Divergent Fates:
The Foundations of Durable Racial Inequality, 1940-2013

Michael K. Brown

ABOUT THE AUTHOR:

Michael K. Brown is Research Professor of Politics at the University of California, Santa Cruz. He is the author of *Working the Street: Police Discretion and the Dilemmas of Reform* (Russell Sage Foundation, 1988); *Race, Money and the American Welfare State* (Cornell University Press, 1999); and co-author of *Whitewashing Race: The Myth of a Colorblind Society* (University of California Press, 2003), which won the 1S Annual Benjamin L. Hooks Outstanding Book Award and a Gustavus Myers Outstanding Books Award.

"Let no one delude himself that his work is done . . . While the races may stand side by side, whites stand on history's hollow. We must overcome unequal history before we overcome unequal opportunity."—Lyndon Johnson[1]

INTRODUCTION

Few people would deny that African Americans made enormous economic and political gains from the New Deal to the twenty-first century. There is also little doubt that racial inequality remains a formidable problem. From news reports of the dismal employment rates of black men to discussion of the massive incarceration of black men and women to debates over affirmative action and black poverty, Americans are constantly reminded of the unfinished business of the civil rights era. We have not overcome our unequal history.

This paradoxical history of black economic success and persistent racial inequality is usually told as the story of the success of civil rights legislation and the failure of individual African Americans to take advantage of the opportunities created with the dismantling of legal segregation in the 1960s. But it is not just a story of legal victories or cultural failure. In fact, the common supposition that durable racial inequality can be explained by individual black indolence and a dysfunctional culture is wrong; it cannot sufficiently account for the persistence of durable racial inequality (Brown and Wellman 2005, 189–193). We will get a better grasp of the matter if we analyze the structure of durable racial inequality and economic opportunity over time. Durable racial inequality did not begin with the great recession, though the combination of a steep and prolonged rise in unemployment and the disparate racial effects of the subprime mortgage crisis threaten recent progress. Its roots lie in the racialized competition for jobs in changing labor markets since the New Deal and in public and private policies that opened up economic opportunities for African-Americans yet, ironically, embedded the color line in the U.S. welfare state.

Latinos experience similar racial barriers and gaps, but with unique characteristics that stem from the substantially different (and more recent) ways they have been integrated into the American economy. As Latinos are a large part of our economy's racial structure and future, how the overlapping but in some ways different inequalities faced by blacks and Latinos can be solved together is an important and challenging question for analysts and leaders alike.

Understanding why durable racial inequality persists bears not just on whether there will be a viable black and Latino middle class or any foreseeable possibility of reducing poverty rates among people of color. It is central to the question of whether young African Americans and Latinos face sharply diminishing economic opportunities in the future or face a future of economic stagnation and declining opportunities. It is no secret that economic mobility in the United States has sharply declined over the last 30 to 40 years, particularly for men. Based on a measure of the extent to which parental earnings are passed on to children, the United States has substantially lower economic mobility than most European democracies. One recent study estimates that 42 percent of those individuals born in the bottom quintile of the income distribution will stay there; only 6 percent will make it into the top quintile of income. But for people born in the top quintile, the chance of staying there is 42 percent and the probability of significant downward mobility is very low (Hertz 2006, 9, tbl 3). This lack of mobility is strongly associated with America's very high income inequality (Krueger 2012; Corak 2013).[2]

There is, however, a very clear and substantial gap between black and white economic mobility. African Americans experience lower levels of upward mobility than whites and significantly more downward mobility (Isaacs 2008). Tom Hertz has demonstrated that at any given level of income, the probability of black children moving up the economic ladder is lower than that of white children. Of black children born into the bottom ten percent of the income distribution, 42 percent will end up remaining at the bottom of the income ladder as adults; only 17 percent of whites born into poor families will remain there. There is a 33 percent gap in the adult incomes of black and white children who grow up in families with similar incomes. Neither family nor personal characteristics can explain this racial mobility gap; the explanation is due likely to "forces that operate outside of the family setting."[3] (Hertz 2005, 165; Hertz 2006, 13, 19)

A STRUCTURAL THEORY OF RACIALIZED INEQUALITY

In this report, I analyze the persistence of embedded black disadvantage as a product of a history of black disaccumulation and white opportunity hoarding and accumulation. The analytical framework is based on the theory of accumulation and disaccumulation (Brown, et al. 2005, 193–196; Brown, M. K., et.al. 2003, 22–25). The basic idea is that racial inequalities are cumulative. They are a consequence of "opportunity hoarding," which is the efforts of a social group to acquire and monopolize economic resources and privileges, and the disparate racial effects of public policies and the practices of intermediary institutions such as banks, insurance companies, and hospital and health organizations, among others.[4]

The idea of accumulation refers to the way that small advantages—racially preferential treatment of loan applications or the disparate effects of union seniority rules—compound and lead to large positive social and economic outcomes over time. Disaccumulation is the opposite and parallel idea; it refers to a process of negative accumulation. Failure to pay off credit card debt only increases the amount of the debt and leads in many cases to personal bankruptcy. Limited access to education or other government benefits or jobs with a potential for the acquisition of valuable skills leads to the disaccumulation of economic advantage and limits an individual's economic well-being and mobility. Disaccumulation may operate either to reverse economic gains or to deny groups the full benefits of economic growth and rising incomes. For example, blacks actually lost gains they made in manufacturing industries in the 1920s because of discrimination during the Great Depression. Or, to take another example, a group may gain income relative to another group but fail to close income or wealth gaps. The idea of disaccumulation does not imply that racial group competition is necessarily a zero sum process; it does mean that economic advantages and disadvantages are parceled out through opportunity hoarding and the racially disparate effects of so-called color-blind social policies.

This framework illuminates the structural foundations of durable racial inequality—how the fruits of white control of labor markets and residential segregation since the New Deal have been harvested in the U.S. welfare state and produced a profound imbalance in income, jobs, and opportunity between African Americans and whites. The history of durable racial inequality is a history of the relationship between these two core dimensions of our political economy, labor markets and housing markets, compounded by inequitable or exclusionary aspects of social policy.

Opportunity hoarding is ubiquitous in labor markets. It refers to the ability of one group of workers to stack the deck against other groups through manipulation of the hiring process, creation of wage differentials and discriminatory job protections through overt discrimination or the impact of so-called color blind procedures such as union seniority rules (Tilly 1998, 10, 91–93). Opportunity hoarding may be passive when networks of workers or employers selectively hire only members of their own social group. It also produces vicious competition between workers for scarce resources and jobs. White monopolization of labor markets and black-white labor market competition has been a phenomenon of the

American economy since the 1830s; white claims of reverse discrimination are just the latest manifestation of this struggle. The intensity of racial labor market competition depends on the scarcity of jobs and fluctuates with the business cycle and economic dislocation. Robust economic growth and full employment reduce but do not eliminate racial labor market competition.

Welfare states were invented to reduce economic security: to stave off immiseration when the economy tanks, to relieve the poverty of those left behind by economic change, and to replace workers' income when they retire. All welfare states are redistributive to some degree but all are also geared toward work either by rewarding it—Social Security is widely understood as an earned benefit—or compensating for its absence. The U.S. welfare state is bifurcated between a universalistic and relatively generous welfare state based on Social Security and Medicare for the elderly and a more porous, segmented system of social protection for working-age citizens. Social protection for nonaged citizens is divided between social insurance for the unemployed, a variety of means-tested programs, and employee benefits, mainly health insurance. The new health care law establishes more or less universal access to health insurance for working-age citizens but does not modify the segmentation of the nonaged welfare state. I call this system truncated *universalism*.

Since the 1930s, American social policy has been characterized by sharp distinctions of race and gender. Yet, only the 1935 Social Security Act, which excluded black farm workers and sharecroppers from coverage under the law, introduced a form of statutory discrimination. In fact, this aspect of Social Security, which has often been characterized as the New Deal's "original sin," actually had few lasting effects, as black workers migrated north, entered the industrial work force, and, newly classified, enrolled in Social Security. Nevertheless, few social policies or institutional practices have been immune from racial bias and disparities. If the history of the American welfare state since the New Deal teaches us nothing else, it is that putatively race neutral or so-called color-blind policies can have racial consequences. More important than statutory racial exclusions were requirements for wage-related eligibility, which reproduce and magnify the effects of labor market discrimination. The architects of the 1935 Social Security Act distinguished between social insurance and welfare in order to reward long-term workers with a record of stable employment and exclude individuals they labeled "malingerers," workers who were intermittently employed regardless of the reason. Eligibility depends on a stable work record and benefits are tied to wages. The effects of wage-related eligibility were readily apparent in the late 1930s: 42 percent of black workers who worked in occupations covered by Social Security and coughed up payroll taxes were uninsured in 1939 compared to only 20 percent of white workers (Brown, M. K. 1999, 71, 82).

The "malingerers" and those individuals who could not work would be taken care of through means-tested cash payments. Such policies comprise a much larger part of the American welfare state than of most European welfare states, and since the 1960s means-tested policies have been a growing share of the federal budget. In 2012, means-tested cash transfers accounted for 15 percent of federal cash transfers; Social Security made up another 22 percent. Means-tested transfers increased sharply during the recent recession but the uptick started in the early 1990s. Many policymakers favor means-tested policies because they believe such policies efficiently redistribute income to those in need and cost less than policies with broader coverage. Such "efficiency" comes at a rather high price. Means-tested policies disproportionately benefit poor African Americans and Latinos—in 2004 the average monthly participation rate in means-tested programs for blacks was 37.1 percent, for Latinos 30.1 percent and for non-Hispanic whites 10.8 percent—but they are inherently stigmatizing. Despite the U.S. preference for means-tested policies, the U.S. welfare state does less to redistribute income and reduce inequality than European welfare states. In 2004, taxes and transfers reduced income inequality in the United by 18 percent compared to 40 percent in Denmark and Sweden, 31 percent in Germany, and 23 percent in Great Britain (Immervoll and Richardson 2013, 20).

The third way race shapes the U.S. welfare state is via federalism. Unlike many European welfare states, the U.S. welfare state began, and in many respects remains, highly decentralized. State governments controlled eligibility criteria and benefit levels for unemployment insurance and until 1972 for all the cash welfare titles of the original Social Security Act. Racial discrimination in the administration of AFDC flourished in both North and South from the 1930s to the 1960s (Lieberman 1998; Bell 1965). Things began to change in the early 1970s with the growth of food stamps and the creation of the Earned Income Tax Credit, both national means-tested programs. The welfare reform law of 1996 further centralized control over federal social policy for the poor, yet states still retain wide leverage over social welfare policy.[5]

Both the universal and segmented sides of truncated universalism operate to produce racial distinctions that shape how individuals are included in the welfare state and the kind of benefits they receive. One of the chief causes is racial labor market competition, which affects employment and wage levels and thus one's relationship to the welfare state. The template for this was set during the Great Depression. White workers acted to displace African Americans from their jobs, in many case grabbing "Negro jobs" they had previously scorned. New Deal work relief policies compounded the difficulties facing black workers. Because WPA jobs were scarce—the WPA never covered more than 30 percent of the unemployed—blacks faced the same competition with white workers for WPA jobs as they did for private sector jobs. Local officials and craft unions hoarded WPA jobs and excluded many black workers. There was no nondiscrimination policy that would have prevented this (Brown, M. K. 1999, 68–70, 77–86). As blacks were denied work in the private sector or access to work relief, they turned to the only available source of income: local cash relief. Relief rates for blacks in northern cities increased as unemployment declined in the late 1930s. Long ago, Gunnar Myrdal captured the essence of this process when he observed that whites coercively substituted relief for jobs, relegating African Americans to stigmatized welfare rolls (Myrdal 1944, 301). By denying access to steady employment, racial labor market competition also affects an individual's eventual Social Security benefits and access to unemployment compensation. The problem, of course, is that this not only tilts welfare state benefits toward whites, and thus is an element of the (until very recently) economic stability of most white Americans; it also calls the legitimacy of the welfare state into question.

In order to see how the relationship between labor market competition and the welfare state unfolded for blacks and whites, we examine first the history of labor markets since the 1940s and then the implications for the distribution of social welfare.

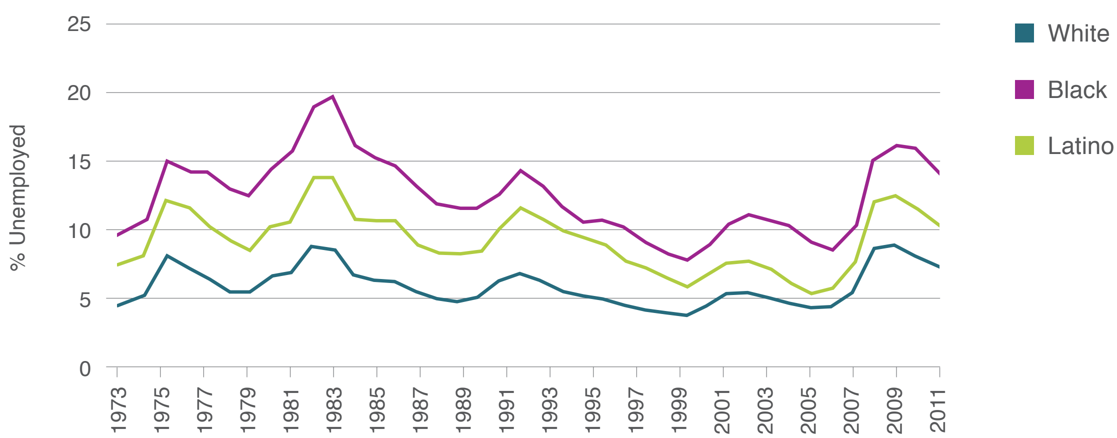
OPPORTUNITY HOARDING AND RACIAL LABOR MARKET COMPETITION SINCE THE NEW DEAL

The last 73 years of economic history is usually divided into two periods—a prosperous economy of rising real wages and income among all classes and groups between 1945-1972, followed by 40 years of stagnating wages, particularly for non-college educated workers, and rising income and wealth inequality. All social classes rode up the income and employment elevator in the 1950s and 1960s, and all but the top 10 percent or so languished on an economic treadmill going nowhere after 1973. Real family income for all income quintiles grew, on the average, 2.2 to 2.5 percent in the first period, but in the second period the bottom 40 percent of the income distribution lost ground or faced stagnant incomes. Only the top 20 percent gained, yet even this group, on average, only gained about 1.2 percent. The real income gains in this period, it is well known, were grabbed by the top 1 percent of earners (Krueger 2012, figure 1). Similarly, both black and white workers prospered in the two decades after World War II and suffered from the six recessions and the deindustrialization of manufacturing after 1973. Yet neither the gains of economic growth nor the pain of recessions and economic change have been distributed equally among blacks and whites.

Whether measured as family income or personal income, the wages and salaries of African Americans have lagged behind whites throughout both periods. There is no doubt that African Americans made real income gains during and after World War II. Real black median family income doubled between 1947 and 1972, as did the median income of white families. Black families gained relative to white families; the ratio of median family income increased to 59.5 percent from 51.2 percent. Yet the absolute median income gap between black and white families increased over this period by almost $5,000, a 35 percent gain for whites. In fact, blacks lost ground to whites by the late 1950s and only regained momentum during the economically booming 1960s. After 1973, even though the median family income of both whites and blacks rose by a little over one-fifth, black family income still lagged substantially behind Non-Hispanic whites. The ratio was unchanged: 57.4 percent in 1973 and 58 percent in 2011. The absolute income gap also widened by another $5,000, and over the entire 73 year period this gap grew by 115 percent. Even so, these data overstate black economic gains over the last 35 years since they exclude African Americans who were imprisoned during the incarceration boom (Pettit 2012).

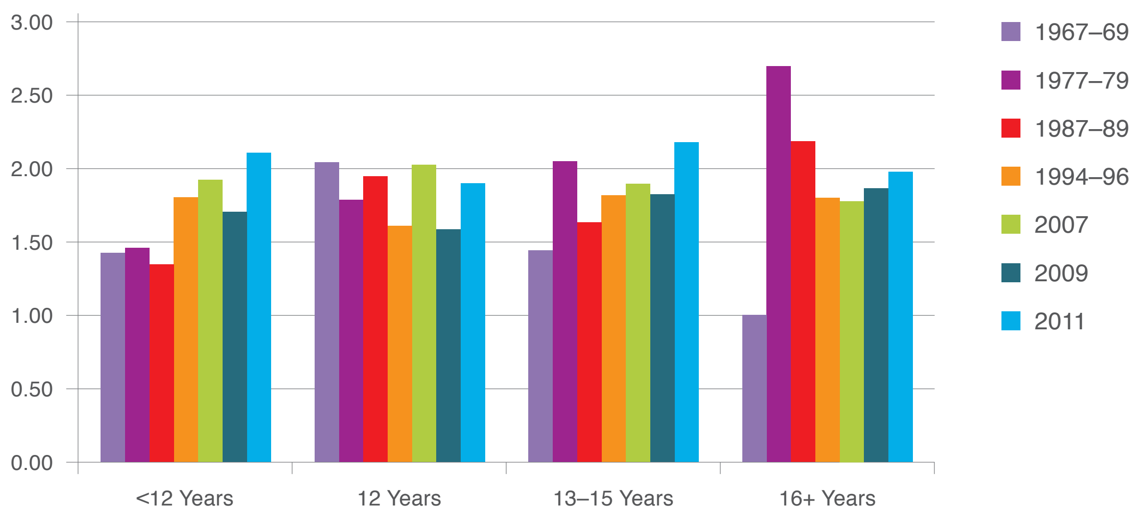
At the same time that blacks have made income gains, black employment relative to white workers has decreased. Black men of all ages and education levels experience more unemployment. The black unemployment rate is twice that of white workers, a ratio that has not changed since the early 1950s. Between 1948 and 1969, black unemployment averaged 8.4 percent compared to a rate of 3.9 percent for white workers. In 7 of these 22 years, the black unemployment rate exceeded 10 percent. Black workers faced even worse employment prospects during the 39 years after 1973: black unemployment averaged 12.3 percent; white unemployment averaged just 5.7 percent. During this period black unemployment was *below* 10 percent in only 7 of 39 years. Black workers have experienced what amounts to Depression-era unemployment for most of the last 4 decades (see Figure 1).[6] Large numbers of black men have also dropped out of the labor force since 1940, a development that precedes the deindustrialization of the American economy during the 1970s and 1980s (Katz, et al. 2005).

Figure 1. Male Unemployment Rates by Race (16 Years and Older)



College-educated black workers, like their white counterparts, do have lower unemployment rates than high school dropouts or workers with only a high school education. But their unemployment rates are almost double those of white college-educated workers. Figure 2 shows that the black unemployment rate is higher than the white rate at all educational levels, and in the 1970s, the 1980s, and the recent recession the unemployment rate for black college-educated workers was double that of college-educated whites. Indeed, in the recent Great Recession, white high school graduates with some college had lower unemployment rates than black college graduates; and as the economy improved after bottoming out in 2009, white workers at *all* levels of education found jobs faster than black workers. The ratio of black unemployment to white unemployment increased between 2009 and 2011, a trend that is identical to the experience of black workers in the late 1930s (Brown 1999, 84-87).

Figure 2. Black-White Male Unemployment Ratios by Years of Education



† *Chinhui Juhn (2000, p 93,); U.S. Bureau of Labor Statistics, 2007, 2009, 2011*

So, looking just at incomes and employment, the picture is mixed: the emergence of a black middle class with consistent income gains but devastatingly high black unemployment most of the time and income gaps for all African Americans that have changed relatively little in the last 7 decades. This outcome is best understood in light of changes in the structure of racial labor market competition, the oscillation between those moments when whites had the upper hand in labor markets and when government policies circumscribed them. Black economic gains were concentrated during three periods in which economic growth was robust and unemployment rates were low: the late 1940s; the 1960s; and the 1990s. African Americans made major income and occupational gains as they shifted from plantation to factory and entered the industrial work force in the 1940s. A second shift occurred in the 1960s and early 1970s when blacks moved up the occupational ladder and into middle class and professional occupations in a growing public sector. But they lost ground in the 1950s and the 1980s as racial labor market competition intensified only to gain some of it back in the economic boom of the 1990s.

In most cases, when an African American man or woman moved from sharecropper to factory worker, they received an immediate and significant wage boost. Wartime policies that compressed wages and union success in bargaining for higher wages and benefits augmented these monetary gains. As blacks were recruited by CIO unions, they benefited. Yet white control of jobs and occupational ladders, often abetted by unions, sharply limited the economic mobility of these workers. Confined to unskilled, dirty factory jobs, migrating blacks found themselves at a dead end because of segregated seniority lists and job ladders that blocked advancement and entry into skilled jobs. Discrimination was overt in southern factories and, although more subtle, equally potent in northern factories (Brown, M. K., et.al. 2003, 70–71).

Those blacks who reached the Promised Land after the war confronted a more hostile economy and faced widespread discrimination. Migrating black sharecroppers were three times as likely to be unemployed in the north as white migrants. In fact, black residents of northern cities were more likely to be unemployed than white migrants (Sorkin 1969, 272). Black economic gains were further eroded as economic growth slowed in the late 1950s and technological change in manufacturing firms reduced demand for workers. As these factories replaced workers with machinery, black workers lost out because the "jobs in which Negroes were concentrated were eliminated and the displaced Negroes were not permitted to bid into or exercise their seniority in all-white departments." (Northrup 1970, 26; Sugrue 1996, 144). Notably, the sharpest drop in the labor force participation rate of black workers relative to white workers during the last 73 years occurred in the 1950s. At the same time, blacks faced discrimination in openings for skilled craftsmen and white-collar jobs, both of which were expanding. The proportion of blacks employed as salaried workers declined from 4.6 to 3.4 percent between 1940 and 1960 (Northrup 1970, 26).

Educated blacks in the 1950s fared no better and their unemployment rates were typically higher than those of blacks with less than 12 years of schooling. White workers, particularly white veterans, made the real income and occupational gains of the 1950s. Powered by the G.I. Bill, one-third of the veterans who received educational and readjustment benefits climbed out of working class jobs into the ranks of managers and professionals. White men were the beneficiaries of these jobs. Although the Veterans Administration (VA) distributed GI education and readjustment benefits equally between blacks and whites, African American veterans, many of whom lived in the south, could use college subsidies only at segregated, overcrowded colleges. They were substantially less likely to be enrolled in college under the GI bill. And even when they could take advantage of the GI readjustment benefits, they faced rampant discrimination in labor markets throughout the country (Brown, M. K. 1999, 180–184, 189–191; Katznelson 2005, 128–138). On the eve of the civil rights revolution, white control of labor markets allowed white workers to weather the economic changes of the 1950s and advance into skilled blue collar jobs and white collar or managerial positions. Blacks gained manufacturing jobs during the war, but job ceilings limited the upward mobility for most black workers and exposed working-class blacks to the cutting edge of technological change.

In the 1960s, economic doors opened up for African Americans as a result of strong economic growth, the implementation of Great Society programs that created new public sector jobs, and affirmative action policies. Blacks made substantial gains in public sector jobs mainly in state and local government. By 1970 over half of black college-educated men and three-quarters of black college-educated women worked in public sector jobs (Carnoy 1994, 162–165). Affirmative action policies shifted the demand for black workers in the private sector, benefiting both educated middle-class blacks and low-income blacks. Jonathan Leonard estimates that 7 percent of black employment gains in manufacturing and one-third of occupational gains in the 1970s were due to affirmative action policies (Leonard 1990, 150–151; Leonard 1984, 381–384). Vigorous federal enforcement of Title VII of the 1964 Civil Rights Act desegregated many southern factories and resulted in real wage gains for African Americans (Heckman 1990). In both the north and the south, federal employment policies cracked open the job ceilings for skilled blue collar jobs and white collar managerial and professional jobs that blocked African American economic mobility in the 1950s.

However, black economic gains were undermined in the 1980s as deindustrialization hollowed out America's manufacturing industries and the Reagan administration rolled back affirmative action policies, eliminated federal job and job training programs, and sharply reduced federal grants-in-aid to state and local governments. Three deep recessions within ten years amplified these economic and policy changes and shifted the structure of labor market competition toward white workers. Between 1973 and 1983 black unemployment averaged 14.2 percent; white employment averaged 6.4 percent. The bottom literally fell out for those black workers displaced from manufacturing largely because they were concentrated in low-skill, dispensable jobs. Many of them shifted into low-wage service sector jobs, but white workers displaced from factories were more likely to end up in better paying white collar jobs. The proportion of black and Latino workers in low-wage jobs increased from 43.5 percent to 46.4 percent over the 1980s while the proportion of white workers in these jobs remained about 30 percent during the decade. Although the number of African Americans in high wage professional and managerial jobs increased by about 100,000, the number of whites in these jobs exploded, increasing from 2.9 million to 4.6 million. Displaced black manufacturing workers experienced downward mobility relative to white workers (Carnoy 1994, 95–99, tbl 5.3). College educated blacks fared no better. Their wages dropped relative to whites and their unemployment rates were almost three times those of college-educated whites by the late 1970s (in the late 1960s, by comparison, the unemployment rates of these two groups were identical—see chart 2).

The evidence clearly indicates that displaced black workers lost the job competition set in motion by deindustrialization and recession. "Downwardly mobile white workers in the 1980s acted just like unemployed white workers in the 1930s: they played the race card to keep or acquire good jobs." (Brown, M. K., et.al. 2003, 84; Darity and Myers. 1998, 51; Wellman 1997, 322-323). Neither education nor wage gaps explain the reversal of black economic gains during this period. Blacks made substantial educational gains during the 1970s, erasing the gap in secondary education. And even though all low-income workers experienced declining wages, the difference between the wages of young black and white family heads actually increased. Those blacks who lost blue collar manufacturing jobs often ended up in sales jobs but took a 13 percent pay cut; white workers displaced from manufacturing jobs typically landed well-paying sales or white collar jobs, according to William Darity and Samuel Meyers, yielding a 36 percent pay increase (Darity and Meyers,1998, 47-48, 65-67). These changes, which coincided with the de facto end of affirmative action and the Reagan-era budget cuts, resulted in declining incomes for many black families.

One sees the results of these changes in the distribution of family income. Between 1980 and 1992, all white non-Hispanic families except those in the bottom quintile gained real income; those white families in the bottom quintile saw their income decline by 5 percent. The experience of black and Latino families was very different. All black families in the bottom 60 percent lost income during the Reagan years, and the black poor, those in the bottom quintile, experienced a 25 percent decline in real income. Among families in the second quintile, black families lost 10 percent of their income but white families gained. The experience of Latino families was similar to that of African Americans, although the poorest Latino families lost only half as much as the black poor (see Figure 3).

Figure 3. Percent Change in Average Income By Quintile

% Change 1980-1992	Lowest	Second	Third	Fourth	Fifth	Top 5%
White Families	**-5.04%**	**1.87%**	**6.14%**	**10.54%**	**22.02%**	**35.45%**
Black Families	**-24.97%**	**-9.34%**	**-0.26%**	**5.00%**	**17.31%**	**30.20%**
Latino Families	**-13.31%**	**-6.71%**	**-3.85%**	**0.37%**	**11.01%**	**17.83%**

% Change 1992-2000	Lowest	Second	Third	Fourth	Fifth	Top 5%
White Families	**15.33%**	**13.07%**	**14.33%**	**16.51%**	**32.25%**	**49.59%**
Black Families	**54.68%**	**49.30%**	**33.57%**	**24.50%**	**27.65%**	**34.97%**
Latino Families	**27.31%**	**25.43%**	**21.84%**	**19.05%**	**33.35%**	**57.66%**

% Change 2000-2011	Lowest	Second	Third	Fourth	Fifth	Top 5%
White Families	**-15.60%**	**-10.34%**	**-7.54%**	**-4.06%**	**-3.43%**	**-5.46%**
Black Families	**-23.60%**	**-12.75%**	**-7.40%**	**-3.44%**	**2.19%**	**6.44%**
Latino Families	**-21.38%**	**-12.16%**	**-10.86%**	**-7.56%**	**-6.76%**	**-13.66%**

2011 Dollars
† *U.S. Bureau of Census, Historical Statistics*

Latinos, like African Americans, face job discrimination and residential segregation. But their experience over the last four decades is different. Latinos are more likely to be unemployed than white workers but less likely than black workers. Their unemployment rates averaged 9.2 percent since 1973 and the rate was below 10 percent for 22 years during this period. The black unemployment rate, recall, was below 10 percent for only 7 years. Yet the median real wage and salary income of Latino men averaged 90 percent of that of black men since 1977. And over that period, black median wages increased by 18 percent while Latino wages declined by 5 percent. However, median wages of both lagged substantially behind the wages of non-Hispanic whites.

One reason for these differences is that Latinos probably faced less job discrimination than blacks, but when blacks got jobs, those jobs tended to pay better. In a study of labor markets in five big cities, Roger Waldinger found that blacks with a high school degree were less likely to hold jobs than the least skilled white men, but Latinos with high school degrees had employment rates comparable to similar white workers (Waldinger 2001, 95). One might say that blacks face racial barriers to jobs while Latinos, particularly recent arrivals, are more likely to be constrained by education and skill deficits. The other difference is that Latinos tend to be concentrated in low-wage jobs in construction, hotels and restaurants, and agriculture. Many African Americans, on the other hand, tend to work in government jobs and the health sector, where wages are higher.

Historically, Latino men faced less wage discrimination than African American men and Latino poverty rates were lower (Carnoy 1994, 118). This changed in the 1990s and a major reason is that the 1986 Immigration Reform and Control Act actually stimulated discrimination against Latinos. Douglas Massey concludes that the "IRCA's employer sanctions radically restructured the market for unskilled labor . . . increasing discrimination on the basis of legal status, exacerbating discrimination on the basis of ethnicity, and pushing employers toward labor market subcontracting. . ." (Massey 2007, 145). Wage and salary income of Latino men relative to African American men sharply declined in the 1990s, dropping from parity in 1987 to 80 percent by the end of the century. The Latino poverty rate also sharply increased over the decade.

Black workers and their families made up some of the economic ground they lost in the 1980s during the Clinton-era economic boom, but much of it could not be recovered. The economic gains of the 1940s and 1960s were undercut when deindustrialization and deep recessions in the 1950s and 1970s intensified racial labor market competition; and now the Great Recession has undercut even the Clinton-era economic gains. One of the lessons of this history is that simply investing in education and allowing market outcomes to prevail will be insufficient to overcome durable racial inequality.

THE ECONOMIC AND POLITICAL CONSEQUENCES OF A RACIALLY STRATIFIED WELFARE STATE

The welfare state compensates for the losses of racial labor market competition—to some degree. But federal social policy since the New Deal has also institutionalized and augmented white advantage, even as the legitimacy of the social safety net for poor and working class citizens was called into question.

Income transfers mitigate economic security and African Americans and Latinos would be much worse off without such support. Government cash and non-cash transfers like food stamps pack a bigger punch in reducing inequality than taxes. Using a standard measure of income dispersion, the gini index (the higher the value, the greater degree of income inequality), U.S. Census Bureau studies show that taxes lower inequality in market income

(income minus government transfers) very little, from .502 to .492. Adding in all transfers lowers it by 20 percent, to .405. Cash and non-cash transfers are far more important to black and Latino households than to white households. The net effect of all taxes and transfers raises black family income to 66 percent of white income, from 61 percent. Latino family income increased to 77 percent of white income, from 72 percent. Transfers raised black market income $5,353 or 18 percent and Latino income by $4,386 or 12 percent. White households' incomes increased by $4,264, 9 percent.[7] These are not negligible effects, but neither do they tell the whole story.

Even though government transfers are more important to black and Latino households' well-being, transfers are less effective in lowering their poverty rates than those of white households. This was the case 33 years ago and it remains so today (Danziger 1983, 66). Figure 4 shows the post-transfer poverty rates for White Non-Hispanic, Black, and Latino households. Non-means-tested transfers, mainly Social Security, reduce poverty among white seniors by 82 percent but only 56 percent for black seniors and 57 percent for Latinos. Adding in means-tested transfers and the value of noncash transfers such as food stamps and health care reduces poverty among white seniors by another 4 percent but by an additional 14 percent in the case of black and Latino seniors. Among working age households, those persons between the age of 20 and 64 years, non-means-tested transfers reduce white poverty by one-third but by only a little over one-fifth for blacks and Latinos. Once we account for means-tested transfers and non-cash benefits, the reduction in poverty rates is about the same for white and black working-age households, but Latino working-age households do not fare as well.

Figure 4. Percent Change in Post Transfer Poverty Rates

	20-64 Years			65+ Years		
	White	Black	Latino	White	Black	Latino
Non-Means-Tested Transfers	32	23	21	82	56	57
Means-Tested Transfers	38	31	26	86	65	66
Cash plus Non-Cash Transfers	44	41	35	87	70	70

† *U.S. Bureau of Census, Effects of Benefits and Taxes on Income and Poverty, 2006*

The lower effectiveness of transfers in reducing poverty among black and Latino elderly, compared to whites, is partly a consequence of wage-related eligibility, which reproduces the effects of racial labor market competition and other long-term effects of durable racial inequality.[8] Although Social Security is redistributive, black benefits lag behind those of whites. Social Security clearly raises black and Latino income relative to whites, on average to a ratio of 75 to 84 percent; and rates of return (the ratio of Social Security taxes to benefits) are estimated to be about equal or marginally higher for blacks. Yet Sturerele, Carasso and Cohen conclude that "less educated, lower-income, and nonwhite groups benefit little or not at all from redistribution in the old age and survivors insurance (OASI) part of Social Security," a conclusion echoed in other studies (Steuerle, Carasso and Cohen 2004; Ozawa and Kim 2001, 10; Favreault and Mermin 2008). Social Security compensates for low wages to some degree but does not override a long history of wage and occupational discrimination.

The other reason blacks have lower lifetime benefits is because they die sooner than whites. The poor health of black retirees stems from a long history of limited access to adequate health care and poor treatment for cancer and cardiovascular disease (Brown, M. K., et.al. 2003, 45–48). Blacks are less likely than whites to have health insurance; in 2011 they accounted for 20 percent of the uninsured (8.2 million people). Latinos accounted for 30 percent of uninsured individuals (U.S. Bureau of the Census 2012, 22, Table 7). [These uninsured rates will surely diminish once the Affordable Care Act is implemented]. In addition, black neighborhoods have been disproportionately affected by urban hospital closings and many private nursing homes remained segregated long after the 1964 Civil Rights Act prohibited such discrimination (Smith 1999, 176, 264–265, 267).

In general, there is little difference today in means-tested payments between working age blacks, whites, and Latinos. In some cases, those payments are slightly higher for blacks and Latinos. One reason these payments do less to raise working-age blacks out of poverty is that they start with much lower incomes to begin with and have less access to other forms of support such as Social Security survivor's benefits or, more importantly, unemployment compensation. Despite much higher rates of unemployment, African Americans are less likely to receive unemployment benefits than non-Hispanic whites. This is has been the case for a long time and it is due to the stringent wage-related eligibility provisions for unemployment insurance and the way states implement these rules. In the early 1990s, unemployed white workers were 40 percent more likely to receive unemployment benefits than blacks or Latinos; black workers, on the other hand, were 20 percent less likely than other unemployed workers to receive benefits (Michaelides and Mueser 2012, 37–40). Recent analysis of the Great Recession indicates that only 24 percent of unemployed blacks obtained unemployment benefits compared to 33 percent of unemployed whites. These differences persist even after accounting for education and other factors affecting unemployment. For example, among high school drop outs, 25 percent of whites received benefits compared to 12.5 percent of blacks (Nichols and Simms 2012).

Like unemployment insurance, states determined whether African Americans and Latinos received cash welfare benefits and how much they received. There is far less discrimination today, partly because SSI, food stamps, and the Earned Income Tax Credit, all national policies, have replaced the old cash welfare programs and established universal benefit and eligibility standards. And, when it is fully implemented, the Affordable Care Act will diminish state control over Medicaid eligibility and benefits. But states still retain significant control over Temporary Assistance to Needy Families (TANF), and the program has been implemented in racially stratified ways, with outcomes reminiscent of the discriminatory welfare regimes of the 1950s and 1960s in the north and the south.

The 1996 welfare reform law caps federal expenditures and distributes the money to the states through block grants. This fiscal scheme allows states considerable flexibility in spending the money, but it is tied to tough federal requirements for work and behavioral change. State welfare offices were transformed from cash-dispensing operations to employment centers and given the authority to sanction individuals who do not live up to the requirements for work effort. TANF is ostensibly race-neutral but it has been implemented in ways that reinforce racial stereotypes and racial inequalities. Work-related sanctions may deny benefits to every member of a family receiving benefits or only the adult. What we find from recent studies is that black recipients are more likely to be sanctioned than whites, and when they are, the sanctions are more severe. TANF, Sanford Schram and his co-authors write, "is carried out today in ways that allow preexisting racial stereotypes and race-based disadvantages to produce large cumulative disadvantages." (Schram, Soss, Fording Richard C., et al. 2009, 413,415; Soss, Fording and Schram 2011).

In addition to advantages white workers obtain through the welfare state, most white families have a cushion that black and Latino families lack: household wealth—including home equity, cash savings accounts, and investments. Wealth is not just a cushion during bad economic times; it also helps people climb economic ladders. Wealth explains differences in college graduation rates and the ability of parents to pass on their occupational status, as recent studies of economic mobility have shown (Conley 1999, 72–73; Oliver and Shapiro 1997, 162–163). Median wealth of white families was 10 times that of black families in 2009, at the bottom of the recession, and whites in all income quintiles have more wealth than blacks. The racial disparity in median wealth was much larger in 1984; then it was 15 times as much (Shapiro, Meschede and Osoro 2013, 2). Even though wealth accumulation for both black and white families rose over the last 30 years on the back of the stock market boom and the relentless rise in the price of houses, the racial wealth gap widened. Despite the enormous loss of wealth during the Great Recession among all income classes, most white families retained sufficient wealth to ride out the storm. The Urban Institute calculates that the wealth of Latino families suffered the largest drop, 40 percent; black families' wealth declined by 31 percent; and white families lost 11 percent (McKernan, et al. 2013, 2–3).

The roots of the current disparity lie in the history of federal housing and veterans policies after 1945. There is no need to go back to slavery to explain this phenomenon. In addition to the federal readjustment benefits distributed through the G.I. Bill, the Veterans Administration offered returning World War II and Korean veterans subsidized mortgage loans. Unlike the readjustment allowances, which were more or less distributed equitably between black and white veterans, VA mortgage loans were 2.5 times more likely to go to whites than blacks. The Veterans administration along with the Federal Housing Agency (FHA) funded one-third of all mortgage loans in the 1950s. Together these two agencies underwrote 3 percent of black mortgage loans and 42 percent of white loans. FHA redlining policies, which banks adhered to, caused this disparity, and even if a black family got a federally subsidized loan they could purchase housing only in a segregated neighborhood.

As a result of FHA redlining policies, private investors pulled money out of black neighborhoods, leading to a downward spiral in housing prices. White flight further drove down the price of black-owned homes. It is no surprise that the amount of equity in white-owned homes is 1.5 times more than the equity in black-owned homes (Brown, M. K., et.al. 2003, 77–79). For many of the same reasons, Latino wealth has lagged behind that of whites.

White World War II and Korean War veterans acquired enormous economic gains from the G.I. Bill and their control of labor markets. A mid-1950s study estimated that one-fifth of veterans receiving non-service connected pensions had a net worth over $10,000 (about $62,500 in 2009 dollars), no minor sum at the time. The President's Commission on Veterans' Pensions (known as the Bradley Commission) concluded in its massive study of the G.I. Bill that the "present position of World War II veterans suggests that, as a group, their earnings and progress in later life will permit them to maintain their present advantage. This will mean . . . . that most veterans will acquire more savings and qualify for larger retirement pensions [under Social Security] than non-veterans"—and black veterans, we should add (Brown, M. K. 1999, 183; The President's Commission on Veterans' Pensions 1956, 145).

FACING THE FUTURE: RACE, EQUALITY OF OPPORTUNITY AND THE CLASS DIVIDE

As the evidence gathered here attests, racially-biased housing policies and other aspects of the U.S. welfare state have magnified racial disparities generated through white control of labor markets. Yet, many Americans are completely oblivious to these discriminatory realities and they view racial differences in a historical vacuum, relying instead on cultural stereotypes that are fed by the media. Whites by and large attribute their success to individual efforts, imagining they raised themselves by their bootstraps and earned what they have received. Many whites also believe that the welfare state coddles blacks; they see only "welfare mothers" or "affirmative action babies," believing that African Americans have connived with the federal government to obtain government benefits they do not deserve and have not worked for (Kinder and Mendelberg 2000, 61). The black poor are vilified, cast as lazy, promiscuous freeloaders undeserving of help (Gilens 1999, 67–69). Food Stamps, the Earned Income Tax Credit, Medicaid, cash welfare payments, the very safety net that poor blacks and, I need to add, poor whites depend on are racially stigmatized as a result. A majority of white Americans have consistently opposed increasing spending for the means-tested safety net and strongly support time limits for welfare benefits. These attitudes are correlated with measures of racial resentment and ethnocentrism—whites who display racially hostile attitudes toward black Americans strongly favor limiting spending and support eviscerating the safety net. If these white citizens associate welfare with lazy blacks, they associate Social Security and Medicare with hard-working whites. It is a program for whites, not blacks, and thus it is no surprise that racially resentful or ethnocentric whites strongly desire increased spending for these programs (Kinder and Kam 2009, Table 9.1, 9.2; Winter 2006).

Willard Townsend, a prominent African American union official, warned of this possibility in the 1940s. In an speech to faculty and students at Fisk University, Townsend pointed out that, "You can't have unencumbered and prosperous white workers and unemployed black workers—for, if you let that happen, the white worker will have to carry the black worker on his back through relief or the dole" (Townsend 1974, 524). The public policies that advantaged whites disadvantaged blacks, leaving them with limited economic opportunities. By juxtaposing white independence and hard work with black indolence and failure, many white Americans delude themselves about their own independence and obscure the advantages they reaped from the federal social policies of the last 73 years. One question in contemplating a new economic paradigm for the future is whether this knot can be untied.

Compounded by these stereotypes, today, durable racial inequality is nested in a widening gyre of class and income inequality. At the same time, income and wealth inequality have widened, the wages of middle and low-income earners have either stagnated or declined. More important, the new inequality coincides with a shift in class structure and changes in the organization of work that reinforces class and racial inequality. Even before the Great Recession, labor markets were deeply insecure; layoffs, displacement, outsourcing, and part-time temporary work no longer affect only blue collar workers but also white collar workers, even managers. Now, absent higher levels of economic growth, it is likely that very large numbers of black and white workers will not reenter the labor force any time soon, if ever. Underlying these trends is the polarization of the labor market, an economy that is increasingly divided into high-wage and low-wage jobs. The bottom has dropped out for middle income, stable jobs.

These developments have pounded both black and white workers, eclipsing possibilities for upward mobility, though black workers have arguably taken the harder hit. The danger is that growing class and wealth inequality and polarization of the labor market will intensify structural racism, leaving not just the black poor but much of the black middle class living precarious lives of economic instability. White opportunity hoarding is alive and well, and a shrinking public sector means that one of the key avenues for blacks into middle class stability is disappearing (Ditomaso 2012). Higher rates of economic growth and productivity, likely depending on significant public investments in education, research, and infrastructure, will be needed to forestall such an outcome. Whether that is possible is an open question. It is just as likely that the class and racial polarization of this era will produce economic stagnation and intensified racial conflict over public policies.

In these circumstances, the United States faces a work-welfare state dilemma: absent the creation of new well-paying middle class jobs and new avenues of upward mobility, the only acceptable alternative is to expand the social safety net in order to support those men and women who are unemployed, work in dead-end low-wage jobs, or are unable to work. We are already coping with prolonged economic stagnation and unemployment through an expanded safety net—the growth of food stamps and the Earned Income Tax Credit are examples. But expanding the social safety net may not be sustainable over the long term, because it is racially stigmatized and white opportunity hoarding persists. To some extent, we these dynamics playing out in the manifold efforts to overturn or weaken Affordable Care Act.

Dealing with durable racial inequality also requires extensive social policy reforms. The most important challenge is stopping the incarceration boom and fixing the problems it has caused in black communities. Extraordinary numbers of black men and women have been imprisoned over the last thirty years. Yet imprisonment is only one part of the disciplinary policies encompassing the lives of African Americans. For instance, the U.S. Department of Education recently reported that black school children account for 39 percent of all expulsions but make up only 18 percent of students. As noted earlier, the use of sanctions and punishment under TANF fall heavily on black women.

Since these policies diminish the resources and future opportunities of blacks, they are a form of disaccumulation. One scholar estimates that incarceration reduces the annual income of black men by 37 percent (Western 2006, 119). At the same time, the vast movement of prisoners out of and back into low-income black neighborhoods erodes community stability and diminishes local economic opportunities. None of these policies, however, have lifted the burden of violence from those communities: after nearly forty years of mass incarceration, the *average* life expectancy of black men in poor neighborhoods in Los Angeles nevertheless fell by five years because of homicides.[9] Nor does the black middle class escape the consequences as it is their sons and daughters who are targeted by police for marijuana use or stop and frisk policies, not just black residents of poor neighborhoods. Arrests for possession of marijuana exploded in the first decade of this century. Blacks are almost four times more likely to be arrested for possession of marijuana and this disparity persists regardless of household income. In fact, the racial disparity is greater in counties with high median incomes than in the poorest counties (ACLU 2013, 17).

Achieving high rates of economic growth, ending the polarization of the job market with new investments, and unwinding the disciplinary state will not be possible without confronting the racial divide that remains at the core of American politics. Prior to the civil rights movement, the public saw no relationship between civil rights policies and economic and social policies—taxes, regulation, the social safety net, etc. After the 1960s, any distinction between civil rights and racial policies and economic and social policies disappeared. In national surveys before the civil rights movement there is no relationship between voters' opinions of racial and economic policies—the correlation was 0.03; after 1965 the correlation was .68 (Kellstedt 2003, 78, 80 tbl 3.3). Clearly, debates over scope of government's role in the economy and the shape of the welfare state are also, in many ways, debates about race and the relationship between black, white, and Latino Americans.

There is a parallel with the New Deal that bears mentioning. The New Dealers put their faith in a class coalition and class-based agenda, and assumed that raising the incomes of all citizens would ameliorate racial prejudice and put the Nation on the road to a greater degree of racial equality. Yet the New Deal inserted racial distinctions into many of its policies and failed to confront racial discrimination. We are living in a period of massive economic fear and dislocation, much like the New Dealers faced. But we do have the advantage of history and we need not make the same mistakes. This time around any new economic paradigm must confront the legacies of durable racial inequality.

I am indebted to David T. Wellman; the research reported here derives in part from our long collaboration. Also, I would like to acknowledge the contributions to this research of my co-authors of *Whitewashing Race: The Myth of a Color-Blind Society*.

1. Quoted in Randall B. Woods, *LBJ: Architect of American Ambition* (New York: The Free Press, 2006).
2. Studies of economic mobility use the intergenerational elasticity of earnings as a measure of upward (or downward) mobility. This measure estimates the change in a child's earnings for every 1 percent change in parental earnings. Corak estimates that the intergenerational elasticity of earnings in the U.S. is .47, which is exceeded only by taly and the United Kingdom, compared to .15 in Denmark. This measure is correlated with the gini coefficient of income inequality. See Corak 2012, 7–8.
3. Hertz shows that race explains 17 percent of the intergenerational income elasticity independent of a host of personal characteristics, e.g. parents' education and occupation among others. Bowles and Gintis estimate the independent effect of race to be 22 percent (Bowles and Gintis 2002, 22–23). The important question is why race has such a powerful effect on income mobility.
4. Michael Katz and his colleagues use the idea of opportunity structures, defined as a network of sieves in which individuals are filtered in or filtered out, to study the modern history of racial inequality (Katz, Stern and Fader 2005). This approach complements the theory of accumulation and disaccumulation and produces similar results. The advantage of the theory of accumulation and disaccumulation, however, is that it assumes actors have agency, something that the idea of opportunity structures lacks.
5. The remaining bastion of state influence outside of unemployment insurance is Medicaid. But that will change once the Affordable Care Act, which establishes universal eligibility and benefit criteria, is implemented.
6. These data are based on unemployment rates for individuals 16 years and older. The picture looks marginally better if one uses data on rates for people 20 years and older—but not very much better. Black unemployment rates are still above 10 percent in 24 out of 39 years.
7. These data are drawn from the 2006 census report on *The Effects of Benefits and Taxes on Income and Poverty,* at http://www.census.gov/hhes/www/cpstables/macro/032007/alttoc/toc.htm, accessed on July 31, 2013. For a discussion of the methods used in producing these estimates see (U.S. Bureau of the Census 1993).
8. Wage-related eligibility does not exclude individuals who move in and out of the labor force over a lifetime. All that is required is 40 quarters of work. But benefits are calculated as the av-erage monthly earnings of the highest 35 years of a worker's earnings, and those years in which a worker is out of the labor force are counted as zero. Moreover, even though replacement rates are progressive, absolute benefits are reflect taxes paid (this is the annuity side of Social Security). A recent study concluded that "using the most inclusive concept of income that accounts for the earnings potential of both head and spouse, the Social Security system does not appear to reduce inequality in any meaningful way" See Brown, Coronado and Fullerton 2009, 30.
9. Personal communication to author from Elliot Currie.

BIBLIOGRAPHY

American Civil Liberties Union. 2013. *The War on Marijuana in Black and White*. New York: ACLU.

Bell, W. 1965. *Aid to Dependent Children*. New York: Columbia University Press.

Bowles, S., and H. Gintis. 2002. The Inheritance of Inequality. *The Journal of Economic Perspectives* 16(3):3–30.

Brown, J. R., J. L. Coronado, and D. Fullerton. 2009. *Is Social Security Part of the Social Safety Net?* Working Paper 15070. NBER Working Paper Series. Cambridge, MA: National Bureau of Economic Research.

Brown, M. K., et.al. 2003. *Whitewashing Race: The Myth of a Color Blind Society*. Berkeley, CA: University of California Press.

Brown, M. K. 1999. *Race, Money, and the American Welfare State*. Ithaca, NY: Cornell University Press.

Brown, M. K., and D. T. Wellman. 2005. Embedding the Color Line: The Accumulation of Racial Advantage and the Disaccumulation of Opportunity in Post-Civil Rights America. *Du Bois Review* 2:187–207.

Carnoy, M. 1994. *Faded Dreams: The Politics and Economics of Race in America*. New York: Cambridge University Press.

Conley, D. 1999. *Being Black, Living in the Red: Race, Wealth, and Social Policy in America*. Berkeley, CA: University of California Press.

Corak, M. 2012. *How to Slide Down the 'Great Gatsby Curve': Inequality, Life Chances, and Public Policy in the United States*. Washington, D.C.: Center for American Progress.

------. 2013. Income Inequality, Equality of Opportunity, and Intergenerational Mobility. *Journal of Economic Perspectives*.

Danziger, S. 1983. Budget Cuts as Welfare Reform. *American Economic Review* 73(2):65–70.

Darity, W., Jr., and S. L. Myers., Jr. 1998. Persistent *Disparity: Race and Economic Inequality in the United States since 1945*. Northampton, MA.: Edward Elgar Publishing Company.

DiTomaso, N. 2012. *The American Non-Dilemma: Racial Inequality without Racism*. New York: Russell Sage Foundation.

Favreault, M. M., and G. B. Mermin. 2008. Discussion Paper No. 30 in *Are There Opportunities to Increase Social Security Progressivity despite Underfunding*. Discussion Paper No. 30. Tax Policy Center Conference: Race, Ethnicity, Poverty and the Tax-Transfer System on Racial Inequality and the Tax System. Washington, D.C.

Gilens, M. 1999. *Why Americans Hate Welfare*. Chicago, Ill: University of Chicago Press.

Heckman, J. J. 1990. The Central Role of the South in Accounting for the Economic Progress of Black Americans. *The American Economic Review* 80 (May):242–46.

Hertz, T. 2005. Rags, Riches, and Race: The Intergenerational Economic Mobility of Black and White Families in the United States. In *Unequal Chances: Family Background and Economic Success*, ed. S. Bowles, H. Gintis, and M. O. Groves, 165–91. New York & Princeton, N.J.: Russell Sage Foundation & Princeton University Press.

------. 2006. *Understanding Mobility in America*. Washington, D.C.: Center for American Progress.

Immervoll, H., and L. Richardson. 2013. *Redistribution Policy in Europe and the United States: Is the Great Recession a 'Game Changer' for Working Age Families?* OECD Social, Employment, and Migration Working Papers No. 150. OECD Publishing.

Isaacs, J. B. 2008. *Economic Mobility of Black and White Families*. Washington, D.C.: The Brookings Institution.

Katz, M. B., M. J. Stern, and J. J. Fader. 2005. The New African American Inequality. *Journal of American History* 92(1), June: 75–108.

Katznelson, I. 2005. *When Affirmative Action was White: An Untold History of Racial Inequality in Twentieth-Century America*. New York: W.W. Norton & Company.

Kellstedt, P. M. 2003. *The Mass Media and the Dynamics of American Racial Attitudes*. New York: Cambridge University Press.

Kinder, D. R. and C. D. Kam. 2009. *Us Against Them: Ethnocentric Foundations of American Opinion*. Chicago: University of Chicago Press.

Kinder, D. R. and T. Mendelberg. 2000. Individualism Reconsidered: Principles and Prejudice in Contemporary American Opinion. In *Racialized Politics: The Debate about Racism in America*, eds. D. O. Sears, J. Sidanius, and L. Bobo, 44–74. Chicago, IL: University of Chicago Press.

Krueger, A. B. 2012. The Rise and Consequences of Inequality in the United States. Speech. Washington, D.C.: Center for American Progress.

Leonard, J. S. 1984. Employment and Occupational Advances under Affirmative Action. *Review of Economics and Statistics* 66:381–84.

------. 1990. The Impact of Affirmative Action Regulation and Equal Employment Law on Black Employment. *The Journal of Economic Perspectives* 4:47–63.

Lieberman, R. 1998. *Shifting the Color Line: Race and the American Welfare State*. Cambridge, Mass.: Harvard University Press.

Massey, D. S. 2007. *Categorically Unequal: The American Stratification System*. New York: Russell Sage Foundation.

McKernan, S.-M., C. Ratcliffe, E. Steuerle, and S. Zhang. 2013. *Less Than Equal: Racial Disparities in Wealth Accumulation*. Washington, D.C.: Urban Institute.

Michaelides, M., and P. R. Mueser. 2012. Recent Trends in the Characteristics of Unemployment Insurance Recipients. *Monthly Labor Review*, July, 28–47.

Myrdal, G. 1944. *An American Dilemma: The Negro Problem and Modern Democracy*. New York: Harper and Row.

Nichols, A., and M. Simms. 2012. *Racial and Ethnic Differences in Receipt of Unemployment Insurance Benefits During the Great Recession*. Brief 04. Unemployment and Recovery Project. Washington, D.C.: Urban Institute.

Northrup, H. R. 1970. *Negro Employment in Basic Industry: A Study of Racial Policies in Six Industries*. Philadelphia, Penn.: University of Pennsylvania Press.

Oliver, M., and T. Shapiro. 1997. *Black Wealth/White Wealth*. New York: Routledge.

Ozawa, M. N., and H.-J. Kim. 2001. Money's worth in social security benefits: Black-white differences. *Social Work Research* 25(1), March: 5–14.

Pettit, B. 2012. *Invisible Men: Mass Incarceration and the Myth of Black Progress*. New York: Russell Sage Foundation.

The President's Commission on Veterans' Pensions. 1956. *Readjustment Benefits: General Survey and Appraisal*. Staff rept. 9. Washington, D.C.: U.S. Government Printing Office.

Schram, S. F., J. Soss, Fording Richard C., and L. Houser. 2009. Deciding to Discipline: Race, Choice, and Punishment at the Frontlines of Welfare Reform. *American Sociological Review* 74 (June):398–422.

Shapiro, T., T. Meschede, and S. Osoro. 2013. *The Roots of the Widening Racial Wealth Gap: Explaining the Black-White Economic Divide*. Waltham, Mass.: Institute on Assets and Social Policy, Brandeis University.

Smith, D. B. 1999. *Health Care Divided: Race and Healing a Nation*. Ann Arbor, Mich.: University of Michigan Press.

Sorkin, A. L. 1969. Education, Migration and Negro Unemployment. *Social Forces* 47(3), March: 265–74.

Soss, J., R. D. Fording, and S. Schram. 2011. *Disciplining the Poor: Neoliberal Paternalism and the Persistent Power of Race*. Chicago: University of Chicago Press.

Steuerle, C. E., A. Carasso, and L. Cohen. 2004. *How Progressive is Social Security and Why? Straight Talk on Social Security and Retirement Policy* 37 (May).

Sugrue, T. 1996. *The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit*. Princeton, New Jersey: Princeton University Press.

Tilly, C. 1998. *Durable Inequality*. Berkeley, Calif.: University of California Press.

Townsend, W. S. 1974. Full Employment and the Negro Worker. *In Documentary History of the Negro People in the United States*, ed. H. Aptheker, 519–25. New York: Citadel Press.

U.S. Bureau of the Census. 1993. *Measuring the Effect of Benefits and Taxes on Income and Poverty: 1992*. Current Population Reports. P60–186RD. Washington, D.C.: U.S. Government Printing Office.

------. 2012. *Income, Poverty, and Health Insurance Coverage in the United States: 2011*. Current Population Reports. P60–243. Washington, D.C.: U.S. Government Printing Office.

Waldinger, R. 2001. Up from Poverty? "Race," Immigration, and the Fate of Low-Skilled Workers. In *Strangers at the Gates: New Immigrants in Urban America*, ed. R. Waldinger, 90–116. Berkeley, Calif.: University of California Press.

Western, B. 2006. *Punishment and Inequality in America*. New York: Russell Sage Foundation.

Winter, N. J. 2006. Beyond Welfare: Framing and the Racialization of White Opinion on Social Security. *American Journal of Political Science* 50(2), April: 400–420.

Chinhui Juhn, "Black White Empliyment Differentiial in A Tight Labor Market" in Robert Cherry and Williuam Rogers III (eds), *Prosperity for all? The Economic Boom and African Americans* (New York: Russel Sage Foundation, 2000)