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SOCIOLOGY

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STRATIFICATION: STRUCTURED SOCIAL INEQUALITY

We saw in Part 2 that social inequality is a key part of the structure of society. Indeed, Part 2 examined one form of structured social inequality, sexism. In Part 3, consisting of Chapters 9, 10, and 11, we shall examine social inequality in greater detail. Sociologists use the term *stratification* to refer to structured social inequality. More specifically, *stratification* can be defined as a systematic social pattern whereby scarce resources are distributed unequally among the people in a society.

Chapter 9 begins by describing some of the scarce resources that form the basis of stratification. One of the most important of these resources is wealth, and the major concern of Chapter 9 is with inequalities of wealth and income.

Chapter 10 concerns the political dimension of stratification. It examines how people get political power and asks who does and does not exercise power in the political system, and why. An important sociological debate addressed in this chapter concerns the relationship between economic wealth and political power: Are they one and the same, or is it possible to have wealth without power or power without wealth?

Both wealth and power, as well as other scarce resources, are often distributed unequally between racial and ethnic groups. As a result, many multiracial and multiethnic societies are marked by discrimination and conflict. These issues are addressed in Chapter 11. Because racial and ethnic problems are *not unique* to the United States, the chapter includes discussions of race and ethnic relations in a number of societies throughout the world, with the objective of understanding the underlying causes of racial inequality and conflict.



SOCIAL STRATIFICATION: THE ECONOMIC AND PRESTIGE DIMENSIONS

In 1991, Anthony O'Reilly, chief executive of H. J. Heinz, was paid \$205,753. That was not his *annual* pay, however. That is how much he received *per day*. On an annual basis, Mr. O'Reilly received \$75,100,000 in salary, benefits, and long-term compensation (*St. Louis Post-Dispatch*, 1992). Although Mr. O'Reilly was the highest-paid corporate executive in the United States in 1991, he certainly was not in a category by himself. Toys R Us chairman Charles Lazarus received \$60 million in 1986; Lotus Development chairman Jim Manzi, \$26 million in 1987; and UAL chairman Stephen Wolf, \$18 million in 1990—even though his company's profits fell 71 percent. The highest pay in recent years was the \$78.2 million paid to Steven Ross of Time-Warner in 1990. Overall, the *average* chief executive officer (CEO) of a major corporation was paid \$1.4 million in 1990, and during the 1980s, CEO pay rose 212 percent—four times as fast as the pay of ordinary workers (Thomas and Reibstein, 1991; *St. Louis Post-Dispatch*, 1992).

Meanwhile, most Americans struggled to keep up with inflation. Adjusted for inflation, the typical family's income declined by 3.2 percent between 1990 and 1991, and the typical household's income fell more than 5 percent between 1989 and 1991 (U.S. Bureau of the Census, 1992a). The number of people below the poverty level rose to 35.7 million in 1991 (U.S. Bureau of the Census, 1992f). The immense contrast between the wealthiest CEOs and the poorest Americans is hard to imagine. The combined *annual* income of 14 families of four living at the federal poverty level would be less than what Anthony O'Reilly received *every day* in 1991!

WHAT IS STRATIFICATION?

- Dimensions of Stratification
- The Economic Dimension
- The Political Dimension
- The Social Prestige Dimension

THE DISTRIBUTION OF WEALTH AND INCOME IN THE UNITED STATES

- The Distribution of Income
- The Distribution of Wealth

SOCIOECONOMIC MOBILITY

- Caste Systems
- Estate or Feudal Systems
- Class Systems
- International Comparisons of Mobility

SOCIAL CLASS IN U.S. SOCIETY

- The Marxian Definition of Social Class
- The Composite Definition of Social Class
- The Subjective Definition of Social Class
- Class Consciousness in the United States

POVERTY IN THE UNITED STATES

- How Poverty Is Defined
- Poverty in America: The Current Situation
- Who Is Poor?

CAUSES OF POVERTY

- Poor People Themselves? Work, Family Structure, and Poverty

Social Issues for the '90s:
Does Welfare Cause Poverty?

- Unemployment
- Low Wages
- Government Policy

CONSEQUENCES OF POVERTY

FUNCTIONALIST AND CONFLICT PERSPECTIVES ON STRATIFICATION

- The Functionalist View: Davis and Moore
- The Conflict View
- Is Stratification Really Functional?
- Synthesis

Somewhere between Anthony O'Reilly and the family living at the poverty level are the great mass of middle-income Americans whose incomes have at best remained stable but whose share of the nation's total income has declined over the past decade or two (U.S. Bureau of the Census, 1990a, p. 6). Between 1980 and 1990, the income of this middle group rose by only about 7 percent after adjusting for inflation, and between 1988 and 1990, it declined. In contrast, the much higher incomes of those in the top 5 percent of the population rose by about 26 percent between 1980 and 1990, and unlike that of the middle-income group, the 1990 income of the wealthiest group remained above its 1988 level (U.S. Bureau of the Census, 1991f).

Clearly, these figures indicate the existence of great and increasing inequality in American society. Although inequality may be more extreme in the United States than in other industrialized nations, the United States has no monopoly on social inequality. In this chapter, we shall examine the nature, causes, and consequences of social *stratification*: structured inequality in the distribution of scarce resources. A *scarce resource* can be anything people want that is not abundant enough for all people to have as much as they want. Money, power, and fame are all examples of scarce resources.

WHAT IS STRATIFICATION?

Some form of social stratification exists in all societies. These patterns of stratification can be thought of as *ranking systems* within societies. People can be ranked on the basis of how much of the society's scarce resources they *own and control*. Those with a large share of scarce resources rank high; those with a small share rank low.

Dimensions of Stratification

Different kinds of scarce resources are distributed unequally in a society. On the basis of his or her share of one resource such as money, a person could hold a high rank, while on the basis of his or her share of another resource, such as status in the community, the same person might rank low. Consider, for example, a poorly educated rural family that by a stroke of luck comes into a great fortune — a situation humorously portrayed in the television show *Beverly Hillbillies*.

These different ranking systems, based on the distribution of different scarce resources, have been referred to by sociologists as **dimensions of stratification**. A major contribution of the classic social theorist Max Weber (1968

[orig. 1922]) was his recognition that most societies have three major dimensions of stratification: an *economic dimension* (wealth and income), a *political dimension* (power), and a *social prestige dimension* (status). Let us consider each.

The Economic Dimension

The economic dimension of stratification concerns money and the things it can buy. It involves two key variables, *income* and *wealth*, which are related but are not the same.

Income refers to the amount of money that a person or family receives over some defined period of time, usually a calendar year. Essentially, it is what you report on your income-tax form in April. Data on income in the United States are readily available because the Census Bureau asks people about their incomes each year in its current population survey. More detailed data on income also are collected every 10 years, as part of the decennial Census.

Wealth refers to the total value of everything that a person or family owns, minus any debts owed. It is similar in meaning to “net worth.” Thus, wealth refers not to what you *receive* over some time period, but to what you *have* at a particular point in time.

The Political Dimension

As we saw in earlier chapters, *power* can be defined as the ability to get people to behave as you want them to behave. Power usually is exercised through the political system, at least to some extent. Thus, voting, office holding, lobbying, *contributing* to campaigns, boycotting, striking, and demonstrating are all means by which people can exercise power. Because power is an abstract concept and can be exercised in many different ways, there is no simple way of measuring it. Nonetheless, we shall see in Chapter 10 that sociologists have developed some rather sophisticated ways of examining the distribution of power. For now, however, our main concerns are the economic and social prestige dimensions of stratification.

The Social Prestige Dimension

The third dimension of stratification is social **prestige**, sometimes referred to as *status*. This dimension has to do with what people think of you. If people think highly of you and you are well known, you have a high level of status or prestige. If people think poorly of you, you have a low level of prestige. By definition, prestige is a scarce resource. Being “well regarded” is always a relative or comparative

matter. It would be meaningless to be well regarded if everyone were equally well regarded. Then everyone would be the same, and nobody would stand out.

There are numerous ways to gain prestige or status. People can get status on the basis of their family name, if, for example, they happen to be a Rockefeller or a Kennedy, or, perhaps, a Fonda or a Jackson. They can get it on the basis of their education or occupation—as we shall see later, occupation is one of the most consistent determinants of status. Accomplishments, titles, and public exposure can be sources of status or prestige. Ultimately, however, prestige is a matter of what people think. Thus, the best way to measure it is to ask. Surveys of occupational prestige, most admired person, most recognized name, and so forth are important ways of measuring prestige.

THE DISTRIBUTION OF WEALTH AND INCOME IN THE UNITED STATES

The Distribution of Income

In 1991, the median family income in the United States was \$35,353 (U.S. Bureau of the Census, 1992). As you will recall from Chapter 2, median family income is the income level that is in the middle of the distribution: Half of all families have incomes above the median; half have incomes below the median. For individual adults not married or living with their parents, the median income in 1991 was \$15,008. Income is distributed quite unequally in the United States. In 1990, the top one-fifth of households received 46.6 percent of all income, or about 12 times the share that went to the bottom fifth (3.9 percent) (U.S. Bureau of the Census, 1991f).

A limited number of families and individuals at the very top get an especially large share of the nation's income. For example, the richest 5 percent of American families receive about four times as big a share of the nation's income as is received by the poorest 20 percent of families. In fact, this 5 percent actually receive a larger share of the nation's family income than the lowest 40 percent of families do.

Among individuals, the difference is even more extreme: The richest 5 percent receive five and one-half times as much income as the poorest 20 percent (U.S. Bureau of the Census, 1990, p. 29), and more than one and one-half times as much as went to the bottom 40 percent. Thus, it is clear that income differences within the United States are very large.

The Trend: More or Less Equal? Do these figures represent more or less inequality than in the past? The answer is

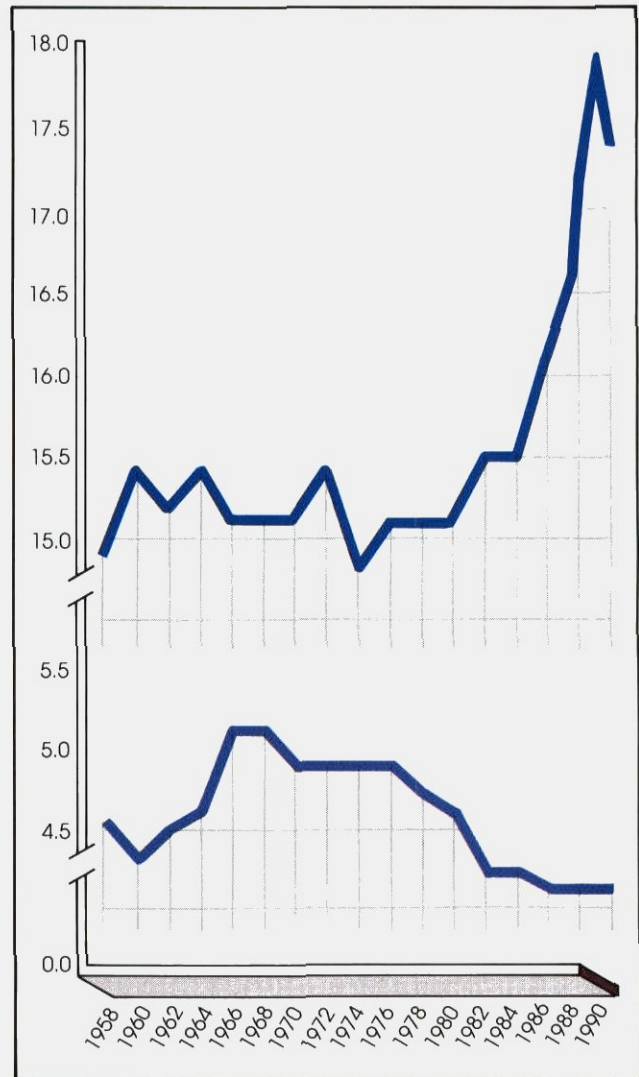


FIGURE 9.1 Time Trend in the Distribution of Family Income, United States, 1958–1989

Top line: Share of family income going to top 5 percent of all U.S. families. Bottom line: Share of family income going to bottom 20 percent of all U.S. families.

SOURCES: U.S. Bureau of the Census, 1990a, 1987a, 1985a, 1991f.

that, over the long run, there has not been a great deal of change, but since the mid-1970s, as is illustrated in Figure 9.1, the distribution has clearly shifted in the direction of inequality (Olsen, 1990; Burtless, 1990). Over the longer term of American history, there has been some limited change in the degree of inequality. There was some shift toward greater equality between about 1929 and 1944

(Fusfeld, 1976, p. 630)—a period roughly corresponding to Franklin Roosevelt’s New Deal and World War II. For the next 30 years, there was little change. In the last 10 years, there appears to be some shift back to the pre-Roosevelt pattern, as the rich have gotten richer and the poor poorer. This is a fairly significant change, given the relatively small changes across the longer term of American history (Bartlett and Steele, 1992).

Income Inequality: A Comparative View How does the United States compare to other countries in its distribution of income? First, it is important to point out that *virtually all* industrialized countries distribute income more equally than most preindustrial, less economically developed countries (Fusfeld, 1976, p. 630). As countries industrialize and modernize, their inequality tends to decrease (Lenski, 1966). The appropriate standard of comparison for the United States, then, is other countries that have already industrialized.

The United States has greater income inequality than most of these countries. Table 9.1 shows that income inequality in the United States is above average for industrialized countries. The wealthiest 10 percent of Americans received a larger share of total income than the average for all of the countries, and there is not one country among the 15 shown in the table where the poorest 20 percent received a smaller share of total income than in the United States. Overall, the top 10 percent of Americans received 5.3 times as much income as the bottom 20 percent; this compares to an average of 3.6 for the other countries. Thus,



“The poor are getting poorer, but with the rich getting richer it all averages out in the long run.”

Drawing by Joe Mirachi; © 1988 The New Yorker Magazine, Inc.

in the United States, the wealthy receive more income relative to the poor than in most industrialized countries.

In at least some cases, this has become a source of tension in international economic relations. As is discussed

TABLE 9.1 Income Inequality in 15 Industrialized Countries

Country and Year	Percent of Income Received by Lowest 20% of Households	Percent of Income Received by Highest 10% of Households	Ratio of Top 10% to Bottom 20%
Switzerland, 1982	5.2%	29.8%	5.7
Spain, 1980–81	6.9	24.5	3.6
Italy, 1986	6.8	25.3	4.4
United Kingdom, 1979	5.8	23.3	4.0
Japan, 1979	8.7	22.4	2.6
Belgium, 1978–79	7.9	21.5	2.7
Finland, 1981	6.3	21.7	3.4
Netherlands, 1983	6.9	23.0	3.3
Canada, 1987	5.7	24.1	4.2
France, 1979	6.3	25.5	4.0
West Germany, 1984	6.8	23.4	3.4
Denmark, 1981	5.4	22.3	4.1
United States, 1985	4.7	25.0	5.3
Sweden, 1981	8.0	20.8	2.6
Norway, 1979	6.2	21.2	3.4
Average, 15 countries	6.6	23.1	3.6

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EXECUTIVE SALARIES

The issue of the salaries of American CEOs came up during George Bush's 1992 trip to Japan with senior automobile executives. The Japanese blamed the high price of American cars on exorbitant U.S. executive salaries. Though executive salaries account for a relatively small part of the cost of a car, it is true the American executives are generally paid more than their counterparts in other countries.

According to Graef Crystal, an executive pay expert and professor at the University of California at Berkeley, the chief executives of America's biggest companies made an average of \$3.2 million in 1992, while their Japanese counterparts averaged \$525,000. Chrysler's CEO, Lee Iacocca, had a \$4.6-million pay package that year (small potatoes compared to the late Time Warner chief Steve Ross's \$78.2 million take in 1990, or Reebok In-

SOURCES: Reuters, October 15, 1992; *The New York Times*, April 11, 1992; *Newsweek*, February 10, 1992; *The Detroit News*, January 10, 1992.

ternational CEO Paul Fireman's \$14.8 million).

An American pay package consists of a base salary (in 1992 Lee Iacocca's base salary was \$976,378, for instance), to which a huge bonus is often added (depending on sales and performance of the company), and stock options, i.e., rights to buy shares of company stock at reduced cost. Some of these options are worth millions of dollars. These profit-sharing incentives are supposed to focus an executive's energies on improving the company's performance.

In their defense, American CEOs contend that Japanese executives receive nontaxable perks that boost their salaries, such as company-supported luxury houses or apartments in exclusive neighborhoods, club memberships that would otherwise cost hundreds of thousands of dollars, and virtually unlimited expense accounts.

Still, compensation experts admit that U.S. executives are the

best paid in the world. According to Honda North America spokesman Aki Kato, Honda's president, Nobuhiko Kawamoto, earned about \$400,000 last year—less than one-tenth of Iacocca's compensation—and did not benefit from any extra executive perks. Douglas Ostrom, an economist at the Japan Economic Institute in Washington, estimates that U.S. CEOs are, on average, paid 80 times as much as their blue-collar employees earn. In contrast, Japanese top managers get about eight times the pay of their rank-and-file workers. While the high pay of CEOs may or may not be a substantial factor in the profit-loss situation of American companies, they do act as a drain on their resources and may hurt worker morale by heightening a sense of unfairness. At the very least, they are hard to justify on any basis of productivity, as some American executives have received large compensation increases even as companies were losing tens or hundreds of millions of dollars.

in the box "Executive Salaries," the high salaries of U.S. CEOs have been criticized by officials from Japan, where executive salaries are much lower.

The Distribution of Wealth

As unequal as the distribution of income is in the United States, wealth is even more unequally distributed. A Census Bureau survey concerning household wealth found that, nationally, just 10 percent of the population owns half the wealth, and the top 20 percent owns two-thirds (Oliver and Shapiro, 1990). The study also showed that the average white household was eleven times as wealthy as the average black household, and that about one in 10 white households and one in three black households had zero or nega-

tive net worth (National Research Council, 1989; Oliver and Shapiro, 1990).

Another survey, conducted by the University of Michigan's Institute for Social Research (ISR), is considered particularly useful because it included an oversampling of the very wealthy, a group so small that usually it is largely missed in surveys. This survey showed that just 0.5 percent of the population owned 27 percent of the wealth—a slightly larger share than 20 years earlier (Ericksen, 1988), but almost twice as much as in 1976 (*St. Louis Post-Dispatch*, 1986). Both surveys showed that, overall, about one American household out of five has zero or negative net worth. Thus, ownership of wealth is highly concentrated in the United States. Moreover, recent research indicates that it became even more concentrated between 1983 and 1989 (Wolff, 1992).

Ownership of the types of wealth that produce income, such as corporate stock, is even more concentrated among the few (Blume, 1974; U.S. Bureau of the Census, 1986c). One study found that, for all wealth other than houses and cars, 90 percent is owned by just 20 percent of the population, and more than half is owned by the wealthiest 5 percent of the population (Oliver and Shapiro, 1990).

SOCIOECONOMIC MOBILITY

Thus far, we have described the degree of economic inequality found in the United States. A separate, although related, question about the *degree* of inequality concerns **socioeconomic mobility**: the frequency with which people move up or down in the society's economic hierarchy. In a society with very high socioeconomic mobility, it would not be unusual for a person to be born very poor and end up very wealthy as an adult—or the other way around. In sociological terms, a society such as this would have an **open stratification system**. In this type of system, *achieved statuses* have substantial influence over the social status a person attains in adulthood. In a society with very low mobility, those born poor nearly always stay poor, and those born wealthy nearly always stay wealthy. This type of society is said to have a **closed stratification system**. In a closed stratification system, *ascribed statuses* largely determine a person's social position throughout life.

Among all societies, there is generally greater mobility in societies that have less inequality. The main reason for this is that as preindustrial societies modernize and become industrialized societies, inequality declines and mobility increases over the long run. However, among societies at any given level of industrialization, the relationship between the degree of inequality and the amount of mobility is much weaker.

Sociologists have classified societies into three types, based on their degree of mobility. The least mobility is found in *caste systems*, with only modestly greater mobility in *estate* or *feudal systems*. Both of these types of society are typically found in preindustrial societies. *Class systems*, usually found in industrialized societies, have greater, but far from unlimited, mobility.

Caste Systems

As noted above, the least mobility is found in a **caste system**. A caste system has legally or formally defined groupings that are assigned by birth and are not subject to change. In other words, a person is born into a particular group, called a **caste**, and must remain in that caste throughout life. In sociological terms, a person's position throughout life is *entirely determined* by the ascribed status of the caste into

which he or she was born; achieved statuses have *no* influence over a person's life situation in a caste system.

India: A Case Study Although caste has existed in some form in many societies throughout history, the two best-known examples of caste systems are those of India and South Africa. In India, a caste system based on religion has existed for thousands of years. Different roles have been assigned to different castes for centuries, ranging from the *priestly religious functions* of the highest, or Brahman, caste to the common labor performed by the lowest caste. The lowest castes are defined as "untouchable" by people in the higher castes, with contact of all types—even looking at one another—being forbidden. Of course, the castes also are required to live separately. As is generally true of caste systems, the caste into which one is born has traditionally determined one's status throughout life, whom one can marry, the jobs one can have, and the status of one's children and grandchildren throughout their lives. The caste

By 1993 many legal aspects of the caste system in South Africa like those shown above have been eliminated, but different groups still have very different rights and standards of living.



system in India was officially abolished in 1949, but it continues to have considerable influence on social behavior, particularly in rural areas. In urban areas, however, its influence has waned, partly because of the legislation, but also partly because cities house such a variety of people who must do business and come into contact with one another that regulating who may speak to whom is far more difficult. Not only in India, but everywhere, formal and rigid closed systems of stratification become harder and harder to maintain as society urbanizes and modernizes. (See Chapter 18 for further discussion of this point.)

South Africa and Apartheid About the same time that India was legally abolishing its caste system, South Africa was formally writing its caste system — called **apartheid** — into law. From 1948 until 1991, South Africa was a prime example of a **racial caste system**, in which the castes are defined on the basis of race. During this period, South Africa's apartheid laws defined four racial castes: European (white), African (black), coloured (mixed European and African ancestry), and Asian. Political and educational rights, types of jobs, and type and location of housing were all legally defined on the basis of these groupings. Until the late 1980s, people of different races were forbidden to marry, have sexual contact, or even *conspire* to have sexual contact. People had to carry passes identifying their race, which determined where and when they could travel. By 1991, all of these laws had been repealed except for one crucial one: Africans — the vast majority of the country's population — still cannot vote in national elections, although negotiations on political rights were under way in 1993. Thus, *legally* speaking, many aspects of the racial caste system have been eliminated. However, as a practical matter, different groups have vastly different rights and standards of living. Still, the violent protest against apartheid from the 1960s on and the eventual elimination of formal, legally mandated segregation and race classification again illustrate the great difficulty of maintaining a caste system in a modernizing, urbanizing society.

The United States also has a racial caste system in its history, dating back to the beginnings of slavery. The “Jim Crow” laws that mandated segregation of blacks in the South from two decades after the Civil War until the mid-twentieth century continued a system in which race determined where one could go and what one could do, in many ways paralleling the laws that mandated segregation in South Africa. At one time, similar laws also existed in many parts of the North, though they were eliminated there earlier. Since the mid-1950s, federal court rulings and legislation also have eliminated segregation laws in the South, and today deliberate racial discrimination is illegal. However, as is discussed in greater detail in Chapter 11, vestiges of the old caste system remain in the form of substantial socioeconomic inequalities between African Americans and whites.

Estate or Feudal Systems

The **estate system**, also called the *feudal system*, offers slightly more mobility than the caste system. In an estate system, status is determined on the basis of land ownership, often accompanied by some type of formal title. In general, the high-status groups are those who own land, and the rest of the population generally works for them. Some variety of the estate system has been found in most of the world at some point in history, including the feudal systems of medieval Europe and of China and Russia in the nineteenth and early twentieth centuries, and the hacienda systems of Latin America, some of which remain largely intact today. The American South before the Civil War, where wealth and power were concentrated in the hands of large-scale plantation owners, is often regarded as a form of feudal or estate system, although slavery also made it a type of racial caste system.

In a feudal system, your position throughout life is usually determined by the *ascribed status* of whether you were born into the landowning class. Occasionally, however, titles that permit entry into this elite class may be conferred. In the European feudal system, for example, a peasant could occasionally be knighted or admitted to the clergy, which gave him the privileges associated with these landowning classes. However, this was the exception to the rule. Because of their link to land ownership, estate systems are found in agricultural, preindustrial societies. When societies begin to urbanize, the feudal system almost inevitably breaks down.

Class Systems

The highest degree of mobility is found in **class systems**. In a class system, both ascribed statuses and achieved statuses have significant effects on people's income, wealth, and social position. In other words, people who are born into affluent families generally enjoy a higher status as adults than people who are born into poorer families, but what people *do* — the amount of schooling they attain and the success of their personal and economic decisions — also influences their status as adults. Class systems are typically found in modern industrial societies. The present-day United States, Canada, Australia, New Zealand, Israel, and most countries in Europe are examples of class systems.

Achieved and Ascribed Statuses Many people have the misunderstanding that only achieved statuses matter in a class system. This is clearly *not* true. The difference between class systems and the other two systems (caste and estate) is not that ascribed statuses *don't* matter, but rather that achieved statuses *do*. This can be seen by examining studies of socioeconomic mobility in class societies. Most such studies look at **intergenerational mobility**; that is, they compare a person's status with that of his or her par-

ents. The majority of these studies have compared the status of sons to that of their fathers, because in previous generations, mothers usually did not work outside the home and derived their social and economic status from their husbands. Recently, however, such studies have begun to include both women and men (e.g., DiPrete and Grusky, 1990). What all these studies show is that mobility is quite limited in class systems. In other words, most people have statuses quite close to those of their parents (Blau and Duncan, 1967; see also Featherman and Hauser, 1978). In most cases, the status of the offspring is slightly higher than that of the parent, but this mainly reflects what sociologists call **structural mobility**—there has been growth in better-paying, more pleasant, higher-status, white-collar jobs, and a decline in the number of blue-collar jobs (Featherman, 1979).

Exchange Mobility Although many people do move up slightly in status and a good number of sons of blue-collar workers (about one in three) have moved up to white-collar employment, two facts show the continuing influence of ascribed statuses. First, although many people move up a little because there are more of the “desirable” jobs today than in the past, people usually do not change their *relative* status a great deal (Rytina, 1989, 1992). A man who has a white-collar job in contrast to his father’s blue-collar job may still have a job status and an income below those of 70 percent of the population, just as his father did. Sociologists refer to this situation as an absence of **exchange mobility**. People’s absolute position may change, but their position *relative to others* is less likely to.

The second point to remember is that, even though people may move up or down slightly, they are not likely to move a great deal. We can see this by examining the proportion of sons of manual workers who attain *professional* employment—the more desirable jobs that require specific technical or professional education. In the United States, the most widely cited study of mobility found that only one out of ten sons of manual laborers attains professional employment—in contrast to *seven* out of ten sons of professional workers (Blau and Duncan, 1967). In other words, if your father is a professional worker, you have *seven times* as great a chance of getting that type of job as you have if your father is a laborer. Your chances of getting such a high-status job are even lower if you are born into a family with an income below the poverty level. If this is the case, you are a good deal more likely than the average person to experience poverty as an adult. Thus poverty as well as wealth is frequently passed from generation to generation. Recently, research has indicated that exchange mobility has increased, but as the economy has stagnated and good jobs have disappeared, structural mobility has decreased in the United States. The result is little overall change in occupational mobility (Hout, 1988).

Ascribed statuses such as race and sex also continue to be important in class societies. Women and racial or ethnic minorities receive lower pay and work at lower-status jobs than white males do, even when their parents have similar status. Among year-round, full-time workers in 1990, for example, black males received a median income only 71 percent as high as that of white males. The median income of white females was only 69 percent as high as that of white males, and black females and Hispanic males and females fared even worse (computed from U.S. Bureau of the Census, 1991f, p. 106). Thus, race and sex biases compound the influence of ascribed statuses in class societies. A final important point is that ownership of major, income-producing wealth is even more likely to be based on the luck of birth. For all these reasons, then, the status into which you are born makes a big difference, even in a class society.

International Comparisons of Mobility

How does the United States compare to other class societies with regard to mobility? It is often argued that the greater class inequality of the United States is offset by greater mobility. The actual findings of research suggest that this may be true, but only to a very limited extent. In general, there is little difference in the degree of mobility in different class societies (Lipset and Bendix, 1960; Tyree, Semyonov, and Hodge, 1979; Ishida, Goldthorpe, and Erikson, 1991; Grusky and Hauser, 1984; Lin and Bian, 1991). All have some mobility, but in all of them, including the United States, movement from very low statuses to very high statuses is much more the exception than the rule. Movement within and out of the middle strata, in contrast, appears more common (Grusky and Hauser, 1984). Within this general observation, a case can be made that there is a little more mobility in the United States than in other industrialized countries (Krymkowski, 1991). For example, the proportion of people who move from manual labor to professional occupations—although a tiny minority everywhere—is higher in the United States than in most other countries. This may reflect high *structural mobility* owing to white-collar job growth rather than high *exchange mobility* (see Slomczynski and Krauze, 1987, p. 605; but also Hauser and Grusky, 1988).

A precise answer to the question of whether the United States has more mobility than other countries, however, depends on how you measure mobility and what countries you use for comparison. The United States does appear to have more mobility than Great Britain, for example (Yamaguchi, 1988), but that may be more a reflection of the unusually *low* level of mobility in Great Britain (Wong, 1990). Comparisons with Japan show conflicting results depending on the measure of mobility used (Yamaguchi, 1988), but overall the difference between the United States and Japan is not large (Wong, 1990). Wong’s study found

that Poland and Hungary also had levels of mobility similar to the United States and Japan; however, all of these countries had more relative mobility than countries such as Great Britain and Brazil. Slomczynski and Krauze (1987, p. 608) compared 22 countries on two measures of relative or exchange mobility, and found that the United States had above-average levels of mobility by one measure but average mobility according to the other. At the very least, then, it would be inaccurate to say that the United States has much greater mobility than most other industrialized countries. The similarities—particularly for exchange or relative mobility—are much greater than the differences (Ishida, Goldthorpe, and Erikson, 1991), and different measures do not give highly consistent results.

Although the United States has little more mobility than most other industrialized societies, the fact remains that Americans *believe* we have considerable mobility. The Horatio Alger myth that anyone, no matter how poor, can succeed on a grand scale is alive and well. Seventy percent of Americans agree, for example, that “America is the land of opportunity where everyone who works hard can get ahead” (Kluegel and Smith, 1986, p. 44). Although over 80 percent agree that “people who grew up in rich families” have a better-than-average chance of getting ahead, two-thirds also think that “people who grew up in poor families” have an average or better-than-average chance of getting ahead (Kluegel and Smith, 1986, p. 49). The majority also believe the same about blacks and women, and over 90 percent feel that way about “people who grew up in working-class families.” The fact is that all of these groups have a considerably poorer-than-average chance of getting ahead, yet most Americans persist in believing otherwise. In short, the reality is that there is significantly *less* mobility in American society than most Americans believe. The result of these beliefs is that many Americans oppose efforts to reduce poverty, because they incorrectly place most of the blame for poverty on poor people themselves (Kluegel, 1990; Kluegel and Smith, 1986).

SOCIAL CLASS IN U.S. SOCIETY

Sociologists refer to a group of people who are similar in terms of level of income or wealth as a **social class**. Inequalities in income and wealth are called *class stratification*, and your position within that system of inequality is called your *social class*. A term similar in meaning to class is **socioeconomic status**. Social class and socioeconomic status are often taken to include not only your levels of income and wealth, but also the prestige of your occupation and the amount of education you have attained. Sociologists do not agree on the relative importance of these various factors in defining social class. Partly for this reason, they cannot agree on any uniform system for defining or identi-

fying social classes. We shall focus on three common formulations of social class: the Marxian definition, the composite approach, and subjective class, recognizing at the start that none of these is accepted by all sociologists.

The Marxian Definition of Social Class

Karl Marx made the most important early contribution to thinking about social class and made the study of social class a key item on the agenda for sociology. Marx’s entire analysis of society centers around social class. He believed that all aspects of a society are an outgrowth of—but also help to perpetuate—the society’s **class structure**. To Marx, there were only two classes in any type of society that really mattered—the *ruling class*, who owned the means of production, and the *subordinate class*, who did not.

In a feudal agricultural society, the landowners are the ruling class, and the subordinate class consists of peasants, serfs, tenant farmers, sharecroppers, or slaves—those who work land they do not own and turn over the products of their labor to the landowning class. When urbanization and industrialization arrive, such an economy is replaced by a new system with a new class structure. In a capitalist society—any industrial society where the means of production are privately owned—the ruling class is the bourgeoisie: the class that owns capital. By capital, we mean productive capacity—factories, mineral resources, land, or money that can be converted into these things.

Most of the population, however, belongs not to the bourgeoisie but to the proletariat: those who do not own capital but work for those who do. Much of the value of what is produced by the proletariat goes not to the proletariat, but to the bourgeoisie. The only thing that really matters in the Marxian definition of class is ownership of the means of production. No matter how much money salaried employees earn, they still do not belong to the ruling class because they do not own the means of production and hence do not gain the benefits of wealth and income produced by the labor of others. At the time Marx wrote, most people who worked for wages or salaries had very low incomes, so the exclusion of this group from the ruling class was probably more obvious than it is today. Nonetheless, modern Marxist theorists argue that this definition continues to be appropriate for two reasons. First, even today most of those who work for wages and salaries have relatively low incomes compared with the owners of capital. Second, even those with high salaries do not receive most of their income from the work of others, unless they use their high salaries to purchase capital on a large scale.

According to this definition of social class, even today the ruling class is very small and the subordinate class is very large. One problem with using Marx’s definition is deciding how to classify what he called the *petit bourgeoisie*; people, such as “ma and pa” convenience store owners,



The highly paid assembly-line worker enjoys an advantage in some areas of life, but may not be placed in as high a social class as a lower paid college professor.

who own small businesses that produce only marginal income. Most Marxist sociologists exclude this group from the true ruling class because their wealth produces a limited amount of income and, usually, little additional wealth. Today, most wealth that generates income and additional wealth is to be found in the corporations—large-scale organizations with multiple owners. Moreover, although many people own *some* corporate stock, the great bulk of corporate wealth is held by a tiny fraction of the population. Recall, for example, studies cited earlier showing that a small percentage of the population owns most of the nation's wealth. The great majority of the U.S. population work for those who do own capital, and even most of those with a relatively high income have a standard of living far below that of the tiny elite that owns most of the corporate wealth. In this regard, the Marxian definition of social class continues to make sense, despite the great diversity in income and lifestyle among those who work for wages and salaries.

The Composite Definition of Social Class

One problem with the Marxian definition of social class is that it places a salaried person receiving \$125,000 a year in the same social class with a person working for the minimum wage (whose income would be less than \$9,000 per year). Clearly, these two people would have very different life experiences as a result of their large difference in income, although neither would live in the style of a Ford or a Rockefeller. Moreover, income is not the only thing that

defines social class. Should an assembly-line worker with a high-school degree and an income of \$40,000 per year be placed in a higher social class than a college professor with a doctorate who earns \$35,000? Many would say no, because the college professor has the advantage of a much greater education and enjoys far more freedom, autonomy, and opportunity for creativity on the job. In fact, this case illustrates the ambiguities of social class: The assembly-line worker enjoys an advantage in some areas of life, and the professor does in others.

Sociologists have attempted to deal with this problem by developing a *composite approach* to defining social class that considers wealth, income, prestige, education, job status, and other factors. This approach is consistent with Max Weber's view, discussed earlier in this chapter, that there are different dimensions of stratification that vary independently of one another. The composite approach does not use hard-and-fast rules for placing people into categories, and the boundaries between categories are often vague. What it does do is create groupings of people who, on the basis of a variety of considerations, are relatively similar. The first such effort, which has guided all subsequent efforts, was that of W. Lloyd Warner and colleagues (1949), in a study of a community they nicknamed "Yankee City." Warner's categories, defined on the basis of wealth, income, prestige, possessions, lifestyle, and community participation, defined six classes: upper-upper, lower-upper, upper-middle, lower-middle, upper-lower, and lower-lower. The majority of the population fell into the two lower groups, about 40 percent into the two middle groups, and just 3 percent into the two upper groups. Since then, sociologists have used a variety of classification systems, most of which have involved five or six classes, labeled in different ways, always with unclear boundaries. Some of these studies have indicated a shrinkage of the lower categories and a growth of the middle ones, partly as a result of the decline in blue-collar employment and the growth of white-collar employment. The truly wealthy elite, however, has changed little in size since the time of Warner's study. Roughly speaking, the use of this type of classification system today would yield something like the six groupings shown in the box entitled "American Social Classes in the 1990s."

The Subjective Definition of Social Class

A third way to approach social class is to let people define their own social class. We refer to this self-defined social class as **subjective class**. In the United States, people do not like to think in terms of class distinctions and tend to place themselves and nearly everyone else in or around the middle. Thus, most studies of subjective class, including a survey I have done in my own classes dozens of times, reveal that around 50 to 60 percent of Americans consider themselves "middle class," and about 30 to 40 percent "working

class" (National Opinion Research Center, 1983; Hodge and Trieman, 1968). Very few—certainly well under 10 percent—ever admit to being "upper class" or "lower class." In my own classes, I have had people who reported family incomes as high as \$150,000 label themselves "middle class," even though such a figure at the time the students were surveyed put them in the upper 2 or 3 percent of all families. Because nearly all Americans call themselves "middle class" or "working class," this method obviously has the disadvantage of classifying people less precisely than the composite method. However, it does tell us a good deal about how Americans think about class.

What factors determine how people define themselves? The answer appears to be a combination of income, education, and occupation. Those with high incomes, a college education, and a white-collar occupation nearly always answer "middle class," whereas those with a below-average income, a high-school education or less, and a blue-collar job generally answer "working class." Men and women define class in somewhat different ways. Men nearly always define their social class on the basis of their own characteristics, while married women define their social class partly according to their own characteristics and partly according to those of their husbands (Simpson, Stark, and Jackson, 1988). However, more women today define their class on the basis of their own characteristics (Davis and Robinson, 1988).

The least predictable answers come from those with *status inconsistencies*—people who rank high in one area but low in another. In my class survey, for example, people from blue-collar families with incomes at or above the median family income are about as likely to call themselves "middle class" as "working class." This is because while their parents' occupations are typical of the working class, their family income is typical of the middle class.

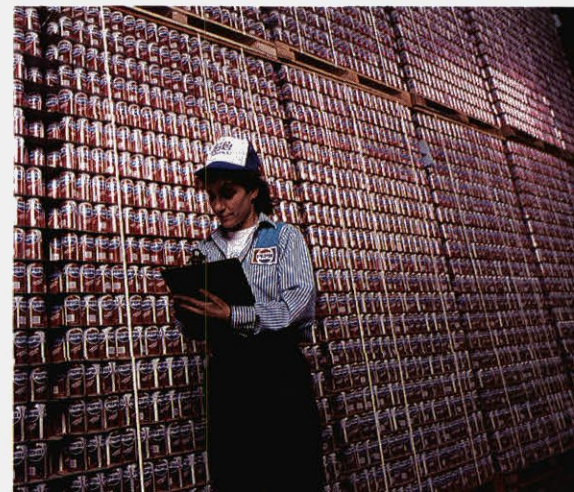
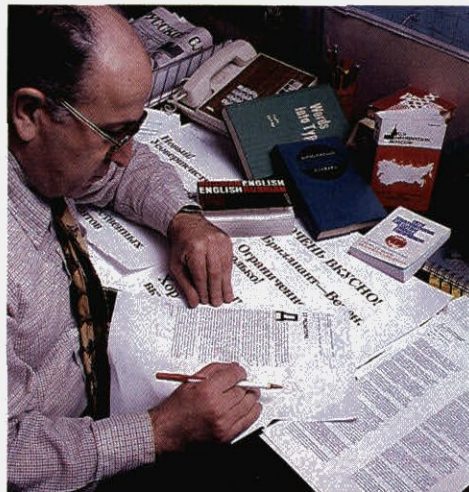
Another group experiencing status inconsistencies is the so-called *new class*, a rapidly growing group of young professionals who are well educated, but, partly because of a labor market flooded by baby boomers born in the 1950s and early 1960s, have experienced relatively low pay and a

significant risk of unemployment or underemployment (Harrington, 1979, pp. 135–137). This group tends to have middle-class tastes and expectations and the education to go with them. Moreover, many are people who deal in the production of ideas, such as professors, journalists, publishers, entertainers, planners, and policymakers. Thus, they tend to be independent thinkers and distrustful of conventional beliefs and traditions (Bruce-Briggs, 1979; Kristol, 1978). At the same time, their incomes are too small to live up to their high expectations, as illustrated by studies showing falling real family incomes among young workers (*St. Louis Post-Dispatch*, 1985). As a result, many of them are finding that it takes two incomes to attain a standard of living that could once be obtained by one breadwinner.

Some experts have predicted that this group may become highly dissatisfied and a major source of dissent in America and other modern societies (Gouldner, 1979; Harrington, 1979). Recent research in the Netherlands has confirmed that this group has to a large extent become the source of leadership for social movements, particularly ones dealing with cultural and environmental issues (Kriesi, 1989). It may also have played an important role in the election of President Bill Clinton in 1992.

Occupational Prestige Closely related to subjective class is occupational prestige. In fact, we already saw that occupation is one of the key factors that determines how people see their own social class. Different occupations clearly carry different levels of prestige, and the work people do has a major effect on the entire prestige or status dimension of stratification. Significantly, the relative prestige of various jobs has remained similar over time and across different places. Surveys done over half a century in the United States have consistently shown that the jobs that had high status in the 1920s and 1930s continue to have high status today; indeed, the relative status of a wide range of jobs has changed very little over the past 50 years (National Opinion Research Center, 1983; Hodge, Siegel, and Rossi, 1964). About the only source of change is in the

Example of high-, medium-, and low-prestige jobs. The prestige of an occupation depends heavily on the level of pay and the educational requirements.



AMERICAN SOCIAL CLASSES IN THE 1990s

In the 1990s, Americans can be roughly classified into six social classes, each of which is described briefly below.

CORPORATE ELITE

Making up about 1 percent of the population, this is the group that owns the bulk of the country's corporate wealth. Usually owning assets in excess of \$1 million, people in this group enjoy a standard of living far beyond that of the rest of the population. They are largely the "old rich," whose names alone are a source of great prestige, and who have been wealthy for generations. Such families include the Rockefellers, Fords, Carnegies, Mellons, and Danforths. A few in this elite are "new rich," having gained corporate wealth as a result of skillful investment, foresight, and often, an element of luck. Examples include the late Sam Walton (founder of Wal-Mart), with a net worth that stood at \$7 billion *after* he lost \$1 billion in one day in the 1987 stock market crash, and Apple Computer founder Steven Jobs. Though the new rich are as wealthy as the old rich, the old rich do not accept them as mem-

bers of the true elite, and their prestige remains a notch below that of the Fords and Rockefellers.

UPPER CLASS

Amounting to about 2 to 5 percent of the population, people in this group differ from the corporate elite in that they are less wealthy and more likely to have gained their wealth as a result of a high salary or investment of earned income than by ownership of key corporate capital. The successful rock singer and professional athlete would fall into this diverse group, as would many corporate executives and some owners of smaller-scale businesses. Although this group includes a good number of millionaires, it is made up mostly of "new rich," and to a significantly lesser extent than the corporate elite, its income comes from its own labor rather than from the labor of others.

UPPER-MIDDLE CLASS

Accounting for perhaps 15 to 20 percent of the U.S. population, this group is made up of better-

paid management and professional employees: doctors, lawyers, airline pilots, middle and upper corporate management, and owners of the more successful small businesses. Most people in this group are college educated, and many have graduate or professional degrees. It is taken for granted that their children will attend college and, increasingly, graduate or professional school. This group is likely to live in bigger-than-average homes in the more prestigious suburbs. Incomes run above the median family income of \$35,000, but generally not into the hundreds of thousands of dollars typical of the lower rungs of the upper class.

LOWER-MIDDLE CLASS

This group, amounting to about 25 to 30 percent of the population, holds the lower-status white-collar jobs, which may or may not require a college degree. Some of the best-paid blue-collar workers, such as skilled building crafts workers and auto workers, could also be included in this group, largely because of their relatively high incomes. In general, the incomes in this group are fairly

creation of new jobs or the elimination of old ones. In 1920, for example, there was no such thing as a computer programmer or a television camera operator. Similarly, technology has largely eliminated other jobs, such as keypunch and elevator operators.

Additionally, studies comparing job status across different societies have shown that the relative status of different jobs is quite similar in a number of different industrial-

ized societies (see Hodge, Trieman, and Rossi, 1966). Thus, a doctor, a lawyer, or an airline pilot has high status not only in the United States, but in Canada, Sweden, and Great Britain as well. A janitor or taxi driver, in contrast, has low status in all these societies. In addition, the relative status of these jobs in all these societies is about the same today as it was decades ago. Even in some less industrialized countries, the same patterns hold. Recent research by Nan and

close to the median family income of about \$35,000. People in this group tend to own their own homes and live in “good” suburbs, but not in the most prestigious areas. As in the upper-middle class, it is common for both the husband and wife to be employed full-time, but here it is more likely that the wife will be working out of economic necessity and less likely that she will be “moving up” in her career. Though still diverse, this group tends to be a bit more conservative than the upper-middle class, particularly when it comes to “social issues” such as abortion, sexual freedom, and freedom of expression. The children of this group are often expected to attend college, but it is more likely to be a two-year school or the local commuter university, and fewer go on to graduate or professional school.

WORKING CLASS

This group, around 30 to 35 percent of the population, works at blue-collar or clerical jobs and has incomes at or, more often, below the average level. More often than not, both the husband and wife must work in order to support the

family. They typically have high-school diplomas but no college training. They often own homes in older and less prestigious suburbs, small towns, or the nonpoor areas of the central city, although many rent. They live an adequate, though by no means extravagant, lifestyle, but they must worry more often than middle- and upper-class people about how to pay their bills. Although their attitudes may be liberal on economic issues, they tend to be conservative socially and are sometimes fearful of losing economic ground to other groups. Their children are less likely to go to college. In some families, however, where education is seen as the hope for upward mobility for the next generation, the children do attend college, particularly two-year and commuter schools in their local area. For this group, a crisis such as a divorce or the loss of a job can mean falling into poverty, and there is in general less feeling of security about life than in the middle class.

LOWER CLASS

Amounting to 15 to 20 percent of the population, this group is

always struggling just to make it. Depending on such factors as being employed, marital status, and wage level, people in this group have incomes around the poverty level or a little above it. Finding adequate food, shelter, clothing, and medical care ranges from difficult to impossible for them. Many people in this group lack even a high-school education, and although their children have a better chance of completing high school than they did, many do not, and very few go on to college. Most rent rather than own their own homes, and they more frequently live in a central city, rural area, or small town than in the suburbs. Divorce and separation rates are high, as are the number of single-parent families. At the bottom of this group is the chronically poor and unemployed underclass, whose children rarely know anyone who has a stable job, a decent education, or the opportunity for upward mobility. Thus, they are psychologically prepared to be the next generation of poor and near-poor.

Wen (1988) has revealed that the prestige of jobs in China is very similar to the prestige of jobs in other countries.

What determines the prestige of a job? As is true of subjective class, several factors are relevant. In general, better-paid jobs have higher prestige. Prestige also depends on the educational requirements of the job and the amount of physical labor it entails. Thus, even though college professors are often paid less than many assembly-line

workers, they consistently rank near the top in occupational prestige. The very highest ranked jobs, such as physician and airline pilot, are professional occupations associated with both high incomes and high levels of education. Similarly, the jobs with lowest-prestige, such as garbage collector, janitor, and shoe shiner, involve hard physical work, require little or no education, and pay poorly. A list of some jobs and their occupational prestige ratings from sur-

veys in the United States and other countries is presented in Table 9.2.

Class Consciousness in the United States

One important aspect of class in America is the extent to which Americans are aware of, and identify with, the social classes to which they belong. Such awareness and identification is called *class consciousness*. Americans seem to be less class-conscious than people in many other societies. We have already noted that nearly all Americans think of themselves as “middle class” or “working class.” This contrasts with some other societies where, for example, the wealthy readily identify themselves as upper class. United States society was founded as a result of a rebellion against title and monarchy and was based on the principle that “all men are created equal.” Although, as we have seen, the reality is that there is great social inequality in America, most Americans prefer not to acknowledge that openly. Rather, we prefer to believe that people have similar statuses and similar situations in life—that we are all pretty much alike (DeMott, 1990). America’s entertainment media abet this belief as they either gloss over social-class differences, or present them as easily surmountable. The Horatio Alger myth that anyone who tries can succeed, and the assertion that love will easily overcome social-class differences, is still popular, as we can see in such movies as *Pretty Woman*, *Dirty Dancing*, and *White Palace* (DeMott, 1991).

Two other reasons have been suggested to explain why Americans are less class-conscious than people in other industrialized countries. First, education has been more accessible in the United States than elsewhere. The great majority of Americans graduate from high school, and more go on to college than in other industrialized countries. Although we do have sizable educational differences based on class (discussed in Chapter 14), we have not formalized these differences as other countries such as Great Britain have done. This leads us to think of ourselves as being more similar to one another.

The other reason is that, until the 1970s, the United States experienced more economic expansion and therefore more structural mobility than other countries. As a result, people’s standards of living improved, and people saw class boundaries as less real and more permeable. An end to this high structural mobility could mean a rise in class consciousness in America. As higher paying jobs disappeared in the 1980s and job growth occurred mainly in lower-paying jobs, the opportunities associated with structural mobility began to disappear and the perception of people trapped in the underclass grew.

There are already signs that this has led Americans to become somewhat more class-conscious. Class-related

TABLE 9.2 Occupational Prestige Ratings: United States Compared to 60-Country Average

Occupation	Average, 60 Countries	United States
University president or dean	86	82.4
Physician	78	81.5
University professor	78	78.3
Physicist	76	73.8
Member, board of directors	75	71.8
Lawyer	73	75.7
Architect	72	70.5
Dentist	70	73.5
Chemist	69	68.8
Sociologist	67	65.0
Airline pilot	66	70.1
High-school teacher	64	63.1
Clergy member	60	70.5
Personnel director	58	57.8
Artist	57	57.0
Classical musician	56	55.0
Social worker	56	52.4
Journalist	55	51.6
Professional nurse	54	61.5
Secretary	53	45.8
Actor or actress	52	55.0
Union official	50	41.2
Real-estate agent	49	44.0
Professional athlete	48	51.4
Farmer	47	43.7
Motor-vehicle mechanic	44	35.8
Policeman or policewoman	40	47.8
Railroad conductor	39	40.9
Telephone operator	38	40.4
Jazz musician	38	37.2
Carpenter	37	42.5
Dancing teacher	36	32.3
Firefighter	35	33.2
Sales clerk	34	27.1
Truck driver	33	31.3
File clerk	31	30.3
Assembly-line worker	30	27.1
Construction worker	28	26.2
Gas-station attendant	25	21.6
Waiter	23	20.3
Janitor	21	16.1
Farm worker	20	21.4
Garbage collector	13	12.6
Shoe shiner	12	9.3

NOTE: In a limited number of instances, there were slight differences in job titles between Appendix A (worldwide average) and Appendix D (United States). In these instances, the closest job title was used.

SOURCE: Reprinted by permission from Appendices A and D in Donald J. Trieman, *Occupational Prestige in Comparative Perspective*. Copyright 1977, by Academic Press.

issues played a more prominent role in the 1992 presidential election, as Democrats Bill Clinton and Al Gore hit hard on the failure of the “trickle-down” notion that tax breaks for the wealthy would create better jobs for the middle class and the poor. Unlike other recent elections, the 1992 election saw changes in the distribution of income become an important issue, as Clinton and Gore repeatedly and successfully sounded the theme that the wealthiest few were getting even wealthier while everyone else was losing income relative to inflation.

POVERTY IN THE UNITED STATES

The extremes of social and economic stratification are the easiest to see—and the most difficult to deny. We turn our attention now to those at the bottom of the economic stratification system: the poor. We shall begin our discussion of poverty by examining some different ways of defining poverty; then we shall see how poverty is officially defined and measured in the United States.

How Poverty Is Defined

Generally, statistics on poverty are based on the federal government’s poverty level. To make sense of these statistics, we must understand (1) what is meant by the term *poverty* and (2) how the federal poverty level is determined.

Relative versus Absolute Concepts of Poverty Poverty can be defined as the condition of having a very low income and standard of living. However, such a definition immediately raises a question: What do we mean by low? Low could mean “low compared with almost everyone else,” or it could mean “below the level sufficient to buy necessities.” For this reason, poverty can be defined in either a relative (low compared with others) or an absolute (lacking necessities) manner. In the case of *relative poverty*, a person’s standard of living is low compared with that of others who enjoy a higher standard of living. By this definition, every society with social inequality will have *some* poverty. However, some societies have greater degrees of poverty than others. In the United States, where the poorest 10 percent of the population has one-fifteenth the income of the richest 10 percent, poverty in a *relative* sense is more extreme than in Sweden, where the poorest 10 percent has one-seventh the income of the richest 10 percent (Thurow, 1977).

Now, consider the *absolute* definition of poverty. By this definition, poverty exists whenever people lack some basic necessities of life. Thus, it is possible, at least in

theory, for a country to have no poverty at all, even if it has considerable social inequality. If everyone gets all the basic necessities, there is no poverty.

The Official Definition of Poverty in the United States

The U.S. government’s official definition of poverty is intended to delineate poverty in the *absolute* sense. In other words, it is meant to represent a level of income below which people are unlikely to be able to buy all of the necessities of life. The official definition of poverty in the United States originated in the 1950s, when the government estimated the cost of the minimum diet necessary to get a person or a family through a limited period of financial difficulty in good health. As a result of a 1961 government study showing that the average low-income family spent one-third of its income on food, the poverty level was set at roughly three times the cost of this minimum diet. (Because of differences in their cost of living, this multiplication factor is a little more than three for individuals and smaller families, and a little less than three for rural families.) Since 1961, the poverty level has been adjusted upward each year to take account of inflation. In 1991, the poverty level for a family of four was \$13,924. For one nonelderly individual living alone, it was about \$6,900. Questions have been raised about the extent to which this standard correctly measures poverty. Although some critics disagree, the dominant opinion among economists, home economists, and sociologists is that the official definition *fails* to include many people who are poor in the absolute sense. (See Rodgers, 1978; U.S. Bureau of the Census, 1976.)

Poverty in America: The Current Situation

In 1991, the most recent year for which data are available, 35.7 million Americans, or 14.2 percent of the population, were living below the poverty level (U.S. Bureau of the Census, 1992a). This amounts to almost one person out of every seven living in the United States today. Just how large a group is this? It is twice the population of New York State and more than three times that of Illinois. Clearly, we are talking about a very large number of people.

Is the number of poor people growing or getting smaller? The answer to this question is found in Figure 9.2. This figure indicates that both the number and the percentage of Americans living below the poverty level fell from 1960 until around 1970, reached a low point in 1973, and fluctuated irregularly from then until 1978. Between 1978 and 1983, poverty rose sharply. By 1983, there were again over 35 million poor people in the United States, the highest number since before 1964, when President Lyndon Johnson proclaimed his “War on Poverty.” The poverty rate had increased to over 15 percent. Between 1983 and

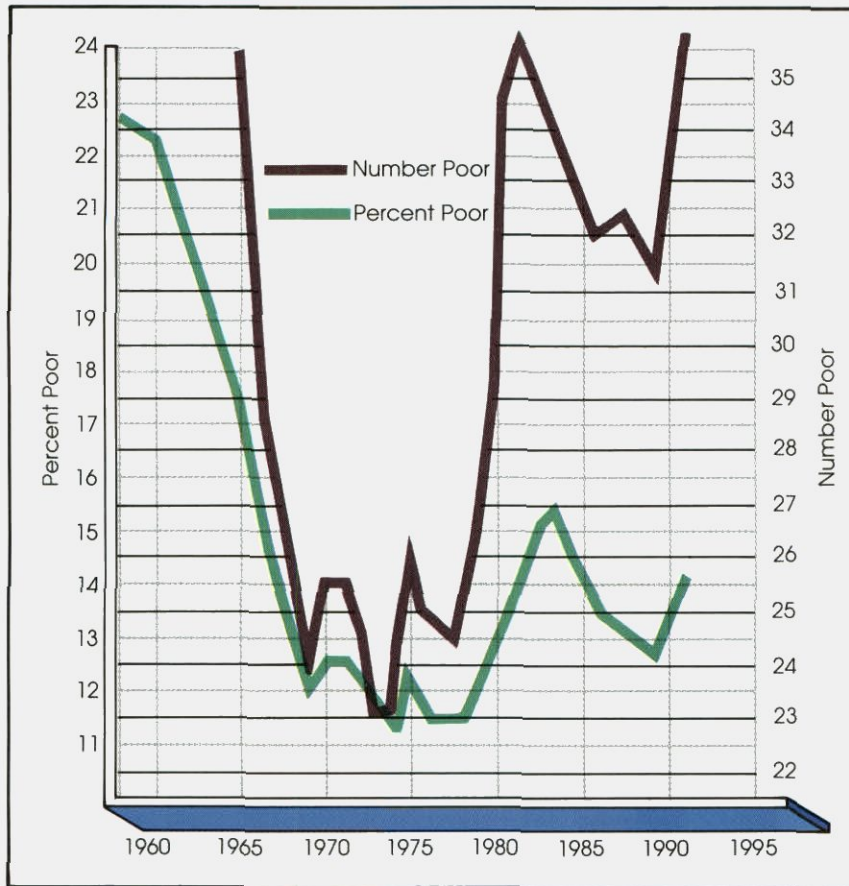


FIGURE 9.2 The Trend in Poverty, 1960–1989

Note the dramatic rise in the incidence of poverty since the late 1970s.
 SOURCE: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 168, p. 15 (September, 1990).

1989, poverty again declined modestly, but it rose again after 1989 as the economy slipped into recession, and by 1991 there were more poor people than the 1983 peak.

In a direct sense, the rise in poverty after 1978 reflects two things. First is a general increase in social inequality in the United States (Jencks, 1991). As we have already seen from the income and wealth data, the rich got richer and the poor got poorer during this period. To a very large extent, this trend resulted from policies of the Reagan administration: the deregulation of business, the decrease in tax rates for the wealthy, and cutbacks in government antipoverty programs (Bartlett and Steele, 1992).

Second, the growth in poverty between 1978 and 1983 was partly the result of a lack of real economic growth and productivity growth in the American economy. Real (that is, adjusted for inflation) family incomes fell between 1973 and 1984, even though more wives entered the work force (*St. Louis Post-Dispatch*, 1985), and there was little or no growth in productivity during this period. Since productivity rose again in the mid-1980s, and since there has still been growth in real per-capita income, largely because of women entering the labor force (Jencks, 1991; Olsen, 1990), we would expect a sizable drop in poverty to have

taken place since about 1984. In fact, there was only a small decline in poverty in the 1980s, and that was wiped out by the 1990–92 recession. Thus, lack of economic growth is only part of the cause of today's high poverty rates; the rest lies in rising economic inequality.

Because it has more economic inequality than other industrialized countries, the United States has more poverty, even by the standard of absolute poverty. Smeeding, Torrey, and Rein (1988) compared the United States to seven other industrialized countries, using the U.S. government's methods for comparing poverty rates. In five of the seven countries, the poverty rates averaged a full five percentage points lower than in the United States. Perhaps most disturbing is the difference in poverty among children: The United States had the highest child poverty rate of any of the countries, and was about 10 percentage points above the poverty rates of most of the other countries (Peterson, 1991).

Who Is Poor?

A number of social characteristics increase the risk that people will be poor. In general, the groups with disproport-

tionate amounts of poverty are blacks, Hispanics, and American Indians; women; people living in female-headed families; children; and people who live in central cities and rural areas (as opposed to suburbs). To a large extent, this reflects the lower status accorded to these groups by society and their relative lack of power (discussed more fully in Chapter 10). The number of poor people and the poverty rates of people with various characteristics is shown in detail in Figure 9.3 and Table 9.3. Note that although the poverty rate of blacks is three times that of whites and the Hispanic poverty rate is more than double that of non-Hispanic whites, the majority of all poor people in the United States are non-Hispanic whites. This is because the large majority of the population is white and non-Hispanic. The single biggest risk factor for poverty is living in a family with a female householder and no husband present. Over

TABLE 9.3 Number of People below Poverty Level, and Poverty Rates for Selected Groups in the U.S. Population, 1991

Population Subgroup	Number of People below Poverty Level (in millions)	Poverty Rate
Total U.S. population	35.7	14.2%
White Americans	23.7	11.3
Black Americans	10.2	32.7
Americans of other races ¹	1.7	17.6
Hispanic Americans ²	6.3	28.7
Children under 18	14.3	21.8
White children under 18	8.8	16.8
Black children under 18	4.8	45.9
Hispanic children under 18 ²	3.1	40.4
Married-couple families	3.2	6.0
Female-householder families	4.2	35.8
People in female-householder families	13.8	39.7
White	6.8	31.5
Black	6.6	54.8
Hispanic ²	2.3	52.7
Central-city residents	15.3	20.2
Suburban residents	11.5	9.6
Nonmetropolitan residents	8.9	16.1
People 18 to 64 years of age	17.6	11.4
People 65 years of age and over	3.7	12.4
People living in the Northeast	6.2	12.2
People living in the Midwest	8.0	13.2
People living in the South	13.8	16.0
People living in the West	7.8	14.3

¹ Does not include Hispanics. This group consists mainly of Asian Americans and American Indians.

² Hispanics are regarded by the Census Bureau as an ethnic group, not a race, and thus may be of any race.

SOURCE: U.S. Bureau of the Census, 1992f.

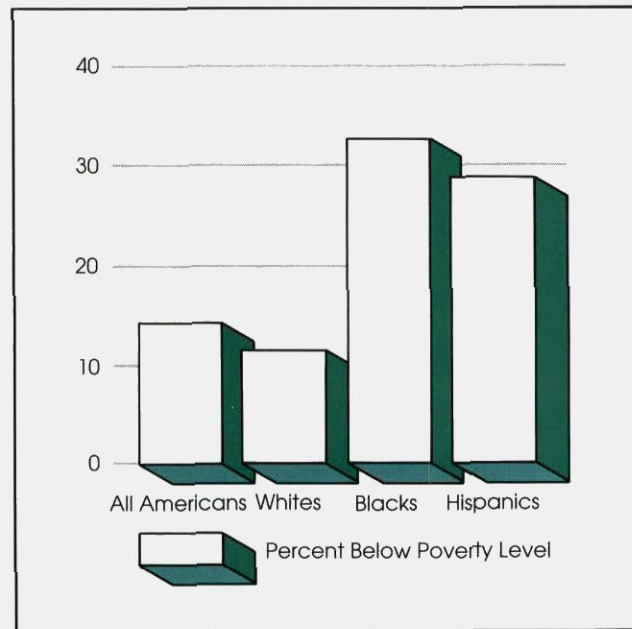


FIGURE 9.3 Poverty Rates by Race and Hispanic Origin, 1991.

SOURCE: U.S. Bureau of the Census Press Release, Sept. 3, 1992.

one-third of all poor people live in such families, even though fewer than one American out of seven lives in a female householder family. It is also significant that children have a relatively high risk of poverty (Duncan and Rodgers, 1991). More than one in five were poor in 1991, and more than one in three will experience poverty at some time during their childhood (U.S. Bureau of the Census, 1990a, 1992a; Ellwood, 1987).

CAUSES OF POVERTY

Poor People Themselves? Work, Family Structure, and Poverty

It is widely believed that people often experience poverty as a result of their own actions or inactions—unwillingness to work, drunkenness, welfare dependency, and sexual promiscuity leading to out-of-wedlock births (Feagin, 1972; see also Kluegel, 1990; Kluegel and Smith, 1986; Schuman, 1975). A careful examination of the characteristics of the poor, however, indicates that these factors are relatively unimportant as causes of poverty.

Work Experience of the Poor One relevant set of characteristics can be seen in Figure 9.4, which shows the work experience of poor people over age 15 in 1989. At first glance, the data in the figure appear to support the “unwillingness to work” explanation—over half of poor people over 15 did not, in fact, work during 1989. However, if we examine the *reasons* these people did not work, we get a different picture. To begin with, nearly two-thirds of those who did not work were ill, disabled, retired, or attending school—all of which are generally regarded as legitimate reasons for being out of the work force. In fact, these groups combined account for about one-third of all poor people over 15.

Another sizable group (5 percent) of the nonworking poor had looked for work but were unable to find it. Almost all of the rest of the nonworking poor—19 percent of all poor people—fell into the “keeping house” category. About half of these were female single parents with children, and most of the rest were nonemployed wives with children. In addition to the fact that a mother staying home to take care of her children has always been acceptable in American society (and until recently was the norm), we must consider here the cost of day care and medical care. As we shall see later, many poor people have no employment available except minimum-wage jobs, most of which include no medical benefits. By the time a poor mother pays



By the time a poor mother pays for day care for her children, she may already have used up all the income from a minimum-wage job.

for day care for her children (which can cost well over \$200 per month per child), she may already have used up all the income from a minimum-wage job. And in most states, if she remains employed, she must give up Medicaid, which

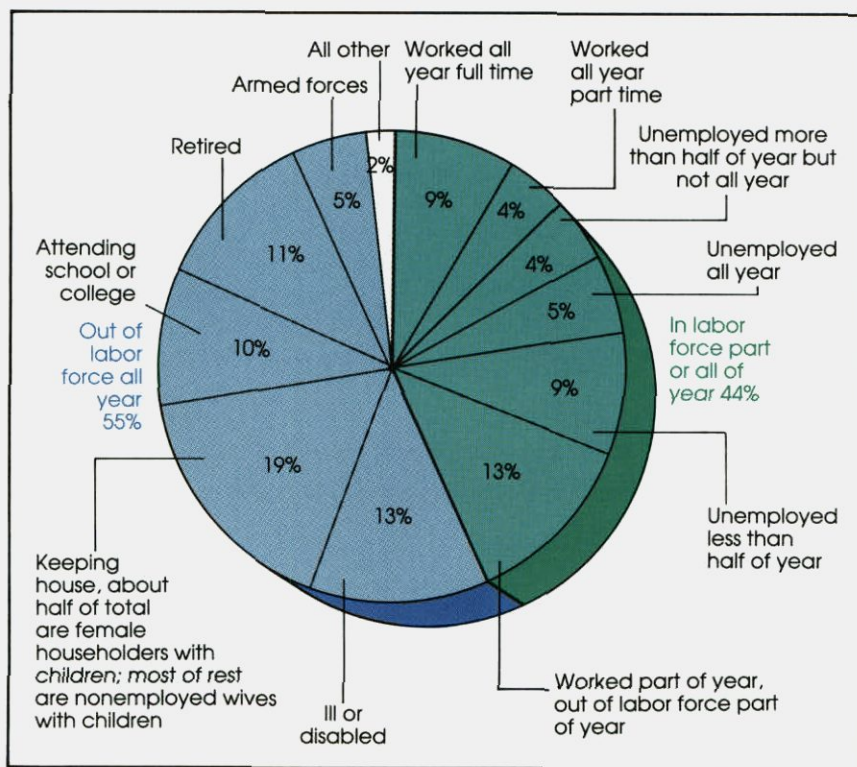


FIGURE 9.4 Labor-Force Status of Poor People 15 and Over, 1989

SOURCE: U.S. Bureau of the Census, 1990a, p.65.

means she must pay for medical care for herself and her family as well, or let her family go without needed care. In many cases, she literally can't afford to take a job—the costs of day care and medical care are simply too great.

We have now accounted for all but 2 percent out of the 58 percent of poor people who did not work in 1989. In other words, the number of poor people who did not work in 1989 and did not have what would generally be regarded as a good reason for not working was just 2 percent of the U.S. population—hardly a great mass of people. These statistics are consistent with research findings reported by Tienda and Stier (1991). In a study of Chicago's poorest neighborhoods, they found that only 6 percent of the population could be characterized as shiftless; that is, unwilling to work. The rest were either employed, caring for children, disabled, students, or looking for work.

Out-of-Wedlock Births Single-parent, female-headed families are at a very high risk for poverty. As the percentage of such families has risen, the poverty rate also has risen (Eggebeen and Lichter, 1991). Many female-householder families are the result of out-of-wedlock births, although many others are the result of divorces and separations. However, to say that out-of-wedlock childbearing (or, for that matter, divorce) is one of the most important causes of poverty is to ignore several key realities. First, the rate of out-of-wedlock births is far higher among people who are *already* poor or who grew up in poverty than among the general public (see Hayes, 1987b). Thus, poverty appears to be at least as much a *cause* of out-of-wedlock births as a *consequence*. One reason for this is that poor people are less likely to be familiar with, or have access to, birth control, which increases their nonmarital birth rates. In addition, because of high unemployment, urban minority poor women—the ones most likely to give birth out of wedlock—have a strikingly small pool of employed, marriageable men (Wilson, 1987, pp. 95–100; see also Mare and Winship, 1991; Lichter, LeClere, and McLaughlin, 1991). As a result, a larger proportion of these women never marry, and those who do marry later and wait longer to remarry after a divorce. This means that more of them are at risk of a nonmarital pregnancy. Like the great majority of nonmarried women of all socioeconomic levels, they are usually sexually active—but they are unmarried for a longer part of their lives, and they know less about contraception.

Research also shows that poverty affects self-image and attitudes in ways that increase the likelihood of out-of-wedlock pregnancy, especially among teenagers (Anderson, 1991). Poor people experience less control over their lives and may feel less able to control whether they get pregnant—so they are less likely to try. To an impoverished teenage girl, a baby can sometimes be a source of self-esteem, a way of feeling grown-up. Among poor teenage boys, sexual conquest (which is valued to some extent



What are the causes of poverty, and why has it increased so much since the mid-1970s? Among the explanations are unemployment and low wages.

among young males of all social classes) may be one of the few ways of feeling a sense of accomplishment, when most legitimate opportunities for achievement are blocked. Thus, however much out-of-wedlock childbirth may perpetuate poverty, it is probably more a *consequence* of poverty than a cause. Moreover, as shown in the box entitled “American Poverty and Teenage Pregnancy in Global Perspective,” there is much that we could do to prevent teenage pregnancy but have chosen not to do as a result of misperceptions about the likely consequences, as well as religious objections. Finally, as is discussed in Chapter 6, the low wages of women are a major reason for the high poverty rate among female-householder families.

These findings clearly indicate that poor people themselves are not, by and large, the cause of their own poverty. Most of them either are employed, are looking for work, or have a good reason not to be working. Although they do have high rates of divorce, separation, and nonmarital childbearing—and thus a high incidence of female-householder families—this appears to be much more a *consequence* than a cause of poverty. Moreover, as we saw in Chapter 6, the economic situation of female-householder families would be far less difficult if women were simply paid at the same rate for their work as men are, and if day care and health care were publicly funded, as they are in nearly all other industrialized countries.

What, then, *are* the causes of poverty, and why has poverty increased so much since the mid-1970s? Among the explanations are unemployment and low wages, both of which have become more prevalent as socioeconomic inequality has increased in the United States since the 1970s. In addition, certain public policies have contributed to the spread of poverty or to worsening its impact.

AMERICAN POVERTY AND TEENAGE PREGNANCY IN GLOBAL PERSPECTIVE



Poverty is more widespread and severe in the United States than in other industrialized countries, and children are more likely than other Americans to be poor. One possible reason: American teenagers are more likely to get pregnant and have a baby out-of-wedlock than teenagers in other industrialized countries. When this happens, their children often experience poverty. In fact, more than 90 percent of American children who live in a single-parent home through the first 10 years of life will experience poverty (Ellwood, 1987). About two-thirds of these children will be poor for the entire 10 years.

The fact that American teens are more likely to become parents than their counterparts in other industrialized countries was shown in a study comparing the United States, Canada, France, Great Britain, the Netherlands, and Sweden (Jones et al., 1986). The United States had by far the highest rates of teenage pregnancies, births, and abortions of any of these countries. Although some of the difference was the product of the higher poverty rate in the United States and the relatively high incidence of teenage pregnancy among Ameri-

can minority groups, these factors were not by any means the whole answer. White U.S. teenagers, for example, have pregnancy rates far above those found in any of the other countries. The differences also could not be explained by differences in sexual activity: U.S. teenagers are no more likely than teenagers in the other countries (except possibly Canada) to be sexually active.

Why, then, do American teenagers get pregnant so much more often than teenagers in other countries? At least part of the answer is that they are less likely to use contraceptives (Jones et al., 1986). Part of the reason for that, in turn, is that it is harder for American teenagers to get contraceptives. Many Americans believe that making contraceptives available to teenagers will encourage them to have sex, so we have avoided doing so.

What would happen if contraceptives were more available to U.S. teenagers? We don't have all the answers, but we do have some. Experiments in cities such as Baltimore provided teenagers with contraceptives, along with information concerning human sexuality and

advice that they did not *have* to be sexually active if they didn't want to be (Hayes, 1987). In such a context, the provision of contraceptives did not increase teenage sexual activity; if anything, the total effect of the program was the opposite (Schorr, 1988, p. 53). Moreover, those teenagers who did have sex were more likely to use contraception, and the pregnancy rate fell—meaning fewer teenage births and fewer teenage abortions.

Thus, the common American belief that making contraceptives more available will lead more teenagers to have sex appears not to be true, at least if school health programs are properly designed. The Jones et al. study suggests another reason for Americans' opposition to contraceptives for teenagers: Americans, more than people in other countries, may favor more sexual restrictions because of religious beliefs. However, since American teens are as sexually active as teens in other industrialized countries, the main effect of American restrictions on contraceptives seems to be a higher teenage pregnancy rate relative to other countries.

SOCIAL ISSUES FOR THE '90s

DOES WELFARE CAUSE POVERTY?

Some argue that the supposedly generous welfare benefits of the past two or three decades have made it too easy for people not to work, and that many people are poor simply

because they would rather collect welfare than get a job. They argue that, by discouraging people from working, welfare causes them to become detached from the labor force—in other words, to get in the habit of *not* working. As a result, they argue, welfare actually causes an *increase* in poverty, as people become less attached to the labor force and chronically out of work. Such arguments have led social scientists to ask a number of questions:

Do most people who fall below the poverty level and/or receive welfare become chronically poor and dependent on welfare?

When more people are on welfare or when welfare benefits are increased, does long-term poverty increase?

Does welfare cause people to have children out of wedlock, to avoid marriage, or to get divorced?

Intuitively, one might think that the answers to the above questions would be “yes.” However, actual research results suggest that the answers are not that simple. For one thing, we have already seen that most non-working poor people have good reasons not be working. In addition, research relating to the questions posed above points to additional flaws in the argument that welfare increases poverty by discouraging work.

First, poverty is less often chronic and long-term than is commonly believed; relatively few poor people remain on welfare year after year. A long-term survey by Duncan et al. (1984), for example, showed that of all the people who were poor at some time between 1969 and 1978, about half were poor for two years or less. Only one in ten was persistently poor for eight or more of the 10 study years, which amounts to less than 3 percent of the total population of the United States. Only about 4 percent of the U.S. population used welfare persistently over the decade, and of these, fewer than half used it as their main source of income. Thus, the number of people who consistently use welfare to avoid work is small, probably not larger than 2 percent of the entire population.

It is true, however, that a sizable share of the poor in any given year are people who are experiencing long periods of poverty (Bane and Ellwood, 1983a). Additionally, evidence suggests that the proportion of persistently poor people increased somewhat during the first half of the 1980s (Adams, Duncan, and Rogers, 1988; Duncan and Rogers, 1989). But, there are other explanations that better account for this poverty than the welfare incentive.

Charles Murray (1984) made the argument in his controversial book *Losing Ground* that the expansion of welfare benefits has led to a growth in poverty by encouraging people to accept welfare benefits rather than to work. However, there are clear problems with this argument. One of the most important is that, during the period from 1978 to 1983 when poverty grew most rapidly, real (inflation-adjusted) welfare benefits were *falling*, not rising (see, for example, Wilson, 1987). In fact, real welfare benefits fell steadily and substantially from 1972 on, and by 1984, the combined, inflation-adjusted value of welfare and food stamps was 22 percent *lower* than it had been in 1972 (Wilson, 1987, p. 94). According to Murray’s argument, there should have been fewer poor people and less unem-

ployment in 1984 than in 1972; in fact, the opposite was true. There *had been* an improvement in welfare benefits, but it came earlier, when poverty was on the way down, not up.

Research has been conducted on the extent to which the incentive to collect welfare leads people to have children, to avoid marriage, or to get divorced. Comparisons between states with high and low levels of welfare show no effect of welfare levels on birth rates among the poor, and only very small effects on the divorce/separation rate (Ellwood and Bane, 1984; Rank, 1989; Wilson, 1987, pp. 77–81). If there is any effect, it is that where welfare levels are higher, young single mothers with children are more likely to live independently and less likely to live with *their* parents (Ellwood and Bane, 1984; Holden, 1987).

It may be that welfare requirements that no man be present in the household of a mother receiving welfare do contribute to family disruption, however. If a husband/father is unable to find work, the family may well be better off economically if he leaves, because it may then be eligible for welfare. In some cases, this probably does disrupt families and encourage welfare dependency. However, this is an issue unrelated to the presence or amount of welfare: it is a product of a specific policy attached to some welfare programs that no able-bodied partner be present in the household, regardless of the availability of work.

The notion that poor people have more babies in order to collect welfare simply isn’t supported by research findings. This is not surprising, as the costs associated with having and raising a child are *far* greater than additional welfare benefits that child might bring. Finally, Jencks (1991, pp. 56–62) suggests that availability and level of welfare have little effect on the proportion of single mothers who are employed. (For further discussion, see Ellwood, 1987.)

It may be true, as William Julius Wilson has argued in *The Truly Disadvantaged*, that detachment from the labor force does perpetuate poverty. However, research does not support the notion that welfare in and of itself causes either detachment from the labor force or an increase in poverty. Rather, Wilson and others point out, labor force detachment is better explained by long-term losses of jobs—particularly jobs that pay well—from inner city areas. When jobs are chronically difficult or impossible to find, and are only temporary and pay poorly on the rare occasions when they are available, people eventually give up on work. This condition has become increasingly common in America’s central cities since the 1960s, but structural changes leading to job loss, not welfare, appear to be the main causes of persistent poverty.

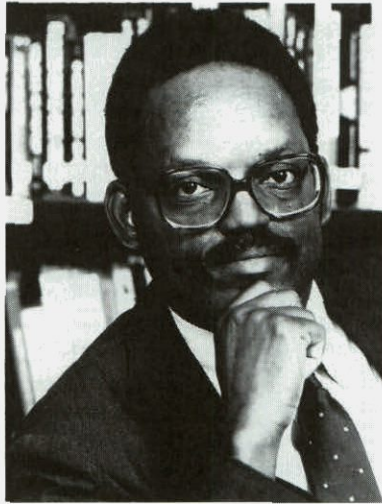


HOW SOCIETAL CHANGES HELP SHAPE MY VIEWS ON RACE RELATIONS AND URBAN POVERTY / William Julius Wilson

Unlike many who enter a field of specialization on the basis of graduate training, I did not pursue race and ethnic relations and urban poverty as major fields of study in graduate school at Washington State University. My graduate study focused mainly on sociological theory and the philosophy of the social sciences. However, my concentration on these fields of study could not be sustained in a period dominated by events in the black protest movement.

In my last two years as a graduate student in the mid-1960s I, like most blacks, was caught up in the spirit of the civil rights revolution and was encouraged by the changes in social structure that led to increasing opportunities for black Americans. I also followed with intense interest the ghetto riots in Watts, Newark, and Detroit. And although at this point I had not developed a serious academic interest in the field of race and ethnic relations, my intellectual curiosity for the subject, fed by the escalating racial protest and my sense of the changing social structure for blacks in America, was rising so rapidly that by the time I accepted my first full-time academic job as an assistant professor of sociology at the University of Massachusetts, Amherst, in the fall of 1965, I had firmly decided to develop a field of specialization in that area.

My first major publication in the field of race relations was



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Power, Racism and Privilege: Race Relations in Theoretical and Socio-historical Perspectives, published by Macmillan in 1973 and by Free Press in a paperback version in 1976. This study presents a comprehensive theoretical framework that is applied to race relations in the United States and the Republic of South Africa. However, by the time the book was in press my thinking about the field of race relations in America had already begun to change. I regret-

ted not only that I had paid so little attention to the role of class in understanding issues of race, but also that I tended to treat blacks as a monolithic socioeconomic group in most sections of the book.

It was not until after I moved to Chicago and joined the sociology faculty at the University of Chicago in 1972 that my views on the intersection of class with race in the United States sufficiently crystallized. My thinking about intraracial divisions in America during the 1970s was in no small measure shaped by my perception of the changing social environments in Chicago's varied ethnic neighborhoods. At one extreme were the upper-middle-class black professional neighborhoods in parts of the South Side; at the other extreme were the communities of the ghetto poor, plagued by long-term joblessness, in other parts of the South Side and on the West Side. The widening gap between the haves and have-nots among African Americans would have been obvious to any student of urban life who cared to take the time to drive around the Chicago neighborhoods at different points in time, as I did in the early to mid-1970s.

It is one thing to recognize and describe these intragroup differences; it is quite another thing to account for their evolution and relate them not only to the problems of intergroup relations, but, more importantly, to the broader problems of societal organization

in America. The stimulating intellectual environment of the University of Chicago helped me develop a broader vision on race. The university encourages interdisciplinary contact and thereby afforded me the opportunity to confront questions about racial interaction from students of varied disciplinary backgrounds. The net result was the development of a holistic approach to race relations in America that directed the writing, particularly the theoretical writing, of *The Declining Significance of Race*.

The theoretical framework of this book relates problems associated with race to the broader issues of societal organization. To study problems of race in terms of societal organization entails an investigation of not only the political, economic, and other institutional dimensions of societal organization that affect intra- and intergroup experiences, but the technological dimensions as well. The basic theoretical argument presented in *The Declining Significance of Race* is that different systems of production in combination with different policies of the state impose different constraints on racial group relations by producing dissimilar contexts, not only for the manifestation of racial antagonisms but also for racial-group access to rewards and privileges.

I had hoped that my major academic contribution would be to explain racial change by applying this framework to historical

developments of race relations in the United States. But there was another contribution I had wished to make—I wanted to highlight the worsening condition of the black underclass, in both absolute and relative terms, by relating it to the improving position of the black middle class.

The Declining Significance of Race generated an even greater controversy than I had originally anticipated. At the time of its publication, heightened awareness of racial issues had been created not only because changing social structures altered many traditional patterns of race relations, but also because the state was inextricably involved in the emerging controversy over affirmative action.

In the initial months following the book's publication, it seemed that critics were so preoccupied with what I had to say about the improving conditions of the black middle class that they virtually ignored my more important arguments about the deteriorating position of the black urban poor. The view was often expressed that since all blacks from all socioeconomic class backgrounds are suffering there is no need to single out the black poor.

During the controversy over *The Declining Significance of Race* I committed myself to doing two things: (1) I would address the problems of the ghetto poor in a comprehensive analysis; and (2) I would spell out, in considerable detail, the policy implications of my work. These two commit-

ments provided direction for the writing of *The Truly Disadvantaged: The Inner City, The Underclass, and Public Policy*, published in 1987 by the University of Chicago Press.

The first commitment grew out of my personal and academic reaction to the early critics' almost total preoccupation with my arguments concerning the black middle class. It was only after I began writing *The Truly Disadvantaged* that serious scholars began to focus on my previous analysis of the underclass in *The Declining Significance of Race*, particularly those scholars who are working in fields such as urban poverty, social welfare, and public policy.

The second commitment stemmed from my reaction to those critics who either labeled me a neo-conservative or directly or indirectly tried to associate *The Declining Significance of Race* with the neo-conservative movement. Although I am a social democrat, and probably to the left politically of the overwhelming majority of these critics, and although some of the most positive reviews and discussions of *The Declining Significance of Race* have come from those of the democratic left, the title of my book readily lends itself to an assumption that I am a black conservative. Nonetheless, because I did not spell out the policy implications of *The Declining Significance of Race* in the first edition, it was possible for people to read selectively my arguments and draw policy implications significantly different from those that

HOW SOCIETAL CHANGES HELP SHAPE MY VIEWS ON RACE RELATIONS AND URBAN POVERTY / William Julius Wilson (Cont.)

I would personally espouse. In the second edition of *The Declining Significance of Race*, published in 1980, I wrote an epilogue in which the policy implications of my work were underlined in sharp relief, but by then the views of many readers of the first edition had already solidified.

If the idea for *The Truly Disadvantaged* grew out of the controversy over *The Declining Significance of Race*, the former also generated controversy. *The Truly Disadvantaged* challenges liberal orthodoxy in analyzing inner-city problems; discusses in

candid terms social dislocations of the inner city; establishes a case for moving beyond race-specific policies to ameliorate inner-city social conditions to policies that address the broader problems of societal organization, including economic organization; and advances a social democratic public-policy agenda designed to improve the life chances of truly disadvantaged groups such as the ghetto underclass by emphasizing programs to which the more advantaged groups of all races can positively relate.

The Truly Disadvantaged

enjoys the unique distinction of generating a lot of attention both within and outside academia. And in contrast to *The Declining Significance of Race*, the scholarly attention it has attracted is not focused mainly on controversy but on the theoretical and substantive arguments raised in the book. Indeed, *The Truly Disadvantaged* has generated a new research paradigm that has stimulated studies not only in sociology, but in economics, psychology, anthropology, education, social work, history, philosophy, and political science as well.

Unemployment

Consider again Figure 9.4., which shows that only 6 percent of poor people were unemployed all year. But now look at the number who were unemployed for more than half of the year (4 percent) and the number who were unemployed for less than half of the year (9 percent). This adds up to one poor adult out of five who experienced some unemployment over the course of the year, and nearly one out of two of those who actually sought employment. In addition, some of those who worked part-time did so because they could not find a full-time job. Thus, unemployment plays an important role as a cause of poverty.

Recent Unemployment Trends Unemployment has been more prevalent since around 1980 than it was in earlier decades. In the best years of the 1980s, it averaged 6 or 7 percent, and in the recession of the early 1980s, it exceeded 10 percent. By the early 1990s, unemployment was on the rise again. In addition, these official unemployment figures understate true unemployment, because they do not include people who have given up looking for work.

One reason for rising unemployment can be tied to rising numbers of people entering the labor force: baby

boomers who reached working age in the 1970s and 1980s, and women who entered the labor force in many cases because their family income could not keep up with inflation without two incomes. However, other factors are more important than the growth of the labor force.

Deindustrialization A cause of declining wages, as well as rising unemployment, is **deindustrialization** (Harrison and Bluestone, 1988; Wilson, 1987), a decline in the importance of heavy industry as a source of employment. Deindustrialization is a result of automation, international competition, and relocation of jobs—sometimes out of the United States. Because of more efficient operations and, in some cases, lower wages, many countries can produce cars, televisions, machine tools, and other products comparable or superior to American producers at lower cost. American companies also have contributed to deindustrialization in the United States. In search of low wages, American companies often have moved assembly operations to Third World countries, depriving Americans of jobs in the process (Harrington, 1984). Thousands of manufacturing jobs have been shifted from the United States to northern Mexico for this reason. Of the 1,400 manufacturing plants in Mexico near the border in 1988, for example, 90 percent

were American-owned (Rohan, 1989). By eliminating higher-paying jobs, deindustrialization has resulted in growing inequality and rising poverty since the late 1970s.

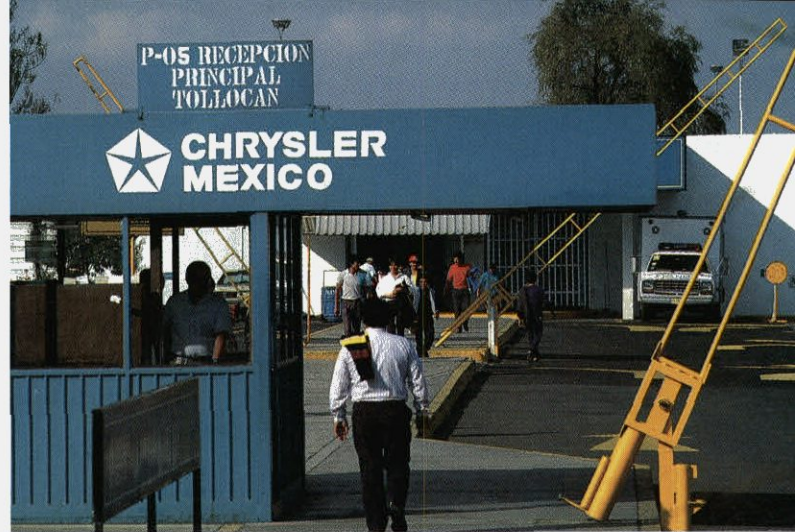
The effects of deindustrialization have been particularly devastating for central cities, particularly manufacturing cities in the Midwest and Northeast (Kasarda, 1990; Wilson, 1987, 1991a, 1991b). The increasing African-American and Hispanic populations in these cities, devastated by the loss of jobs, also find it difficult to move into the still segregated suburban areas, where jobs are often more readily available (Farley, 1987b; Kasarda, 1980, 1985, 1989; Massey and Eggers, 1990). A recent experiment in Chicago shows the impact of such exclusion: When poor blacks were given the opportunity to move from the city to the suburbs, their employment rose relative to others who remained behind in the city (Rosenbaum and Popkin, 1991). As a result of job losses, the proportion of blacks and Hispanics in older cities who live in neighborhoods of highly concentrated poverty has risen. This phenomenon may further perpetuate poverty by undermining neighborhood institutions and depriving young people of successful role models (Anderson, 1991; Crane, 1991a, 1991b; Wilson, 1987, 1991a).

In some cities, manufacturing employment losses have been offset by growth of employment in the service and administrative sectors (Kasarda, 1990). However, this has been of limited benefit, for two reasons. First, these industries were highly automated and computerized and often did not employ as many people relative to their size as manufacturing had. Second, many of the jobs they did offer required a high level of education, so they were not available to displaced industrial workers or the inner-city poor (Wilson, 1987, pp. 39–42). Moreover, the service jobs that did not have high educational requirements paid much lower wages than the industrial jobs that had been lost. As a result of these changes, portions of our older cities have increasingly become the home of a chronically poor and often unemployed *underclass* (Wilson, 1987; Jencks and Peterson, 1991). The underclass is discussed further in Chapters 11 and 18, and the larger issue of deindustrialization is discussed in greater detail in Chapter 12.

Finally, we must recognize that today's relatively high unemployment is partly the result of government policy. In the 1980s, the government chose to place a higher priority on fighting inflation than on fighting unemployment. As a result, the rate of inflation fell, the unemployment rate rose, and more people slipped into poverty.

Low Wages

One striking feature of Figure 9.4 is the number of people who worked but were poor anyway. In fact, about one poor adult in 10 worked full-time all year. How is it possible for these people to be poor? A little math will show you. Begin



This Chrysler plant in Toluca, Mexico, is representative of the many manufacturing plants that have been moved to Third World countries by American companies in search of low wages.

with the \$4.25 minimum wage in effect in 1992. Assume that someone works at the minimum wage 40 hours a week, 52 weeks a year. Such a person would earn \$8,840. If this person is the sole source of support for a family as small as two people (including the wage-earner), his or her earnings will not be enough to lift that family above the 1991 poverty level. For a family of four, the annual pay based on the 1991 minimum wage falls more than \$4,000 below the poverty level.

Low-wage jobs were among the fastest-growing areas of employment during the 1980s. In fact, most of the job growth during this decade occurred either in dead-end, low-wage jobs or in well-paid, high-tech jobs that required a high level of education. There was little job growth in between, which meant there were far fewer opportunities for a person with a limited education to get a decent-paying, stable industrial job.

Government Policy

Both low wages and rising unemployment during the 1980s resulted partly from policies pursued by the federal government. Specifically, the government during this period chose to fight inflation rather than unemployment and refused for years to adjust the minimum wage for inflation. Also contributing to poverty during this period was a very substantial cutback in government antipoverty programs. Beginning in the late 1970s, and to a greater extent under the Reagan administration in the 1980s, benefits in government poverty programs were curtailed as part of an effort to reduce both federal spending and the budget deficit. (Actually, both government spending and the deficit increased be-

cause of a massive increase in military spending in the early 1980s.) Benefits in many programs were not adjusted to keep up with inflation, and standards of eligibility were tightened. Significantly, subsequent research has shown that those who were most severely hurt by these cutbacks were the working poor and the near-poor (Institute for Social Research, 1983). Many people were forced into poverty, and for many others, the impact of poverty became more severe as they were no longer able to supplement their meager incomes with government benefits such as food stamps.

Finally, it must be noted that the failure of the American public sector to provide certain necessities taken for granted in most industrialized countries also increases the extent and impact of poverty. Virtually all other industrialized countries, for example, use tax revenues to fund health care and day care for all who need them. As we shall see in Chapter 16, one consequence is that other industrialized countries do not have 12 to 16 percent of their population totally lacking health insurance, as did the United States in the early 1990s. And we have already addressed the role day care expenses play in making it hard for impoverished single parents to seek employment. Thus, not only does the United States have more poverty than other modern industrialized countries, but because of lack of governmental support for health care and day care, the impact of poverty in the United States is greater than in other industrialized countries. This could, of course, change if proposals by the Clinton administration to establish universal health coverage are enacted.

In summary, the relatively high level of inequality in the United States compared with other countries results in a high level of poverty. This situation worsened in the 1980s and early 1990s, as deindustrialization, the growth of low-wage employment, and government policies resulted in greater inequality and more poverty. Finally, the impacts of poverty are greater in the United States than in other industrialized countries, because the United States provides far less assistance than other countries in areas such as health care, day care, and housing.

CONSEQUENCES OF POVERTY

If the causes of poverty are complex, its consequences are clear. In virtually every way imaginable, life is more difficult for poor people. They are ill more often, receive poorer and more limited medical care, and live shorter lives. They also have a higher rate of mental illness, particularly for the more serious illnesses such as depression, schizophrenia, and personality disorders (Dohrenwend, 1975; Warheit, Holzer, and Schwab, 1973). They also report lower levels of personal happiness than the nonpoor (Campbell, Con-

verse, and Rogers, 1976). The children of the poor are at greater risk of dying in infancy, and if they survive, they have a greater risk than nonpoor children of getting in trouble with the law or becoming pregnant as teenagers. They will receive a much poorer education than nonpoor children, and they are far less likely to complete high school. One study showed that in Chicago's public schools, where a large proportion of the students are from poverty-stricken families, fewer than half of all 1980 ninth-graders graduated on time in 1984—and of those who did graduate, only one out of three could read at a twelfth-grade level (Wilson, 1987, p. 57).

Poor people will spend more of their income on food and housing than the nonpoor, but they still will be less adequately fed and housed. A study of housing in southern Illinois by Quinn (1984) revealed that poor people were several times as likely as the general public to live in overcrowded housing, yet 80 to 90 percent of these poor people were paying more than the government standard of 25 percent of their incomes for rent.

Poor people are more likely both to commit street crimes and to be the victims of such crimes (Barlow, 1993). Crime rates are highest in poor neighborhoods, for criminals tend to victimize those who are close by and available. As a result, a highly disproportionate number of robbery, assault, and homicide victims are poor. So high is the incidence of crime in some poor neighborhoods that poor people are afraid to venture outside their homes (Rainwater, 1966). Summer after summer in several major cities, elderly poor people have died from heat-related illnesses because they could not afford air conditioning and were afraid to open their windows because of crime.

In the winter, the risks become cold and fire. Dozens of poor people die every winter as a result of fires started by makeshift heating arrangements, some of which were attempted after their gas or electricity had been turned off because they could not pay the bill.

Homelessness Probably those most severely affected by poverty are America's hundreds of thousands of homeless. We cannot count the exact number of homeless, partly because it is hard to define exactly who is homeless (Rossi et al., 1987). Most would agree that a person who has a place to stay for only one or two nights before having to return to the streets or seek another place is homeless, but what about a person who has a place to stay for several weeks? Experts do not agree on exactly who is homeless, and hence they do not agree on how many homeless people there are. The 1990 Census, the first to attempt a systematic count of homeless people, found about 230,000 homeless people (Haub, 1991). This is clearly the low end of the possible range (see Haupt, 1990); an estimate by the Urban Institute in 1989 placed the number of homeless at 600,000. Other estimates have ranged as high as 3 million.



One of the consequences of poverty is substandard housing. This little girl, living in a slum in Washington, D.C., is brain damaged from eating lead paint from the walls in her family's apartment.

We do know that the number of homeless people rose during the 1980s (U.S. Conference of Mayors, quoted in *St. Louis Post-Dispatch*, 1987), and that in much of the country, this trend continued into the early 1990s (Hart, 1991; *The Washington Post*, 1992). While most homeless people are adult males (Rossi et al., 1987), the number of homeless families and homeless women and children is increasing. A Temple University study found that 15 percent of the homeless were under the age of 5 (King, 1989), and a 1990 study of 30 cities estimated that 40 percent of the homeless were families with children (Toth, 1991). People become homeless in a wide variety of ways: Eviction, job loss, fires and other disasters, mental illness, chemical dependency, and divorce are among the more common (Henslin, 1990; Rossi, 1987). Tragically, some are “throwaway” children who have been forced out of their homes or otherwise abandoned by their parents, and some are runaways, many of whom are seeking to escape from physical or sexual abuse. According to Rossi et al. (1987), the median annual income of Chicago’s homeless was just \$1,200, and most of them had been unemployed for years—typically for up to two years *before* becoming homeless. Moves during the 1980s to “deinstitutionalize” the mentally ill also resulted in many of these people becoming homeless (Rossi et al., 1987) because they were too sick to take care of themselves, lacked someone to help them, or both.

Whatever its causes, the physical and psychological consequences of homelessness are devastating. Children grow up with inadequate or no schooling, the homeless are at constant risk of being victimized, and homelessness becomes a source of stigma that is highly destructive to self-esteem. And, of course, the homeless must always face the variable weather. In the bitter January of 1988, for example, homeless people died of exposure to the cold in a number of cities. Yet, so great was their fear of crime in the homeless

shelters that some of the homeless nonetheless chose to remain on the streets.

While the problem of homelessness is more severe in the United States than in most industrialized countries, it exists to some extent nearly everywhere. There are both similarities and differences between countries in the causes of homelessness, as is illustrated in the box, “Japan’s Homeless.”

FUNCTIONALIST AND CONFLICT PERSPECTIVES ON STRATIFICATION

In this final section, we turn to the larger sociological issue of why economic inequality and poverty exist in society. As with other questions of this nature, the two macrosociological perspectives, functionalist and conflict theories, offer starkly different answers. Let us first consider the functionalist answer.

The Functionalist View: Davis and Moore

In one of the most widely cited and debated pieces ever to appear in a sociology journal, Kingsley Davis and Wilbert Moore presented a functionalist theory of socioeconomic inequality in their 1945 article “Some Principles of Stratification.” Davis and Moore argued that economic stratification exists because it meets society’s needs for productivity by motivating people. Davis and Moore started with the notions that some jobs are more critical to society’s needs than others, and that some jobs—often the most critical ones—require longer and more difficult training than others. Such jobs also carry greater responsibility, are frequently very stressful, and often require people to work longer hours than other jobs. If the highly capable people needed to fill such jobs are to get the extra training and work the extra hours required, Davis and Moore argued, they must be motivated by the prospect of higher pay. Otherwise, why would people want these jobs, with all the training, stress, and extra hours they entail? More specifically, would people sacrifice current income in order to get the years of training some of these jobs require? Suppose a person could get the same money as a doctor by working seven or eight hours a day sweeping streets—with no after-hours responsibility and no long, expensive period of training, including four years of college, four years of medical school, and four years of internship/residency. Would it not be harder to get people to become doctors if they could earn just as much money doing something much easier—and earn it now, rather than 12 years from now?

JAPAN'S HOMELESS



Despite its rapid economic growth, high productivity, and relatively limited degree of socioeconomic inequality, Japan still has its homeless. Their numbers are fewer; there are, for example, only a few hundred homeless in Yokohama, a city of 3 million. Still, the thousands of homeless people in Japan live a life much like that of homeless people everywhere. They sleep on cardboard in alleys, seek warmth in tunnels and train stations, and are widely ignored by the rest of Japanese society. In fact, they are probably ignored even more than their counterparts in the United States. The Japanese census bureau and the National Police Agency do not publicly reveal their estimates of how many homeless live in Japan. As in the United States, Japan's homeless are sometimes even worse off when they are *not* ignored: In

SOURCE: The material in this box is based largely on Steven B. Weisman, "Japan's Homeless: Seen Yet Ignored," *The New York Times*, January 19, 1991, p. 4.

1983, three homeless men were killed by a group of rock-throwing high-school students, in an event hauntingly similar to attacks in the United States.

Some of the causes of homelessness are the same in Japan as in the United States: Many homeless have only part-time work, and are plagued by unemployment and low wages. The homeless generally live in the part of town where large numbers of laborers line up for part-time, low-paying construction jobs, often at shape-ups run by organized crime. Racial and ethnic minorities are overrepresented among the homeless, as are the physically disabled. Many homeless Japanese also are debilitated by alcohol abuse, though abuse of other drugs is less common than in the United States.

There are, however, some important differences. Although mental illness contributes to homelessness in Japan as elsewhere, Japan has not emptied its mental institutions onto the

streets as has the United States. Undoubtedly, this accounts in part for the lower incidence of homelessness in Japan than in the United States. Also unlike the United States, there are very few homeless families in Japan. Finally, it is uncommon in Japan for anyone with ongoing, full-time employment to be homeless—a phenomenon that is on the rise in the United States because of fires, evictions, divorces, and other personal catastrophes.

Characteristic of Japan's culture stressing self-help and responsibility, homeless people in Japan are extremely reluctant to accept assistance. One homeless man told a social worker that he would not go to a shelter because "I just don't like to beg for help." The same night, a homeless couple in a park turned down an offer of a blanket. According to volunteers who work with Japan's homeless, many homeless people are reluctant to have anyone know their names and, for that reason, the volunteers often do not ask.

The Conflict View

Although conflict theorists generally acknowledge that socioeconomic inequality occurs in nearly all societies, they do not think it exists because it meets a social need for productivity. They note, for example, that more economically developed and productive societies generally have less inequality than others, not more (see Lenski, 1966). In general, conflict theorists see socioeconomic inequality as existing because the wealthy and powerful—usually a small group in any society—benefit from it and have

enough power to make the social system work to protect their interests.

As a result of this great inequality, conflict theorists—in the tradition of Karl Marx—see a tendency in most societies for *class conflict*: conflict between the wealthy and those who lack wealth. It is in the interest of the wealthy to keep things as they are, whereas those without wealth have an interest in social change. Marx predicted that this conflict of interest would eventually lead to the overthrow of most capitalist societies, as the subordinate class realized its own interest and seized the wealth from the ruling class.

In fact, this has not happened, for many reasons. One of the most important is that the expansion of economies under capitalism, at least until recently, raised the standard of living of the working classes substantially, despite continued inequality. Another is that democratic reforms curtailed the more blatant excesses of the owners of wealth and afforded some protection to the rights of even those with little wealth and power. Marxists would argue that a third reason is that the wealthy use their influence over government, the media, and other key institutions to promote beliefs and ideologies that inhibit class consciousness. (The role of class conflict as a source of social change is explored in Chapter 20.) According to the conflict perspective, then, the interests of the wealthy — not the needs of the society as a whole — are served by inequality.

Is Stratification Really Functional?

In an article that is among the most widely cited in sociology, conflict theorist Melvin Tumin pointed out what he saw as several shortcomings in the logic used by Davis and Moore (Tumin, 1953; see also Tumin, 1970). First, he questioned whether some of the better-paying and more prestigious jobs are really more critical to society than others. For example, is the physician really more essential to the health of the public than the garbage collector? Without garbage collectors, the hazard of contagious disease would be tremendous. Significantly, historical demographers agree that public sanitation systems were able to increase people's life expectancies at an earlier point in

history than were medical doctors. The treatment of illness was too unscientific to accomplish much before about 1900. Only then, for example, was the practice of washing one's hands before performing surgery becoming widespread. The establishment of garbage-collection systems and sanitary sewers, however, had replaced the common practice of throwing garbage and human waste in the nearest street or river by around 1850 in many areas, and it was certainly a key factor in the steady fall in American and European mortality rates between 1800 and 1900. (For more discussion of the effects of medicine and public sanitation on mortality, see Thomlinson, 1976, pp. 98–107.) In a similar vein, Tumin points out that if factories had all managers and engineers and no line workers, they could produce nothing. Thus, low-status, poorly paid workers can be as essential as those whose jobs carry status, power, and big paychecks.

Second, *wealth* is distributed more unequally than *income*, and a large share of wealth is inherited rather than earned (Barlow, Brazer, and Morgan, 1966; Lundberg, 1968). It is hard to see how inherited wealth could motivate people to do anything except be born into rich families, something that we have yet to figure out a way to control! About half of America's 400 wealthiest people in 1989 became wealthy through either inheritance or investment of inherited wealth (Queensman, 1989). To the extent that wealth is concentrated through inheritance, it is very difficult to see how it could serve to motivate people to enter critical jobs. A related point is that parental income has a substantial effect on a person's ability to obtain the education necessary to do the most demanding jobs. If stratification were really to work the way Davis and Moore argued it did, ability and motivation would have to be the main factors determining the amount of education obtained. In fact, family income plays a large role, making it easy for the wealthy to educate their children for the best jobs and hard for the poor to do so.

Third, the training required for getting better-paying jobs often is far from unpleasant; many people, for example, find college a highly rewarding time of their lives. In addition, attending college — and even more so, attending law, medical, or graduate school — gives a person a certain prestige. At the least, there is a good side as well as a bad side to the training that people must go through to get the better jobs, and that in itself can serve to motivate them.

Finally, Tumin points out that although the highest paying jobs often require great training and long hours, they also carry considerable nonmaterial rewards, including autonomy, sense of accomplishment, prestige, and — in many cases — the ability to set your own hours. This has been confirmed by recent research by Jeucles, Perman, and Rainwater (1988), who found that there are many rewards to a good job besides high pay. We do, moreover, have no shortage of people in certain occupations that require great

Is stratification really functional? Is the physician really more essential to the health of the public than the garbage collector?



training but pay relatively poorly—for example, social workers and college professors. There are a number of jobs people with a high-school degree can get that pay as well as that of a college professor, which requires four years of college and, typically, four to six years after that to obtain a Ph.D. Even so, the supply of recent Ph.D.s has continued to outstrip the number of new college faculty positions available. Clearly, a major reason for this is that the job carries considerable nonmonetary rewards.

Synthesis

To conclude our discussion of the debate between functionalist and conflict sociologists about the causes of economic stratification, it may be useful to examine the relationship between social inequality and productivity among industrialized societies. This information is provided in Table 9.4. As a measure of inequality, the table shows the ratio of income going to the top 10 percent of the population to the share going to the bottom 20 percent. The larger this ratio, the greater the inequality of a society. As a measure of productivity, the table shows gross national product (GNP) per capita for 1990. The table indicates there is little relationship between the inequality measure and the productivity measure. The two countries with the highest degree of inequality, Switzerland and the United States, were among the countries with the highest productivity—but so were the two countries with the least inequality, Japan and Sweden. Overall, analysis of the data for these countries by the author showed that variation in inequality accounted for less than 10 percent of the variation in GNP per capita, and inequality was *negatively* correlated with productivity growth. Thus, the conclusion is unavoidable that, among these industrialized countries, the degree of economic inequality has little to do with the level of productivity.

The Dysfunctions of Inequality From a functionalist viewpoint, we also must consider the possible dysfunctions of a condition such as social inequality along with its possible functions. Functionalists see a need for order and cooperation in society—yet economic inequality is one of the most important causes of conflict and disorder in society (Tumin, 1953). Beyond this, those who are at the bottom often become hopeless and alienated and thus “drop out” of any economically productive role. Thus, whatever benefits inequality may have, it also clearly has its costs, to the larger society as well as to those at the bottom of the stratification system.

Does all this mean that the functionalist explanation of inequality is simply wrong? Probably not. For one thing, all of the countries in Table 9.4 do have a significant amount of inequality, although the levels vary widely. In Japan, with the least inequality, the wealthiest 10 percent still receive two-and-a-half times as much income as the poorest 20

TABLE 9.4 Economic Inequality and Economic Productivity, Selected Industrialized Countries, 1990

Country	Inequality, 1990 Ratio of Income of Top 10% to that of Bottom 20%, Most Recent Data Available in 1990	Productivity, 1990 Per Capita Gross National Product, 1990	Average Annual Growth Per Capita GNP, 1965–90
Ireland	3.49	\$9,950	3.0%
Spain	3.55	11,020	2.4
Italy	4.36	16,830	3.0
United Kingdom	4.02	16,100	2.0
Japan	2.57	25,430	4.1
Belgium	2.72	15,420	2.6
Finland	3.44	26,040	3.2
Netherlands	3.33	17,320	1.8
Canada	4.23	20,470	2.7
France	4.05	19,490	2.4
Germany*	3.44	22,320	2.4
Denmark	4.13	18,450	1.8
United States	5.32	21,790	1.7
Sweden	2.60	23,660	1.9
Norway	3.42	23,120	3.4
Switzerland	5.73	32,680	1.4

SOURCE: The World Bank, 1992, *World Development Report 1992*. New York: Oxford University Press.

* Data refer to West Germany before unification.

percent. The fact that economic inequality exists in all modern countries—even socialist ones—is certainly consistent with the functionalist viewpoint. What the data do suggest, though, is that although inequality may be functional up to a point, most countries have far more of it than they need. This is especially true of the United States, which had over twice as much economic inequality (by the measure in Table 9.4) as either Japan or Sweden, and also more than Norway, yet did no better in terms of productivity in 1990. As Lenski (1966) put it, the functionalist theory probably explains a certain amount of stratification, but it cannot account for anywhere near all of it. Undoubtedly, much of the rest exists for the reasons outlined by conflict theorists—the disproportionate power of the wealthy, and their use of that power to keep their economic advantage.

The wealthy are not the only people among the non-poor who benefit from poverty, and therefore have a stake in the confirmation of poverty. To see how others benefit—as well as to get some enlightening insights about functionalist and conflict theories—see the box, “Herbert Gans and the Functions of Poverty.”

HERBERT GANS AND THE FUNCTIONS OF POVERTY

A discussion of functionalist and conflict analyses of stratification could not be complete without a review of the writings of Herbert Gans (1971, 1972) concerning the functions of poverty. Gans’s insights are useful not only for understanding poverty but also for seeing the similarities between functionalist and conflict theories. In an article titled “The Positive Functions of Poverty,” Gans listed a number of ways in which poverty is “functional,” some of which are given here:

- It provides people to do unpleasant “dirty work” that others don’t want to do.
- It provides a source of employment for police and penologists, Pentecostal ministers, pawnshop owners, social workers, heroin pushers, and other legal and illegal occupations that depend upon the poor.
- It provides people to buy spoiled and damaged

goods at a reduced price that otherwise would have to be thrown out.

- It provides a convenient group of people to punish in order to uphold society’s rules.
- It reassures the nonpoor of their status and worth.
- It enhances educational opportunities for the middle class by ensuring that a sizable part of the population will not compete with them.
- It is a source of popular culture that others enjoy and make money on. Jazz, blues, rock, gospel, and country music all had their origins among the poor.
- It provides people to absorb the costs of social change in the form of unemployment, cheap labor, and residential displacement — so others won’t have to.

Although some people have interpreted this article as making

a functionalist argument — and Gans certainly wrote it to sound that way — it has more commonly been seen as a spoof of functionalist theory written by someone who really identifies with the conflict perspective. An earlier and similar article by Gans, “The Uses of Poverty: The Poor Pay All” (1971), supports this interpretation. However, whether Gans identifies with functionalist theory or conflict theory, his articles make a key point: *A good many Americans — nonpoor and often wealthy — benefit from the continued existence of widespread poverty.* Thus, the fact that influential special-interest groups benefit from poverty may be one reason that poverty persists. In essence, this is what conflict theorists have always argued: Inequality exists because some group benefits from it. It would appear that this is true to some extent, not only of overall socioeconomic inequality, but also of the widespread poverty existing amid affluence in the United States.

SUMMARY

Sociologists use the term *stratification* to refer to the unequal distribution in society of scarce resources. Stratification has an economic dimension (the distribution of income and wealth), a political dimension (the distribution of power), and a social prestige dimension, sometimes called *status*. In the United States, income (what a person receives annually) is distributed more unequally than in most other industrialized countries, and the distribution of wealth (the total value of everything a person owns) is even more unequal. Although the distributions of income and wealth in the United States have not changed dramatically

over time, there has recently been a shift toward greater inequality.

Another area in which stratification systems vary is mobility. Open stratification systems have relatively high mobility — people can move “up” or “down” — whereas closed systems have low mobility. The most closed type of stratification system is the caste system; the estate or feudal system has slightly greater mobility. The highest level of mobility is found in class systems, but even there, ascribed statuses — those into which we are born — play an important role. The mobility that does exist is frequently

structural — that is, a result of an increase in the number of better-paying jobs rather than of some people moving up while others move down. Although it is widely believed that the United States has high mobility compared with other class systems, the fact is that industrialized countries do not vary widely in their degree of mobility. The degree of mobility found in the United States is similar to that of most other industrialized societies.

Social class can be defined in a number of ways. To Karl Marx, there were only two classes: those who owned the means of production and those who did not. Many modern sociologists prefer a composite approach, which considers such factors as income, wealth, education, and occupational status. Another approach — subjective class — is to allow people to classify themselves. In the United States, most people call themselves “middle class” or “working class,” because Americans don’t like to divide themselves into classes, and thus tend to identify with the middle.

Poverty can be defined in either a relative sense (being poor compared with others in the same society) or an absolute sense (lacking necessities). By either definition, there are a large number of poor people in the United States, despite its relative affluence, and this number has increased since the late 1970s. Most poor people are non-Hispanic whites, but blacks and Hispanics have disproportionately high poverty rates, as do female-headed families and people who live in either central cities or rural areas. Among the

key causes of poverty are unemployment, low wages, and the inability of single mothers to earn sufficient wages to pay the costs of day care and medical care and support their families. It appears that relatively few people are poor because they prefer welfare to work. Although welfare dependency does occur, it is less widespread than is commonly believed, and most of the nonworking poor have good reasons to be out of the labor force. During the late 1970s and particularly the 1980s, government policies both raised the poverty rate (by allowing unemployment to increase in order to fight inflation) and made the impact of poverty more severe (by cutting back aid to the poor). The effects of poverty are devastating in nearly every aspect of life, ranging from educational opportunities to life expectancy to the likelihood of being a victim of crime.

Functionalist and conflict theorists disagree about the causes of social stratification. In the view of functionalists, stratification exists because it is useful for society. It motivates people to get the training and work the long hours required for certain critical and difficult jobs. Conflict theorists, however, argue that stratification exists mainly because those with wealth and power benefit from it. At the least, it does appear that there is greater inequality in most societies than can be explained purely on the basis of the need for motivation. In the United States, with its particularly high degree of economic inequality, this seems to be especially true.

GLOSSARY

dimensions of stratification The different bases on which people in a society are unequally ranked, including economic (wealth and income), political (power), and prestige (status).

income The dollar value of that which a person or family receives during a specified time period, including wages and return on investment.

wealth The total value of everything that a person or family owns, less any debts.

prestige The degree to which a person is respected and well regarded by others.

socioeconomic mobility The movement of people to higher or lower positions within the stratification system.

open stratification system A system of inequality in which opportunities to move to a higher or lower status are relatively great.

closed stratification system A system of inequality in which opportunities for mobility are relatively limited.

caste system A very closed stratification system in which

the group or caste into which a person is born determines that person’s status on a lifelong basis.

caste A grouping into which a person is born that determines that person’s status in a caste system.

apartheid Now abolished by law, the official name for the racial caste system in South Africa, where political and economic rights are defined according to which of four official racial groupings — white, black, coloured, and Asian — a person belongs to.

racial caste system A closed stratification system in which castes are established on the basis of race.

estate system A relatively closed stratification system, also called a feudal system, found in agricultural economies, in which a person’s status is determined on the basis of land ownership and, frequently, formal title.

class system A system of social inequality, usually found in modern industrial societies, in which a person’s position in life is influenced by both achieved and ascribed statuses.

intergenerational mobility Attainment by people of a so-

socioeconomic status higher or lower than that of their parents.

structural mobility A type of socioeconomic mobility that occurs because of an increasing proportion of jobs in the higher-status, white-collar categories.

exchange mobility A type of socioeconomic mobility that occurs when some people move to higher positions in the stratification system, while others move to lower positions.

social class A group of people with similar socioeconomic status in an industrialized society.

socioeconomic status A person's overall position within the stratification system, reflecting such things as income, wealth, educational level, and occupational prestige.

class structure The distribution of wealth and other scarce resources in society.

subjective class The class to which people perceive that they belong.

poverty The condition of having an extremely low income and standard of living, either in comparison with other members of society (relative poverty) or in terms of the ability to acquire basic necessities (absolute poverty).

deindustrialization A decline in the importance of heavy industry as a source of employment in the United States and other modern economies. Automation, job decentralization, and the transition to a postindustrial economy all play a role in this process.

FURTHER READING

BARTLETT, DONALD L., AND JAMES B. STEELE. 1992. *America: What Went Wrong?* Kansas City: Andrews and McMeel. This easy-to-read book by two Pulitzer Prize-winning journalists documents the extent to which inequality in income grew in the United States during the 1980s—resulting in growing poverty and a shrinking middle class. It also identifies specific government policies that led to increased inequality and loss of higher-paying jobs.

DANZINGER, SHELDON, AND DANIEL H. WEINBERG (EDS.). 1986. *Fighting Poverty: What Works and What Doesn't*. Cambridge, MA: Harvard University Press. This is a collection of articles by experts on various aspects of poverty. It addresses the successes and failures of past efforts to fight poverty, and it lays out a research agenda to identify more effective ways to do so.

DEMOTT, BENJAMIN. 1990. *The Imperial Middle: Why Americans Can't Think Straight About Class*. New York: William Morrow. Although America is very much a class society, Americans are less aware of class distinctions than people in almost all other industrialized countries. This book examines the reasons why that is the case and looks at how and why our leaders and our media encourage us to downplay the influence of class.

DUNCAN, GREG J., ET AL. 1984. *Years of Poverty, Years of Plenty: The Changing Economic Fortunes of American Workers and Families*. Ann Arbor: Institute for Social Research, The University of Michigan. This book presents the results of a study of family income conducted over a period of 10 years. It is written to be understood by people who do not have advanced training in sociology and statistics. Duncan and his colleagues present fascinating findings concerning family economic mobility, the extent of persistent poverty, and the causes of low wages among women.

EHRENREICH, BARBARA. 1991. *Fear of Falling: The Inner Life of the Middle Class*. New York: HarperCollins Publishers. This book offers a look at the middle class in America from the 1960s through the 1980s. It describes the prevailing attitudes and values that govern this lifestyle and also challenges prevailing myths about middle-class behavior.

EITZEN, D. STANLEY, AND MAXINE BACA ZINN (EDS.). 1989. *The Reshaping of America*. Englewood Cliffs, NJ: Prentice Hall. This book contains 42 articles by a variety of analysts examining how and

why stratification is changing in the United States. Among the forces for change examined are electronic technology, the emergence of a worldwide economy, the increased mobility of capital throughout the nation and world, and the transition from an economy based primarily on manufacturing to one based primarily on information and services.

HARRINGTON, MICHAEL. 1984. *The New American Poverty*. New York: Penguin. This book examines the growth of poverty in the United States during the early 1980s. It identifies the diverse groups affected by this poverty, and it examines the various social, economic, and political conditions that led to the increase in poverty. The book is written from a conflict perspective by the author of *The Other America*, a 1962 book that made many Americans aware that they were living in the midst of poverty.

JENCKS, CHRISTOPHER, AND PAUL E. PETERSON. 1991. *The Urban Underclass*. Washington, D.C.: Brookings Institution. A series of essays by leading researchers on urban poverty, reporting and discussing the latest findings on the extent and causes of the worsening conditions of America's urban poor. Several authors discuss forces that perpetuate poverty and make it hard to escape, and explore the extent of persistent poverty in urban America.

ROSSI, PETER. 1989. *Down and Out in America: The Origins of Homelessness*. Chicago: University of Chicago Press. This book offers a descriptive analysis of homelessness in Chicago. Findings are compared to those obtained from earlier generations of research and those recently obtained elsewhere. Contains an interesting comparison of today's homeless with the Great Depression and the skid row era poor.

SOBEL, RICHARD. 1989. *The White-Collar Working Class: From Structure to Politics*. New York: Praeger. A well-written book that attempts to locate the white-collar professional and technical workers in the existing class structure. The author reviews theories of a "new middle class," then follows with his contention that white-collar employees are part of a stratified working class.

TUMIN, MELVIN. 1985. *Social Stratification: The Forms and Functions of Social Inequality*, 2nd ed. Englewood Cliffs, NJ: Prentice Hall. A thorough and readable introduction to stratification, by a sociologist who is recognized as a leading theorist in this area.