has been under increasingly vociferous and successful challenge from conservative groups until, in June 2003, the Supreme Court declared unconstitutional the University of Michigan's points based undergraduate admissions policy.

Prior to the Michigan decision, the opponents of race-based admissions had won important victories in California, Texas, and Florida, all of which, not coincidentally, have large minority populations. The current graduating high school class in Texas has a majority of minorities (African Americans and Hispanics) and the overall population will become "majority minority" within the decade. A Texas circuit court declared in 1996 that diversity was not of sufficiently compelling public interest to support race-based admissions and, in the same year, California voters banned race-conscious admissions from the state public education system. All three states have now replaced their race-based policies with schemes that guarantee admission to some state university to children who are at the top (10 percent in Texas, more or less elsewhere) of the graduating class in each high school. In Texas, admission is actually guaranteed to the college of choice, so that currently more than two-thirds of admits at the University of Texas at Austin, the top Texas university, are admitted involuntarily. President Bush, in a speech announcing that his administration would support the case against the University of Michigan, praised these schemes, arguing that such race neutral alternatives are effective tools for building a diverse student body. A group of distinguished economists and sociologists, who filed an amici curiae brief in favor of the University of Michigan, noted the irony in this claim. Top ten schemes work to increase diversity only where there is a large minority population and where the school system is racially segregated. The elimination of racial bias in universities requires the maintenance of racial segregation in schools.

Policies that proxy for race are also likely to be inefficient, an argument that has been emphasized and developed by Glenn Loury, one of the amici. Given the distribution of testscores by race, a mechanical search for the combination of scores that best predicts race leads to a negative weight for scores in mathematics. The implementation of such a rule would not only do a very bad job of guaranteeing diversity-race is not very well predicted by any of these characteristics—but would presumably have unfortunate consequences for the mathematics department, who would be faced with students who have been selected for their inaptitude in the subject. (Although one might also imagine that applicants would eventually learn the rules so that, eventually, only those with a genuine inaptitude would obtain the high scores.) The argument that race-blind systems are not only inefficient in achieving diversity, but also undermine the purpose of the university, is the core of the case in favor of the more efficient points-based schemes. The consequences of ignoring race altogether are equally severe, particularly in selective colleges. Even if the distribution of test scores is not widely different between two groups, the rigorous selection applied by top universities can result in very unequal outcomes. For example, if test scores are normally distributed, and group A has a mean that is one standard deviation lower than group B, a group-blind admissions policy with a single cutoff that is three standard deviations above the mean will yield an admit rate for group A that is only 2 percent of the rate for group B. Given that ten percent of the population is African American, there will be two in a class of 1,000. This prospect of all-white law and medical schools, at least in the top schools who provide the leaders and teachers of the future, gives pause to almost everyone, even those who are deeply unhappy with an admissions policy that depends
In spite of its rejection of the points system, the Supreme Court decision upheld the admissions policy of the University of Michigan's Law School, which also takes race into account, but does so without a formal scoring or weighting system. In practice, this has been taken to mean that admissions offices can take race into account, provided they do it within the context of "whole file review" in which all the relevant characteristics of each applicant are carefully (although not mechanically!) weighed. While this is perhaps difficult (or at least expensive) for large selective colleges (such as the University of Michigan, which has more than 30,000 students) it is what the small, elite universities have always done. Indeed, these universities give weight to many other non-academic criteria, most notably a family tradition of attending the university ("legacies"), but also athletic ability, and to some extent, artistic or musical talent. Athletic admits are currently controversial too. Universities are under pressure to be competitive in a wide range of sports, including not only the big programs, football and basketball, but also ice-hockey, tennis, wrestling, lacrosse, golf, squash, swimming, and rowing, keeping all of which up to (often, a very high) standard is a serious challenge for a university with only a few thousand students. In selective schools, legacies tend to be like their parents and grandparents who were students in an age with very different ideas about who should and should not attend elite colleges. So there is a sharp contrast between race-blind admissions on the one hand, and alumni-"sighted" admission on the other, particularly when the alumni are white and privileged. Indeed, the second Texas flagship, Texas A & M, abandoned its legacy program when it was noted that the number of whites admitted solely because of their family connections was comparable to the total number of African American admits. With affirmative action for minorities outlawed by the courts, it could no longer maintain affirmative action for the children of its alumni. In the Ivy League colleges, however, the legacy tradition is so much a part of the culture (and the funding), that it is hard to imagine them ever giving up their preference for the scions of the families who are part of their history. But then we have come full circle. The privileges of the legacy children are preserved only by the ability of the universities to give similar concessions to those who were so rigorously excluded by their grandfathers and great-grandfathers.