**Chapter 1: Introduction**

By the time they reach adulthood almost half of black children from *middle-class* families become poor or near-poor, more so than white children from *poor* families, wealth disparities between blacks and whites have quadrupled *since* the 1990s, and pay disparities between blacks and whites are *worst* among the *best* educated blacks and whites. These findings confound our current understanding of the role of race in determining one’s economic position today.

The presence of successful blacks, notably the election of Barak Obama, stands as a paradox to these trends. Most importantly, they add fodder to the most prevalent and intoxicating explanation for contemporary racial inequality: colorblind ideology, or the notion that race no longer matters in US society for an individual’s chances of making it.

Obama’s public presence offers a fascinating example of the paradoxical relationship of class and race today. He is interestingly criticized both for being too black: Michele Bachmann referred to his administration as "gangster government," and, paradoxically, he is also criticized for being too “well-educated”; Georgia Rep. Lynn Westmoreland's referred to Obama "uppity"—a term used for blacks who forgot their rightful place in the racial hierarchy *beneath* whites while trying to assert that they were equal to whites. Obama’s Ivy League degree, well-mannered poise, and impeccable speech (all signals of upper class sensibility) did not release him from racial categorization. Flagrant, public efforts to racialize him by calling him a monkey or putting his image in a noose further challenge the notion that race has been replaced by colorblindness when even the most successful black success story in the country class is not decoupled from race.

Fifty years after the passage of the Civil Rights Act, a nagging public angst about race, class, and inequality in America continues to unsettle our national conscience. Why do we still have racial tensions and claims of unfairness? Does race still play a role in determining one’s class position in the US? This book addresses these broad questions in a specific way.  It provides a concrete set of metrics to determine if race matters with respect to who makes it in our economy, how, and how much.

Though significant progress in decreasing racial disparities has occurred, many gains in racial disparities won in the Civil Rights era have eroded or are now eroding. While a far cry from the racialized class structure of the Jim Crow era, most scholars would agree that race is still not decoupled from class. However, there is less analysis of precisely how and to what extent they are still interconnected.

I argue that the conceptual boundaries of race and class are not co-terminous and that we need to disentangle and clarify the relationship between the notions of race and class, specifically to better understand how they explain the lived experiences and life chances of individuals of different racial/ethnic groups in this country.

The central argument of this book is that racial economic inequality is more extensive and more rooted in our opportunity structure than most people think. Surveys of popular attitudes about race show that people believe it is largely a thing of the past, yet we are undeniably still embroiled in racial warfare. Although a wealth of recent empirical data indicates that a structure of racial economic inequality persists, we’ve become convinced class is the predominant stratifying hierarchy. The nature of racial economic inequality is different and more complex than we think it is 45 years after the civil rights movement ended. The civil rights movement changed the laws, but not the underlying structure. We need a more systematic explanation of the character and contours of racial economic inequality today.

This book will examine how the confluence of the stratification systems of race and class on the opportunity structure has changed since the Civil Rights Movement. It will elucidate how and to what extent race and class continue to influence individuals’ economic and labor market chances by looking at three slices of economic and racial inequality: 1) the changes in the contours of US racial economic inequality post-Civil Rights, 2) the changes in the white and black class structure with respect to the overall US class structure, and 3) the extent to which race affects one’s chances in the economy, specifically by looking at how race affects labor market outcomes and to what extent that has changed over time. I will use longitudinal analyses of US census data from 1970 to 2011 to describe these changes to offer the reader a clear and concise insight into the perplexing problem of race and economic opportunity in the 21st century.

Few studies combine race and class, particularly within the broader theoretical frame of stratification. The research streams of racial/ethnic inequality and class stratification operate as intellectual silos, separated by different historical trajectories and methodological differences. This book offers an analysis of economic inequality, integrating components of both race inequality and class stratification theory to construct a framework to understand the quantitative analyses of racial economic inequality presented. Many important theoretical treatises on inequality do not marshal empirical analysis to support their claims. The theoretical framework in the current work is specifically undergirded by an empirical analysis of economic inequality and labor market opportunity. The goal is to bring more clarity through both a theoretical and an analytical lens to the puzzling and often unsettling question: after all this time, how far have we come.

What We Know: Illustrating the Connection between Race and Class

To illustrate this connection, it is helpful to examine racial disparities on key economic indicators of socioeconomic status. Figure 1 shows the unemployment rates of black and white male high school dropouts (note: figures shown at the end of the chapter). The unemployment rate of black male high school dropouts is over twice that of white male high school dropouts in 2007. On the other end of the spectrum, among male college graduates, black men had twice the unemployment rate of white men in 2008 (not shown). Figure 2 shows the results of a classic employment discrimination audit study conducted in 2004. In this study the researcher sent black and white men in matched pairs to apply for jobs. The men submitted identical resumes with similar qualifications to employers. Because of the researcher’s primary interest in the role of a criminal record on employment chances, she instructed half of the white and half of the black men to indicate that they had criminal records on their applications. The results illustrated the power of race in employers’ decision making. While both white and black men who had criminal records were less likely to get a follow-up call from the employer, white men were significantly more likely to get callbacks in both cases; so much more so, that white men *with* criminal records were more likely to get a callback than black men *without* criminal records.

Wealth or median net worth is another important measure of economic inequality. A [study](http://www.pewsocialtrends.org/2011/07/26/wealth-gaps-rise-to-record-highs-between-whites-blacks-hispanics/) by the Pew Research Center (fig. 3) found that the 2009 median wealth of white households was 20 times higher than black households; in other words, black households had a nickel for every dollar of wealth as the typical white household. Wealth differences are so stark that scholars consider wealth to the most important factor reproducing racial economic inequality.

**The US Race-Class Structure**

The racial-class hierarchy in the US is an evolving and dynamic structure. Bowser’s (2007) study concludes that most blacks are working or lower class. In comparing the black class structure to the white class structure, he contends that the black middle class looks like white working black working looks like white lower, and that there is no black upper class. A 2009 report finds that 73.7% of the black working age population is either low-wage, jobless or marginally employed (Berkeley Labor Center 2009). These figures point to a material reality in which race and class stratification still overlap.

As social, economic, and political spheres shift, the uneasy relationship between these two structures changes over time, and not always in direction of progress. I argue that race and class are mutually constitutive; that is, they inform, shape, and constitute each other. They are overlapping, but not the same, systems of inequality. Rejecting the notion that race is subsumed under class, Bonilla-Silva (1994) offers a notion of racial structure that focuses on race hierarchy as an independent structure of inequality which consists of four dimensions: political, social, ideological, and economic. In this framework class is part of the racial structure (i.e. in the economic dimension), but the racial structure is more complex than just economic inequality, as it is comprised of three other spheres of interaction. The goal of this book is to compare how the stratification systems of race and class have shifted in relation to one another since the Civil Rights Movement, when significant changes to the racial structure were enacted.

The race-class structure before the Civil Rights movement in the US was clearer as race and class were more strongly correlated. The pre-civil rights class structure among blacks was flatter. Some argue that the relative uniformity of the class position of blacks during Jim Crow is what precipitated such a wide broad-based social movement encapsulated by the Civil Rights Movement. As a result of the immediate gains of Civil Rights Movement, the black class structure bifurcated as a new black middle class emerged. Then, in the post-Civil Rights Era those gains eroded: there is evidence that the generation of blacks who entered the labor market in the immediate post-Civil Rights era is doing better than their offspring, or the following generation of blacks who entered the labor market mid-to-late post- Civil Rights (1980s-2000s). Presumably the first generation benefitted from the initial opportunities won as a result of the Civil Rights Movement. However, the massive backlash initiated in the late 1970s against the sweeping legislative and political changes of the civil rights movement was effective in slowing or even halting some of the avenues of mobility for blacks. As a result the generation that followed lost ground in making progress toward upward mobility. I will examine these claims empirically in this book by comparing those generations and the changes in the black middle class throughout the post-Civil Rights era.

Questions concerning the ongoing role of race in economic outcomes received the most attention during the declining vs. continuing significance of race vis a vis class debates sparked by Wilson’s (1987) work, *the Declining Significance of Race*. Wilson outlines a controversial theory subsuming race inequality under class inequality. Wilson proposes a relationship between the two and most importantly a shift in the relative importance of the two in the postindustrial economic restructuring and immediate gains of civil rights movement. The response to Wilson’s theories was prolific, with many scholars arguing against the notion that race had been supplanted by class and was no longer important, and many more agreeing with his conclusions. President Clinton appointed Wilson to his Council of Economic Advisors.

After a brief battle, the various camps, chiefly those interested in class and those interested in race, went to their respective corners, no longer engaging the confluence of these two social dimensions. Class and stratification studies largely use the race-as-a-variable approach and are not able to comprehensively grapple with how race as a meaningful and consequential social category shapes life chances and outcomes for individuals of all races, and the racial stratification literature focuses on intergroup inequality and misses how intragroup class structure can affect the overall position of two groups relative to each other. Moreover, the individual attainment or human capital approach, which predominates stratification studies, effectively subsumes race with respect to class by privileging the explanatory power of objective, merit-based criteria in analyses of individuals’ labor market and economic outcomes. Stratification theories, buttressed by individual attainment orientation, have proffered oversimplified explanations of racial inequality that do not satisfactorily explain the outcomes and prospects for black workers in the US labor market and economy, leaving our understanding of persistent racial economic inequality wanting.

*The Bedrock of the US Race—Class Structure*: *Institutional Discrimination*

The first task in this project then is to expand and update the notion of racial discrimination. Prior to the Civil Rights Act, Jim Crow racism was the dominant social and economic system maintaining racial hierarchy. Jim Crow was a system of laws, social practices and norms requiring and enforcing segregation and the separation of the races that created, institutionalized and normalized the racial order. After the Civil Rights movement Jim Crow racism was slowly replaced by a more modern form of discrimination typified by exclusion and social closure which has become embedded in our institutions. This is why examining how racial economic inequality has changed over time is such an important and necessary component to unpacking this problem.

Throughout the country’s history, major institutions in the US have been built to create and maintain racial inequality in housing, employment, schooling, and the political domain. Racial exclusion now happens through what scholars call institutional discrimination: systemic disadvantage resulting from the normal, everyday rules and practices of institutions. Institutional discrimination is a product of the institutionalized disadvantage in education, housing, and employment erected during Jim Crow era. This phenomenon has been referred to as the Jim Crow gap, as reference to contemporary inequality resulting from historical oppression. Contemporary patterns of racial residential segregation and school segregation in the public school system are direct legacies of Jim Crow. A recent demographic study mapped historical slave ownership data in the South from the US Census onto geographic patterns of contemporary southern black poverty. While legislative reforms of the Civil Rights movement prohibited discrimination going forward, they did not provide remedies to dismantle the inequalities that had been put in place prior to it. The only exception to this is the school desegregation orders, which were limited and largely ineffective; since then our public schools have resegregated to the levels that existed at the time of Brown vs. Board of Education. The 2009 ruling of the US Supreme Court in *favor* the most recent *anti-integration* effort was the last nail in the coffin of current attempts to provide equal school for children regardless of race.

The semantic maneuver to maintaining a racial hierarchy in today’s cultural landscape, where much of discrimination is illegal and considered unethical, is to shift the focus from racism to more “objective” and “fair” structures like education, which were racially segregated and stratified decades ago through blatant discrimination which we would abhor today, but not so coincidentally were never rectified and are still starkly unequal.

“By positing a set of structural forces ostensibly indifferent to race, these explanations were unable to provide compelling accounts for the resulting inequalities that were often strongly linked to race and ethnicity.” (Bobo et al p4. )

*Colorblindness: the Maintenance Regime*

The chief ideological framework that enables this odd juxtaposition and underlies the shift in how we see class versus race since the post-Civil Rights era is colorblindness. Bonilla-Silva’s (2014) interviews with white college students revealed the contours of colorblind ideology whose central notion is that individuals are treated fairly with respect to their race/ethnicity and that the playing field with respect to opportunity is reasonably level. Accordingly, black claims of racial injustice are considered unfounded; the interviews revealed a consistent pattern of resentment toward such claims. Colorblindness effectively masks race and renders racism invisible. However, racial inequality still does, while at the same time in our minds racism is handily invisible and/or non-existent. Thus, in contrast to DuBois’ famous claim that race would be the problem of the 20th century, in the 21st century, race is both nowhere (ideologically) and everywhere (practically). This is not how the discourse about racial inequality was framed 40 years ago. As we will learn in chapter 2, this ideology took root and emerged in the backlash to the Civil Rights era. It formed as the pervasive sociopolitical and intellectual discourse shifted from group-based distribution of resources and opportunity to individualism in close alignment with the conservatism of the 1970s/80s. This perspective, which birthed the idea of colorblindness, gave us the popular narrative that poor blacks crowded into ghettoes got there because they are lazy, dumb, or both and that they are no worse off than poor, white people (Ditomaso 2013). This book offers the empirics to test claims such as those.

More broadly, today we are still wrangling over race and opportunity and trying to make sense of larger post-racial questions: affirmative action, police brutality, or tomorrow’s Donald Sterling or Paula Dean. It is not a coincidence that we do not take up the harder puzzles: the relative success of white male dropouts, or the inexplicable failures of too many black male college graduates. In a country where justice and fairness are held sacred, these phenomena make us wonder whether race still matters. At the end of the day, difficult, if not painful, questions of whether race still holds some people back and affects where they end up in the class hierarchy persist. Implicit in much of the popular conversation about race is the presumption that, with the stroke of a pen, we legislated away and made vanish into thin air the vitriolic racial animus and caste system upon which the racial order was founded. My contribution in this book is to trace the outlines of the race-class structure in the post-Civil Rights era and how it has changed by narrowly focusing on racial economic and employment inequality to add insight to this conundrum.

While this work is in conversation with other scholars writing about economic inequality and race, I am particularly ambitious about aiming it at a broader audience of the curious and the converts. Converts are the people who believe racial inequality is still a problem in the contemporary US, but can’t quite articulate the nature and extent of it and really want to be able to do so. The curious are a larger group of people ranging from the captive audience of hundreds of undergraduate and graduate students I have taught over the years to the average adult who is curious about “this race thing”. With respect to the first group, I have taught courses on race and the labor market and graduate seminars on diversity and work that satisfy a university curriculum requirement about difference for over 10 years. The curious and the converts have come forward and told me about dorm room, break room, and dinner table debates provoked by discussions in my class. The goal of this book is to give them something concrete to talk about.

While the US is increasingly becoming characterized by a more multi-racial landscape, I focus here on black-white inequality to maintain the scope of the book. The black-white historical relationship in the US is particularly unique and a focused approach would increase the theoretical and analytical precision of the book.

This book offers a data-driven, advanced analysis coupled with clarifying translation to help us make sense of the persistent questions posed throughout this chpater. The economic inequality illustrated earlier in the introduction did not evolve in a vacuum. Most striking is how uneven progress has been. The second chapter assesses the changing social, political, economic landscape that shaped racial economic inequality in the post-Civil Rights era. The erratic pattern indicates there is nothing natural or automatic about the direction of change in racial economic inequality and that change (or inertia) is driven by policies and practices in the social, political, and economic spheres. I use the theory of racial formation (Omi and Winant 1994) as a jumping off point to explain these patterns. This chapter also employs the concept of a racial structure (Bonilla-Silva 2013) to describe the inequality we see today.

The third chapter gives us a starting point or referent to answer the most nagging of the questions: where do we stand now and how much progress have we made when looking at the economic status of blacks compared to whites? How has this changed over time? Racial economic inequality in the 21st century US is complicated and inconsistent. On the one hand, when we control for education, we see racial wage parity in some cases. But on the other hand, the persistence of the 2:1 employment gap, and a racial wage gap that is highest at the top of the occupational hierarchy complicate the picture. Most analyses look at one or a few indicators (i.e. wages or employment). What’s needed is a comprehensive picture of inequality. The goal is to shift the focus to group inequality from the more common focus on individual achievement. This chapter puts the phenomenon of racial economic inequality in the larger economic context of US households in general by employing multiple indicators of economic inequality. These indicators include household and individual income, wealth, employment, and occupational status. This approach directs specific focus to the angst many are feeling: many American households are struggling, why do blacks merit special attention?

The second approach toelucidate the connection between race and economic opportunity employed in the next empirical chapter is to examine the role race plays in determining an individual’s economic position in the labor market and to what extent that role has changed since 1970. Because the route to economic well-being for most people is through the labor market, this chapter will assess whether and to what extent race operates in the labor market, how much, in what ways, and how much its influence has changed. I use a standard wage analysis to assess whether the effect of race on wages changed between 1970 and 2011, and also whether the return to education changed for blacks and whites during that period. Finally, I will employ the decomposition technique, as did Cancio et al (1996), to partition the racial wage gaps into non-discriminatory factors (objective criteria) and discriminatory factors (residual difference reduced to racial status). In light of the analyses, the chapter will revisit extant theories that explain racial labor market inequality: social networks, employer bias, positive discrimination, homophily, and spatial signaling.

The fifth chapter seeks to determine if there is any overlap between race and class hierarchies by modeling what I call the race-class inequality structure. I build a class framework that incorporates racial inequality by examining the white class structure and the black class structure, race differences within class, and integrating both in the overall US class structure. This approach is driven by a critique of class analyses with respect to race. For example, Horton et al’s (2000) critique that the social science literature on racial inequality tends to focus on either the underclass, or the black middle class, with little clarity about those in-between or a fuller picture of the whole of black working America. By pulling blacks and whites out of the overall class structure to assess their own internal structure, we get a clearer picture of their relative position to the overall class structure and a better sense of how race and class hierarchies overlap or are distinct. To identify a taxonomy that best fits a black and white class structure in pursuit of the goal of assessing the relationship of race vs. class, I will compare three different schemas that have been used to classify individuals and households and determine which most accurately describes the race-class inequality structure. The findings chapter will offer empirics to revisit Wilson’s theories and conclusions, which need to be rethought since the changes he described particularly benefitting middle class blacks have been reversed in the post-civil rights backlash.

The concluding chapter will offer strong policy recommendations in light of the previous chapters’ findings to direct the path toward equal opportunity over the next forty years. Bold policy choices can produce equal opportunity. I take as a starting point the policy implications the historical lessons introduced in chapter 2. If we know what policies worked and which ones did not before and have greater clarity on the mechanisms that generate inequality, we can build a policy response that adequately addresses inequality. Policy recommendations will target not just government entities as key actors and stakeholders, but employers and advocacy communities as well. Policy prescriptions include expanding and strengthening successful policies, such as child care and transportation supports that were added in response to critiques of welfare reform, and new ideas such as innovative ways to make the hiring process more formal and more objective by applying an NFL Rooney rule-like requirement originally designed to widen the pool of candidates for head coaching positions in the NFL to jobs in the broader labor market.

The challenge before me is to stimulate curiosity, and to induce willingness to think about something that makes many of us uncomfortable, but unsettled enough about to want to wrestle with it. I have encountered many well-meaning, but trepidatious people who really want to talk about race. This book will add to broader conversations an accessible conceptual framework to understand how race is tied to economic opportunity buttressed by hard facts to give them a concrete picture of the very problem with which we continue to struggle.

***Fig. 1****:*Comparison of Unemployment Rates of
Black and White Workers

With Less than High School Education

|  |  |  |  |
| --- | --- | --- | --- |
|  | White | **Black** | Ratio of Black to White Unemployment Rate |
| Oct-‘07 | 5.8 | 12.3 | 2.12 |
| Oct-‘08 | 8.3 | 16.5 | 1.99 |
| Oct-‘09 | 13.2 | 22 | 1.67 |

**Fig. 2 Percent of Men Who Received Callback from Employers after Applying for Jobs**

|  |  |  |
| --- | --- | --- |
|  | **No Criminal Record** | **Criminal Record** |
| **White** | **34%** | **17%** |
| **Black** | **14%** | **5%** |

Fig. 3: Median Net Worth of Households

Credit: Pew Research Center

