

11

CHAPTER ELEVEN

Social Class in the United States



How is income and wealth divided
within the U.S. population?

What factors place people in different
social classes?

Why is the poverty rate higher among some
categories of people in the United States
than others?



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ROSA URIAS LEANS FORWARD, pushing and pulling the vacuum cleaner across the hardwood floors, a motion she has repeated hundreds of times to the point that her right wrist and elbow are sore. It is now almost five o'clock in the afternoon, and this forty-five-year-old single mother of two is on her third cleaning job of the day. She works with her cousin Melitsa Sermiento, thirty-six, cleaning nine apartments and five houses each week. The two women, who both came to the United States from El Salvador, divide the money they earn, giving each one an annual income of about \$28,000, barely enough to pay the bills in New York City.

But there is no shortage of work cleaning homes. Hundreds of thousands of New Yorkers make more than enough money to hire people like Rosa and Melitsa to dust their tables, mop their floors, and scrub their sinks and toilets while they are out doing their high-paying jobs, working out at the health club, or having lunch with friends.

Rosa reaches up over the bathroom sink to turn on a light so she can see better. She pulls the silver chain, but it breaks and she stands there with part of the chain hanging from her hand. She looks over at Melitsa and both do their best to laugh it off. Then Rosa turns serious and says softly, in Spanish, "My daughter tells me I need some new dreams" (Eisenstadt, 2004). ■

New York may be a single large city, but the social world in which Rosa and Melitsa live is not the same as the social world of the people who hire these women. How different are the lives of the richest people in the United States and the lives of those who work hard all day just to get by? What about the lives of those who do not even have the security of work? This chapter answers all these questions, explaining some of the different "worlds" found in U.S. society, how different we are, and why the differences are getting bigger.

Dimensions of Social Inequality

The United States differs from most European nations and Japan in never having had a titled nobility. With the significant exception of our racial history, we have never known a caste system that rigidly ranks categories of people.

Even so, U.S. society is highly stratified. Not only do the rich have most of the money, but they also receive the most schooling, enjoy the best health, and consume the most

goods and services. Such privilege contrasts sharply with the poverty of millions of women and men who worry about paying next month's rent or a doctor's bill when a child becomes ill. Many people think of the United States as a middle-class society, but is this really the case?

YOUR TURN

Why do you think so many people view the United States as a "middle-class society" in which most people have more or less equal social standing?

INCOME

One important dimension of inequality is **income**, *earnings from work or investments*. The Census Bureau reports that the median U.S. family income in 2004 was \$55,327. The first part of Figure 11-1 illustrates the distribution of

SUPPLEMENTS: An outline of Chapter 11, along with supplementary lecture material and discussion topics, is found in the *Data File*.
THEN AND NOW: 1970 income data for comparison with Figure 11-1 for each quintile: 40.9%, 23.8%, 17.6%, 12.2%, 5.5%.

NOTE: About 70% of U.S. millionaires are first-generation millionaires.

Q: "It is easy to despise what you cannot get." Aesop

NOTE: Below, we mean "privately held wealth" because public property (lands, forests, roads, transportation systems, and the military) are excluded from such considerations. According to the World Bank, if all public and private wealth in the U.S. were divided equally, each person would have about \$425,000.

NOTE: Another indicator of high income is employing a household maid: About 14% of U.S. households do.

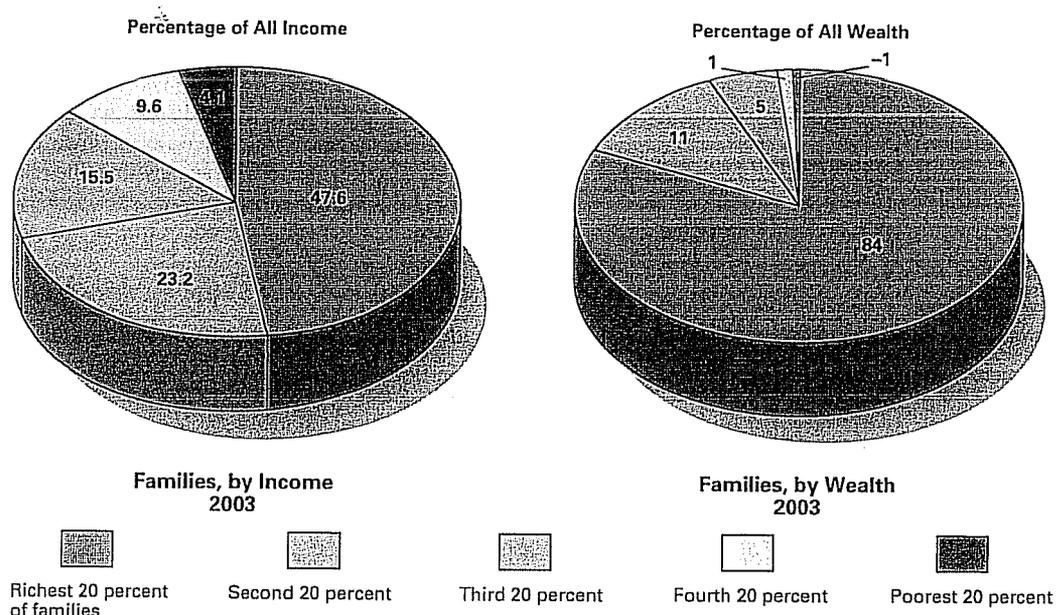


FIGURE 11-1 Distribution of Income and Wealth in the United States

Income, and especially wealth, is divided unequally in U.S. society.

Sources: Income data from U.S. Census Bureau (2005); wealth data are author estimates based on Keister (2000) and Russell & Mogelonsky (2000).

income among all U.S. families.¹ The richest 20 percent of families (earning at least \$98,000 annually, with a mean of about \$165,000) received 47.6 percent of all income, while the bottom 20 percent (earning less than \$24,000, with a mean of about \$14,000) received only 4.1 percent.

Table 11-1 on page 282 provides a closer look at income distribution. In 2003, the highest-paid 5 percent of U.S. families earned at least \$170,000 (averaging almost \$300,000), or 20.5 percent of all income, more than the total earnings of the lowest-paid 40 percent. At the very top of the income pyramid, the richest half of 1 percent earned at least \$1.5 million. In short, while a small number of people earn very high incomes, the majority make do with far less.

WEALTH

Income is only a part of a person's or family's **wealth**, the total value of money and other assets, minus outstanding debts. Wealth—including stocks, bonds, and real estate—is distributed more unequally than income. Recent reductions in taxes on income earned by individuals and wealth passed from one generation to the next are likely to make this inequality greater (Wahl, 2003).

The second part of Figure 11-1 shows the distribution of wealth. The richest 20 percent of U.S. families own roughly 84 percent of the country's wealth. High up in this privileged category are the wealthiest 5 percent of families—the "very rich," who own 60 percent of all private property. Richer still, with wealth in the tens of millions of dollars, are the 1 percent of families that qualify as "super-rich" and possess about 40 percent of this nation's privately held resources (Keister, 2000; Keister & Moller, 2000). At the top of the wealth pyramid, the ten richest U.S. families have a combined net worth of more than \$226 billion (Miller & Newcomb, 2005). This amount



Read a government report on U.S. wealth inequality at <http://www.census.gov/prod/2003pubs/p70-88.pdf>

property. Richer still, with wealth in the tens of millions of dollars, are the 1 percent of families

¹The Census Bureau reports both mean and median incomes for families ("two or more persons related by blood, marriage, or adoption") and households ("two or more persons sharing a living unit"). In 2003, mean family income was \$68,563, higher than the median (\$52,680) because high-income families pull up the mean but not the median. For households, these figures are somewhat lower—a mean of \$59,067 and a median of \$43,318—largely because families average 3.1 people and households average 2.6.

NOTE: Family size affects a child's share of resources and eventual accumulation of wealth. The Census Bureau reports that, among people who were born between 1957 and 1964, those who grew up as an only child have a median net worth of \$62,000; those with one sibling, \$49,000; those with six or more siblings, \$6,000.

DIVERSITY: Some income inequality is the effect of age on earning power. One study found these average household incomes by age of

householder: Generation Y (about age 21), \$19,744; Generation X (about 30), \$45,498; younger boomer (about 40), \$56,500; old boomer (about 50), \$58,889; empty nester (about 60), \$48,108 (Werner, 2002).

CYBER: As we move into a postindustrial society, will prestige be a matter of owning things and more a matter of developing personal creative potential?

TABLE 11-1
U.S. Family Income, 2003

Highest-paid . . .	Annually earns at least . . .
0.5%	\$1,500,000
1	347,000
5	170,000
10	116,000
20	98,000
30	76,500
40	65,000
50	54,500
60	42,000
70	31,500
80	24,000
90	10,000

Source: U.S. Census Bureau (2005) and author calculations.

equals the total property of 3.1 million average families, including enough people to fill the cities of Chicago, Illinois; Chattanooga, Tennessee; and Clearwater, Florida.

The wealth of the average U.S. household, currently about \$71,600, rose through the 1990s and fell somewhat with the economic downturn beginning in 2000. Household wealth reflects the value of homes, cars, investments, insurance policies, retirement pensions, furniture, clothing, and all other personal property, minus a home mortgage and other debts. The wealth of average people is not only less than that of the rich, however, but also different in kind. Most people's wealth centers on a home and a car—that is, property that generates no income—but the wealth of the rich is mostly in the form of stocks and other income-producing investments.

When financial assets are balanced against debts, the lowest-ranking 40 percent of U.S. families have virtually no wealth at all. The negative percentage shown in Figure 11-1 for the poorest 20 percent of the population means that these families actually live in debt.

POWER

In the United States, wealth is an important source of power. The small proportion of families that controls most of the nation's wealth also shapes the agenda of the entire society. As explained in Chapter 17 ("Politics and Government"), some sociologists argue that such concentrated wealth weakens democracy because the political system serves the interests of the super-rich.

YOUR TURN

Everyone, regardless of social class, has the same right to vote. But can you think of ways in which the rich have more power to shape U.S. society than the rest of us?

OCCUPATIONAL PRESTIGE

In addition to generating income, work is also an important source of social prestige. We commonly evaluate each other according to the kind of work we do, giving greater respect to those who do what we consider important work and less respect to others with more modest jobs.

Sociologists measure the relative prestige of various occupations (NORC, 2003). Table 11-2 shows that people give high prestige to occupations such as physician, lawyer, and

SOCIOLOGY AT WORK

engineer that require extensive training and generate high income. By contrast, less prestigious work—as a waitress or janitor, for example—pays less and requires less schooling. Occupational prestige rankings are much the same in high-income nations (Lin & Xie, 1988).

In any society, high-prestige occupations go to privileged categories of people. In Table 11-2, for example, highest-ranking occupations are dominated by men. You have to go thirteen jobs down the list to find "registered nurse," a career chosen mostly by women.

YOUR TURN

Identify the jobs in Table 11-2 that have traditionally been performed by people of color. What pattern do you discover?

SCHOOLING

Industrial societies have expanded opportunities for schooling, but some people still receive much more education than others. Table 11-3 on page 284 shows the level of schooling achieved by U.S. women and men aged twenty-five and older. In 2004, although 85 percent completed high school, only about 28 percent were college graduates.

Schooling affects both occupation and income, and most (but not all) of the better-paying white-collar jobs shown in Table 11-2 require a college degree or other advanced study. Most blue-collar jobs, which bring less income and social prestige, require less schooling.

NOTE: How much money do people need to "get by"? The average person says \$25,000; people in the top 1% (those with income over \$250,000 or assets over \$2.5 million) say \$80,000. "To live in reasonable comfort"? Average: \$41,000; rich: \$150,000. "To fulfill all dreams"? Average: \$102,000; rich: \$500,000 (*American Demographics*, 1998).

NOTE: The government has long curtailed inheritance using taxation. The first such tax existed from 1797 to 1802, another from 1862 to 1870, and a third from 1898 to 1902; all were intended to generate revenue. The current tax, enacted in 1916 to pay for World War I, was not later repealed (Bartlett, 2000). The tax reforms of 2001 will phase out estate taxes by 2011, although estate taxes will return in 2012 unless Congress enacts further legislation.

TABLE 11-2
The Relative Social Prestige of Selected Occupations in the United States

White-Collar Occupations	Prestige Score	Blue-Collar Occupations	White-Collar Occupations	Prestige Score	Blue-Collar Occupations
Physician	86		Funeral director	49	
Lawyer	75		Real estate agent	49	
College/university professor	74		Bookkeeper	47	
Architect	73			47	Machinist
Chemist	73			47	Mail carrier
Physicist/astronomer	73		Musician/composer	47	
Aerospace engineer	72			46	Secretary
Dentist	72		Photographer	45	
Member of the clergy	69		Bank teller	43	
Psychologist	69			42	Tailor
Pharmacist	68			42	Welder
Optometrist	67			40	Farmer
Registered nurse	66			40	Telephone operator
Secondary school teacher	66			39	Carpenter
Accountant	65			36	Bricklayer/stonemason
Athlete	65			36	Child care worker
Electrical engineer	64		File clerk	36	
Elementary school teacher	64			36	Hairdresser
Economist	63			35	Baker
Veterinarian	62			34	Bulldozer operator
Airplane pilot	61			31	Auto body repairer
Computer programmer	61		Retail apparel salesperson	30	
Sociologist	61			30	Truck driver
Editor/reporter	60		Cashier	29	
	60	Police officer		28	Elevator operator
Actor	58			28	Garbage collector
Radio/TV announcer	55			28	Taxi driver
Librarian	54			28	Waiter/waitress
	53	Aircraft mechanic		27	Bellhop
	53	Firefighter		25	Bartender
Dental hygienist	52			23	Farm laborer
Painter/sculptor	52			23	Household laborer
Social worker	52			22	Door-to-door salesperson
	51	Electrician		22	Janitor
Computer operator	50			09	Shoe shiner

Source: Adapted from *General Social Surveys, 1972-2002: Cumulative Codebook* (Chicago: National Opinion Research Center, 2003), pp. 1488-1506.

U.S. Stratification: Merit and Caste

As we discussed in Chapter 10 ("Social Stratification"), the U.S. class system is partly a meritocracy in that social position reflects individual talent and effort. But it also has caste elements, because birth plays a part in what we become later in life.

ANCESTRY

Nothing affects social standing in the United States as much as being born into a particular family, which has a strong

bearing on schooling, occupation, and income. Research suggests that more than one-third of our country's richest individuals—those with hundreds of millions of dollars in wealth—acquired some of their fortunes from inheritance (Miller & Newcomb, 2005). Inherited poverty shapes the future of tens of millions of others.

RACE AND ETHNICITY

Race is closely linked to social position in the United States. White people receive more schooling than African Americans

Q: "Class is for European democracies or something else; it isn't for the United States of America. We're not going to be divided by class." President George Bush

NOTE: Several reasons for the widening income gap in the United States include an increase in married couples with two people working for income, and the widening pay gap between high school graduates and college graduates.

N: DIVERSITY: Relatively speaking, our society confers social standing on women in more castelike terms because they receive social standing from fathers and husbands and are honored for carrying out traditionally feminine duties. The social standing of men is organized more in terms of class, based on competitive, individual achievement.

Q: "Democracy is always inventing class distinctions, despite its abhorrence of them." H.L. Mencken

TABLE 11-3

Schooling of U.S. Adults, 2004 (aged 25 and over)

	Women	Men
Not a high school graduate	14.6%	15.2%
8 years or less	6.1	6.5
9-11 years	8.5	8.7
High school graduate	85.4	84.8
High school only	32.8	31.1
1-3 years of college	26.5	24.3
College graduate or more	26.1	29.4

Source: U.S. Census Bureau (2005).

and have higher overall occupational standing. The median African American family's income was \$35,158 in 2004, just 58 percent of the \$60,969 earned by non-Hispanic white families. This inequality in income makes a real difference in people's lives. For example, non-Hispanic white families are more likely to own their homes (76 percent do) than black families (49 percent) (U.S. Census Bureau, 2005).

Some of the racial difference in income results from the larger share of single-parent families among African Americans. Comparing only families headed by married couples, African Americans earned 80 percent as much as non-Hispanic white families.

Over time, the income difference builds into a huge wealth gap (Altonji, Doraszelski, & Segal, 2000). A recent survey of U.S. households by the government's Federal Reserve found that median wealth for minority families (about \$17,100) is just 14 percent of the median (\$120,900) for non-Hispanic whites (Aizcorbe, Kennickell, & Moore, 2003). Even among families who *do* have a lot of money, race makes a difference, as the Thinking About Diversity box explains.

Social ranking involves ethnicity as well. People of English ancestry have always enjoyed the most wealth and the greatest power in U.S. society. The Latino population—now the largest U.S. racial or ethnic minority—has long been disadvantaged. In 2004, the median income among Hispanic families was \$35,401, which is 58 percent of the comparable figure for all non-Hispanic white families. A detailed examination of how race and ethnicity affect social standing is presented in Chapter 14 ("Race and Ethnicity").

GENDER

Of course, both men and women are found in families at every class level. Yet on average, women have less income,

wealth, and occupational prestige than men. Among single-parent families, those headed by a woman are about six times more likely to be poor than those headed by a man. Chapter 13 ("Gender Stratification") examines the link between gender and social stratification.

Social Classes in the United States

As Chapter 10 ("Social Stratification") explained, rankings in a caste system are rigid and obvious to all. Defining social categories in a more fluid class system such as ours, however, is not so easy.

There is an old joke about a couple who orders a pizza, asking that it be cut into six slices because they aren't hungry enough to eat eight. Sociologists do the same thing with social class; some recognize more classes than others. At one extreme, people find as many as six or even seven social classes; at the other, some follow Karl Marx and see two major classes: capitalists and proletarians. Still others side with Max Weber, claiming that people form not classes but a multidimensional status hierarchy.

Defining classes in U.S. society is difficult because of our relatively low level of status consistency. Especially toward the middle of the hierarchy, people's standing in one dimension may not be the same as their standing in another. For example, a government official may have the power to administer a multimillion-dollar budget yet may earn only a modest personal income. Similarly, many members of the clergy enjoy great prestige but moderate power and low pay. Or consider a lucky day trader on the stock market who wins no special respect but makes a lot of money.

Finally, the social mobility typical of class systems—again, most pronounced around the middle—means that social position may change during a person's lifetime, further blurring class boundaries. With these issues in mind, we will describe four general rankings: the upper class, the middle class, the working class, and the lower class.

THE UPPER CLASS

Families in the upper class—5 percent of the U.S. population—earn at least \$170,000 a year, and some earn ten times that much or more. As a general rule, the more a family's income comes from inherited wealth in the form of stocks and bonds, real estate, and other investments, the stronger a family's claim to being upper-class.

In 2005, *Forbes* magazine profiled the richest 374 people in the United States who were worth at least \$1 billion (and as much as \$51 billion) (Miller & Newcomb, 2005). These people form the core of the upper class, or Karl Marx's "capitalists"—the owners of the means of production or most of

DIVERSITY: The social dominance of white Anglo Saxon Protestants (the acronym WASP was first used by E. Digby Baltzell, 1964) is evident in the widespread perception that racial, ethnic, or religious identity applies to everyone but them.

DIVERSITY: Percentage of all African American family income by fifths, highest to lowest, for 2003: 48.6%; 24.2%; 15.2%; 8.9%; 3.1% (U.S. Census Bureau, 2005).

NOTE: A statistical profile of the average U.S. millionaire: a 57-year-old self-employed man, married with 3 children, who works about 50 hours a week, earns \$130,000 annually, owns a home worth \$320,000, is worth about \$3.7 million, and is the first generation in his family to be rich. There are about 5 million U.S. millionaires today (Sharpe, 1996).



THINKING ABOUT DIVERSITY: RACE, CLASS, & GENDER

The Color of Money: Being Rich in Black and White

African American families earn 58 cents for every dollar a non-Hispanic white family earns, which helps explain why black families are three times as likely to be poor. But there is another side to black America—an affluent side—that has grown dramatically in recent decades.

The number of affluent families—those with incomes over \$75,000 a year—is increasing faster among African Americans than among whites. According to Census Bureau statistics for 2003, 1.5 million African American families (17 percent) were financially well-off, nearly ten times the number in 1970 (taking inflation into account). About 16 percent of Latino families were well-off, along with 38 percent of non-Hispanic white families.

The color of money is the same for everyone, but black and white affluence differs in several ways. First, well-off people of African descent are *not as rich* as their white counterparts. Sixty percent of affluent non-Hispanic white families (23 percent of all such families) earn more than \$100,000 a year, compared to 50 percent of affluent African American families (9 percent of all black families).

Second, African Americans are more likely than white people to achieve affluence through multiple

incomes. Among non-Hispanic white people, 12.8 percent of men and 4.1 percent of women earn more than \$75,000; among African Americans, the same is true of just 5.5 percent of men and 2.3 percent of women. Rich black families are more likely to contain two or more working people.

Third, affluent African Americans are more likely to get their income from salaries rather than investments. More

than 80 percent of wealthy white families have investment income, compared to two-thirds of affluent African American families.

Beyond differences in income, affluent people of color must deal with social barriers that do not limit whites. Even African Americans with the money to purchase a home, for example, may find they are unwelcome as neighbors. This is one reason that a smaller share of well-off African American families (54 percent) live in the suburbs (the richest areas of the country) than affluent white families (68 percent).

Affluent Americans come in all colors. But having money does not completely overcome the racial barriers in the United States.



Will Smith and Jada Pinkett Smith are among the most well-known and affluent African Americans in the world. But race still has a lot to do with which families are wealthy.

WHAT DO YOU THINK?

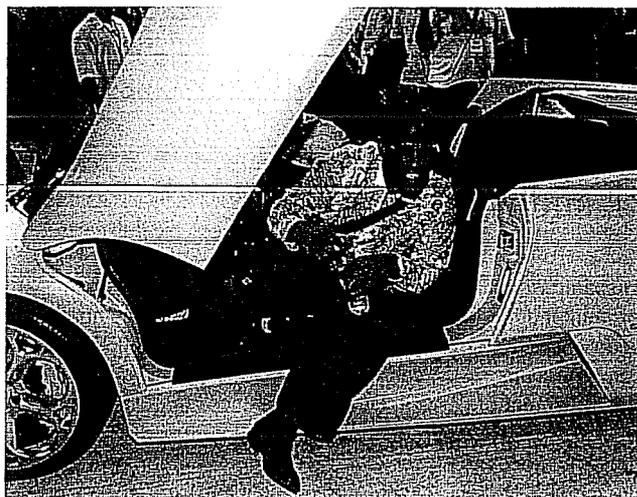
1. What do you think are some of the reasons for the rising number of well-off African American families?
2. In what ways are affluent African Americans still disadvantaged by their race?
3. Do you think affluent African Americans feel less secure about their social position than affluent whites? Why or why not?

the nation's private wealth. Many upper-class people are business owners, top executives in large corporations, or senior government officials. In the past, the upper class has been composed mostly of white Anglo-Saxon Protestants, but this is less true today (Pyle & Koch, 2001).

Upper-Uppers

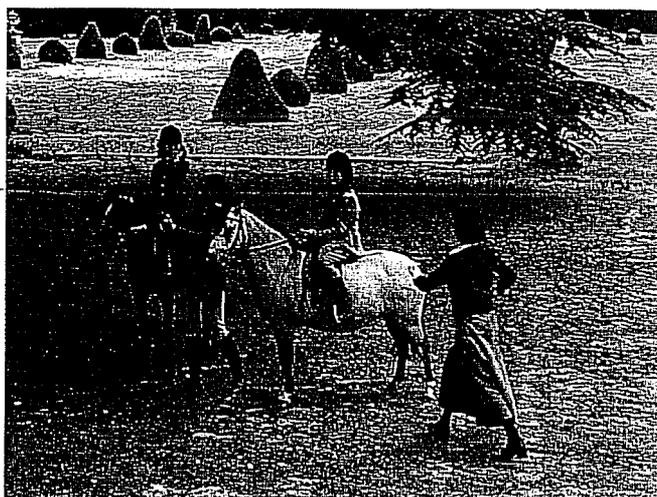
The *upper-upper class*, sometimes called "blue bloods" or simply "society," includes less than 1 percent of the U.S. population (Coleman & Neugarten, 1971; Baltzell, 1995).

NOTE: The special "Forbes Four Hundred" issue appears in October of each year and contains interesting facts and patterns about U.S. wealth. For example, in 1982, 13 people in the U.S. were billionaires. In 2005, 374 of the 400 on the list were worth billions. The new-rich corporate and technology elite, whose wealth is mostly in the form of stocks (rather than, say, art) make up a large portion of the list.



Q: "What I want to see above all else is that this country remain a country where someone can always get rich." Ronald Reagan (1983)

NOTE: A rough listing of upper-uppers is the *Social Register*, first published in 1887, which lists the home addresses and club affiliations of families. A rough listing of lower-uppers is the national edition of *Who's Who*, which lists the personal achievements of individuals.



People often distinguish between the "new rich" and those with "old money." Men and women who suddenly begin to earn high incomes tend to spend their money on status symbols because they enjoy the new thrill of high-roller living and they want others to know of their success. Those who grow up surrounded by wealth, on the other hand, are used to a privileged way of life and are more quiet about it. Thus, the conspicuous consumption of the lower-upper class (left) can differ dramatically from the more private pursuits and understatement of the upper-upper class (right).

Membership is almost always the result of birth, as suggested by the joke that the easiest way to become an upper-upper is to be born one. Most of these families possess enormous wealth, which is primarily inherited. For this reason, members of the upper-upper class are said to have "old money."

Set apart by their wealth, upper-uppers live in old, exclusive neighborhoods, such as Beacon Hill in Boston, Rittenhouse Square in Philadelphia, the Gold Coast of Chicago, and Nob Hill in San Francisco. Their children typically attend private schools with others of similar background and complete their schooling at high-prestige colleges and universities. In the tradition of European aristocrats, they study liberal arts rather than vocational skills.

Women of the upper-upper class do volunteer work for charitable organizations. Such activities serve a dual purpose: They help the larger community, and they build networks that broaden this elite's power (Ostrander, 1980, 1984).

Lower-Uppers

Most upper-class people actually fall into the *lower-upper class*. The queen of England is in the upper-upper class based not on her fortune of \$500 million but on her family tree. J. K. Rowling, author of the Harry Potter books, is worth even more—almost \$1 billion—but this woman (who was once on welfare) is a member of the lower-upper

class. The major difference, in other words, is that lower-uppers are the "working rich" who get their money mostly by earning it rather than inheritance. These well-to-do families—who make up 3 or 4 percent of the U.S. population—generally live in large homes in expensive neighborhoods, own vacation homes near the water or in the mountains, and send their children to private schools and good colleges. Yet most of the "new rich" do not gain entry into the clubs and association of "old money" families.

In the United States, what we often call the "American Dream" has been to earn enough to join the ranks of the lower-upper class. The athlete who signs a million-dollar contract, the actress who lands a starring role in a Hollywood film, the computer whiz who starts a successful Internet company, and even the person who hits it big by winning the lottery are the talented achievers and lucky people who reach the lower-upper class.

THE MIDDLE CLASS

Made up of 40 to 45 percent of the U.S. population, the large middle class has a tremendous influence on our culture. Television programs and movies usually show middle-class people, and most commercial advertising is directed at these average consumers. The middle class contains far more racial and ethnic diversity than the upper class.

Q: "In our society, it is murder, psychologically, to deprive a man of a job or an income. You are in effect saying to that man that he has no right to exist." Martin Luther King, Jr.

Q: "A great many people are in the working class and don't know it." Marshal Berman

Q: "[U]nderclass has become the code word for lower-income blacks and Puerto Ricans." Leslie Dunbar (1988:16)

Upper-Middles

People in the top half of this category are called the *upper-middle class*, based on above-average income in the range of \$80,000 to \$170,000 a year. Such income allows upper-middle-class families to live in a comfortable house in a fairly expensive area, own several automobiles, and build investments. Two-thirds of upper-middle-class children graduate from college, and postgraduate degrees are common. Many go on to high-prestige careers as physicians, engineers, lawyers, accountants, and business executives. Lacking the power of the richest people to influence national or international events, upper-middles often play an important role in local political affairs.

Average-Middles

The rest of the middle class falls close to the center of the U.S. class structure. *Average-middles* typically work at less prestigious white-collar jobs as bank branch managers, high school teachers, and government office workers, or in highly skilled blue-collar jobs such as electrical work and carpentry. Family income is between \$40,000 and \$80,000 a year, which is roughly the national average.² Middle-class people typically build up a small amount of wealth over the course of their working lives, mostly in the form of a house and a retirement account. Middle-class men and women are likely to be high school graduates, but the odds are just fifty-fifty that they will complete a college degree, usually at a less expensive, state-supported school.

THE WORKING CLASS

About one-third of the population falls within the working class (sometimes called the *lower-middle class*). In Marxist terms, the working class forms the core of the industrial proletariat. Their blue-collar jobs usually yield a family income of between \$25,000 and \$40,000 a year, somewhat below the national average. Working-class families have little or no wealth and are vulnerable to financial problems caused by unemployment or illness.

Many working-class jobs provide little personal satisfaction—requiring discipline but rarely imagination—and subject workers to continual supervision. These jobs also offer fewer benefits, such as medical insurance and pension plans. About half of working-class families own their own homes, usually in lower-cost neighborhoods. College

²In some parts of the United States where the cost of living is very high (say, San Francisco), a family might need \$150,000 or more in annual income to reach the middle class.

NOTE: The importance of a college education to middle-class standing is suggested by the practice, common in the U.S., of placing college decals on the windows of automobiles.

DIVERSITY: Attention to the term underclass has been considerable, although this category includes only about 5% of the poor. The term is used to designate those who are (a) chronically poor, (b) living in inner-city areas, and (c) dependent on welfare.



For decades, farm families who worked hard could expect to fall within the U.S. middle class. But the trend toward large-scale agribusiness has put the future of the small family farm in doubt. Although many young people in rural areas are turning away from farming toward other careers, some carry on, incorporating high technology into their farm management in their determined efforts to succeed.

becomes a reality for only about one-third of working-class children.

THE LOWER CLASS

The remaining 20 percent of our population make up the lower class. Low income makes their lives insecure and difficult. In 2004, the federal government classified 40 million people (12.7 percent of the population) as poor. Millions more—called the "working poor"—are slightly better off, holding low-prestige jobs that provide little satisfaction and minimal income. Barely half manage to complete high school, and only one in four ever reaches college.

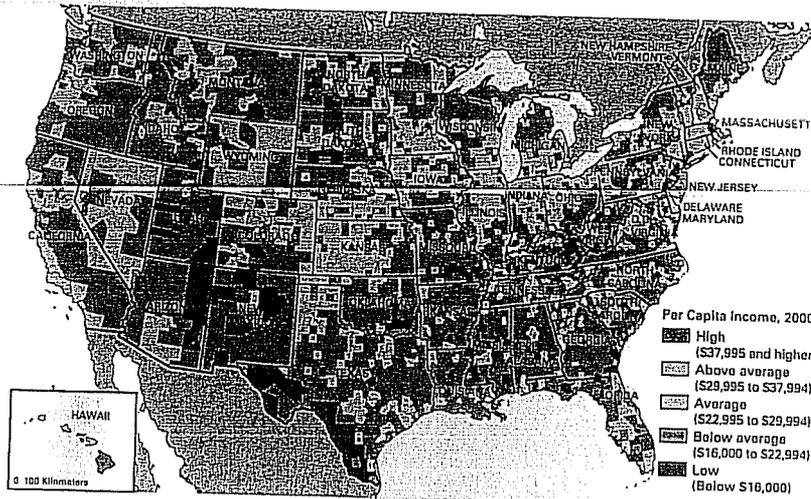
Society segregates the lower class, especially when the poor are racial or ethnic minorities. About 40 percent of lower-class families own their own homes, typically in the least desirable neighborhoods. Although poor neighborhoods are usually found in our inner cities, lower-class families also live in rural communities, especially across the South.

Most communities contain people of various class levels. In the country as a whole, however, some areas are wealthier than others. National Map 11-1 on page 288 shows one measure of social class—per capita income—for all the counties in the United States.

THE MAP: Most of the 50 richest counties are found around large metropolitan areas, including New York (10), San Francisco (5), and Washington, D.C. (5). Although some rural counties are also rich, these tend to be areas popular as affluent getaways, including Pitkin County, Colo. (Aspen), and Nantucket, Mass. Low-income counties are likely to be rural, and many also have a high immigrant population. Worth noting is that the patterns are very much the same as in our

earlier maps with data from 1990.

DIVERSITY: Low-income people have more medical care contacts (especially emergency room visits) than more affluent people. The National Health Interview Survey reported 7.9 ER visits per person per year for those in households with under \$10,000 in annual income compared to 5.7 for those with \$35,000 or more in household income (National Center for Health Statistics).



Source: *American Demographics* magazine, April 2000 issue, pp. 42–43. Copyright © 2004 by Crain Communications, Inc.

SEEING OURSELVES

NATIONAL MAP 11-1 Per Capita Income across the United States, 2000

This map shows the median per-person income (that is, how much money, on average, a person has to spend) in the more than 3,000 counties that make up the United States, for the year 2000. The richest counties, shown in dark green, are not spread randomly across the country. Nor are the poorest U.S. counties, which are shown in dark red. Looking at the map, what patterns do you see in the distribution of wealth and poverty across the United States? What can you say about wealth and poverty in urban and rural areas?

YOUR TURN

If you were trying to assess someone's social class position and could ask only one question, what would it be? Explain the reason for your choice.

The Difference Class Makes

Social stratification affects nearly every dimension of our lives. We will briefly examine some of the ways social standing is linked to our health, values, politics, and family life.

HEALTH

Health is closely related to social standing. Children born into poor families are three times more likely to die from disease, neglect, accidents, or violence during their first years of life than children born into privileged families. Among adults, people with above-average incomes are almost twice as likely as low-income people to describe their health as excellent. In addition, richer people live, on average, seven years longer because they eat more nutritious food, live in safer and less stressful environments, and receive better medical care (Lethbridge-Cejku & Vickerie, 2005).

VALUES AND ATTITUDES

Some cultural values vary from class to class. The “old rich” have an unusually strong sense of family history because their social position is based on wealth passed down from generation to generation. Secure in their birthright privileges, upper-uppers also favor understated manners and tastes; many “new rich” engage in conspicuous consumption, using homes, cars, and even airplanes as status symbols to make a statement about their social position.

Affluent people with greater education and financial security are also more tolerant of controversial behavior such as homosexuality. Working-class people, who grow up in an atmosphere of greater supervision and discipline and are less likely to attend college, tend to be less tolerant (Baltzell, 1979a, orig. 1958; Lareau, 2002; NORC, 2003).

POLITICS

Do political attitudes follow class lines? The answer is yes, but the pattern is complex. A desire to protect their wealth prompts well-off people to be more conservative on *economic* issues, favoring, for example, lower taxes. But on *social* issues—such as abortion and gay rights—highly educated, more affluent people are more liberal. People of lower social standing, by contrast, tend to be economic liberals, favoring government social programs that support the poor, but typically have more conservative values on social issues (NORC, 2003).

NOTE: To help students keep the terms straight, note that *intra* is Latin for “within” and *inter* means “between.”

GLOBAL: An example of downward structural mobility was China’s Cultural Revolution, which forced 17 million urban youths to live in rural areas (Zhou & Hou, 1999).

Q: Malcolm Forbes liked to attribute his success to “sheer ability, spelled i-n-h-e-r-i-t-a-n-c-e.”

A clearer pattern emerges when it comes to political involvement. Higher-income people, who are better served by the system, are more likely to vote and to join political organizations than people with low incomes. In presidential elections, three-fourths of adults with family incomes of \$75,000 vote, compared to about half of those with family incomes of \$50,000 (Samuelson, 2003).

FAMILY AND GENDER

Social class also shapes family life. Generally, lower-class families are somewhat larger than middle-class families because of earlier marriage and less use of birth control. Another family pattern is that working-class parents encourage children to conform to conventional norms and to respect authority figures. Parents of higher social standing pass on different “cultural capital” to their children, teaching them to express their individuality and imagination more freely. In both cases, parents are looking to the future: The odds are that less privileged children will have jobs that require them to follow rules and that more privileged children will have careers that require more creativity (Kohn, 1977; McLeod, 1995; Lareau, 2002).

The more money a family has, the more parents can develop their children’s talents and abilities. One study found that an affluent family earning \$105,000 a year will spend \$269,520 raising a child born in 2004 to the age of eighteen. Middle-class people, with an annual income of \$55,500, will spend \$184,320, and a lower-income family, earning less than \$41,700, will spend \$133,370 (Lino, 2005). Privilege leads to privilege as family life reproduces the class structure in each generation.

Class also shapes our world of relationships. In a classic study of married life, Elizabeth Bott (1971, orig. 1957) found that most working-class couples divide their responsibilities according to gender roles; middle-class couples, by contrast, are more egalitarian, sharing more activities and expressing greater intimacy. More recently, Karen Walker (1995) discovered that working-class friendships typically serve as sources of material assistance; middle-class friendships are likely to involve shared interests and leisure pursuits.

Social Mobility

Ours is a dynamic society marked by significant social movement. Earning a college degree, landing a higher-paying job, or marrying someone who earns a good income contributes to *upward social mobility*; dropping out of school, losing a job, or becoming divorced (especially for women) may result in *downward social mobility*.

RESOURCE: Lillian Rubin’s *Worlds of Pain* (1976) shows the influence of class on the family life of women. Middle-class women seek personal qualities such as sensitivity and sharing in a spouse. Working-class women have greater concern for basic traits such as holding a steady job and refraining from excessive drinking and domestic violence. Until economic standing is secure, women and men have little ability to consider other relational issues.



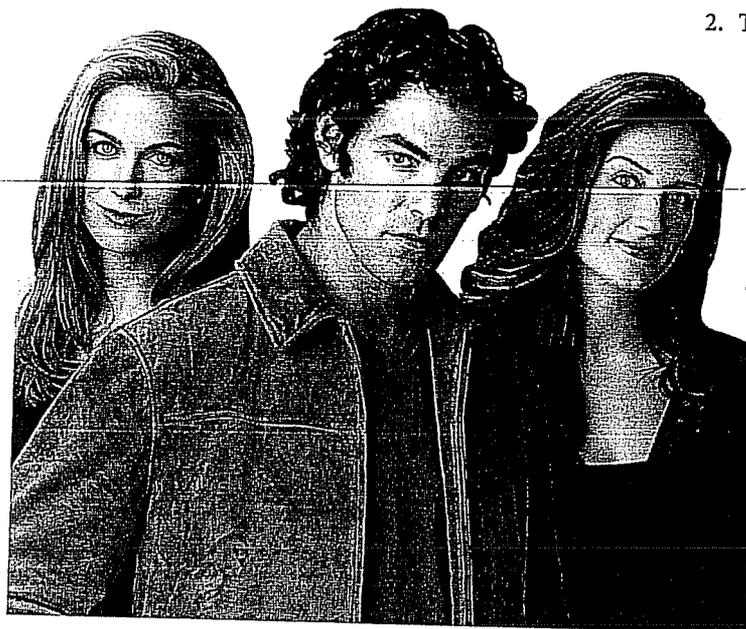
Compared to high-income people, low-income people are half as likely to report good health and, on average, live about seven fewer years. The toll of low income—played out in inadequate nutrition, little medical care, and high stress—is easy to see on the faces of the poor, who look old before their time.

Over the long term, social mobility is not so much a matter of changes in individuals as changes in society itself. In the first half of the twentieth century, for example, industrialization expanded the U.S. economy, pushing up living standards. Even people who were not good swimmers rode the rising tide of prosperity. More recently, *structural social mobility* in a downward direction has dealt many people economic setbacks.

Sociologists distinguish between shorter- and longer-term changes in social position. **Intragenerational social mobility** is a change in social position occurring during a person’s lifetime. **Intergenerational social mobility**, upward or downward social mobility of children in relation to their parents, is important because it usually reveals long-term changes in society, such as industrialization, that affect everyone.

SOCIAL SURVEY: "On the whole, do you think it should or should not be the government's responsibility to reduce the differences between the rich and the poor?" (GSS 1998, *N* = 1,284; *Codebook*, 2003:972)

"Definitely should be"	16.8%	"Definitely should not be"	25.0%
"Probably should be"	25.9%	DK/NR	9.0%
"Probably should not be"	23.3%		



The mass media are full of suggestions that upward social mobility is within reach of everyone. Recent television shows, including *The Bachelor*, *The Bachelorette*, and *How to Marry a Millionaire* (shown above), spread the message that getting rich is as easy as saying "I do." How realistic is this claim?

MYTH VERSUS REALITY

In few societies do people think about "getting ahead" as much as in the United States. Moving up, after all, is the American Dream. But is there as much social mobility as we like to think?

Studies of intergenerational mobility (almost all of which, unfortunately, have focused only on men) show that almost 40 percent of the sons of blue-collar workers take white-collar jobs and about 30 percent of sons born into white-collar families end up doing blue-collar work. *Horizontal mobility*—a change of occupation at the same class level—is even more common; overall, about 80 percent of sons show at least some type of social mobility in relation to their fathers (Blau & Duncan, 1967; Featherman & Hauser, 1978; Hout, 1998).

Research points to four general conclusions about social mobility in the United States:

1. **Social mobility over the course of the past century has been fairly high.** The widespread belief that the United States allows considerable social mobility is true. Mobility is what we would expect in an industrial class system.

DISCUSS: What has caused the rise in income disparity? Factors include a rising stock market (which boosted income and wealth to the richest 20% of the population), more two-income households (since higher-earning women tend to marry higher-earning men), and a low minimum wage. Some argue new technology fosters a "winner takes most" climate.

2. **The long-term trend in social mobility has been upward.** Industrialization, which greatly expanded the U.S. economy, and the growth of white-collar work over the course of the twentieth century have raised living standards.

3. **Within a single generation, social mobility is usually small.** Most young families increase their income over time as they gain education and skills. For example, a typical family headed by a thirty-year-old earned about \$52,000 in 2004; a typical family headed by a fifty-year-old earned \$73,000 (U.S. Census Bureau, 2005). Yet only a few people move "from rags to riches" (the way J. K. Rowling did) or lose a lot of money (a number of hip-hop stars who made it big had little money a few years later). Most social mobility involves limited movement *within* one class level rather than striking moves *between* classes.

4. **Social mobility since the 1970s has been uneven.** Real income (adjusted for inflation) rose steadily during the twentieth century until the 1970s. Between 1975 and 1985, gains were far smaller. During the 1980s, real income changed little for many people, rising slowly during the 1990s and falling again after 2000. But general trends do not show the experiences of different categories of people, as the next section explains.

MOBILITY BY INCOME LEVEL

Figure 11–2 shows how U.S. families at different income levels made out between 1980 and 2003. Well-to-do families (the highest 20 percent, but not all the same families over the entire period) saw their incomes jump 57 percent, from an average \$104,132 in 1980 to \$163,322 in 2003. People in the middle of the population also had gains, but more modest ones. The lowest-income 20 percent saw only a 2.3 percent increase in earnings.

For families at the top of the income scale (the highest 5 percent), recent decades have brought a windfall. These families, with an average income of almost \$150,000 in 1980, were making \$281,467 in 2003—almost twice as much (U.S. Census Bureau, 2005).

MOBILITY: RACE, ETHNICITY, AND GENDER

White people in the United States have always been in a more privileged position than people of African or Hispanic descent. Through the economic expansion of the 1980s and 1990s, many more African Americans entered the ranks of the wealthy. But overall, the real income of African Americans

POP CULTURE: In a recent episode of *The Simpsons*, Bart wears a T-shirt characterizing the American Dream as "money, donuts, and beer." Is this evidence of his own limited aspiration or evidence of widespread cynicism about their chances for success among our young people?

Q: "There is a gigantic difference between earning a great deal of money and being rich." Marlene Dietrich

has changed little in three decades. African American family income as a percentage of white family income was only slightly higher (62 percent) in 2004 than it was in 1970 (60 percent). Compared with white families, Latino families in the United States lost ground between 1975 (when their average income was 67 percent as much as that of white families) and 2004 (when it had slipped to 58 percent) (Featherman & Hauser, 1978; Pomer, 1986; U.S. Census Bureau, 2005).

Historically, women in U.S. society have had less opportunity for upward mobility than men, because most working women hold clerical jobs (such as secretary) and service positions (such as food server) that offer few opportunities for advancement and higher pay. When marriages end in divorce (as almost half do), women commonly experience downward social mobility because they not only lose income but also no longer have many benefits, including health care and insurance coverage (Weitzman, 1996).

Over time, the earnings gap between women and men has been narrowing. Women working full time in 1980 earned 60 percent as much as men working full time; by 2004, women were earning 77 percent as much (U.S. Census Bureau, 2005).

THE AMERICAN DREAM: STILL A REALITY?

The expectation of upward social mobility is deeply rooted in U.S. culture. Through most of our history, the economy has grown steadily, raising living standards. Even today, for some people at least, the American Dream is alive and well. In 2004, 20 percent of U.S. families earned \$100,000 or more, compared with just 3 percent back in 1967 (in dollars controlled for inflation). There are now at least 5 million millionaires in the United States, four times the number a decade ago (D'Souza, 1999; Rank & Hirschl, 2001; U.S. Census Bureau, 2005).

Yet not all indicators are positive. Note these disturbing trends:

1. **For many workers, earnings have stalled.** The annual income of a fifty-year-old man working full time climbed 49 percent between 1958 and 1974 (from \$25,671 to \$38,190 in constant 2001 dollars). Between 1974 and 2001, however, this worker's income rose only slightly, even as the number of hours worked increased and the cost of necessities like housing, education, and medical care went way up (Russell, 1995a; U.S. Census Bureau, 2002).
2. **Multiple job-holding is up.** According to the Bureau of Labor Statistics, 4.7 percent of the U.S. labor force

SOCIAL SURVEY: "Differences in income in America are too large." (GSS 2000, *N* = 1,272; *Codebook*, 2003:104)

"Strongly agree"	23.3%	"Disagree"	8.6%
"Agree"	38.4%	"Strongly disagree"	3.0%
"Neither agree nor disagree"	20.0%	DK/NR	6.6%

Q: "If we command our wealth, we shall be rich and free; if our wealth commands us, we are poor, indeed." Edmund Burke

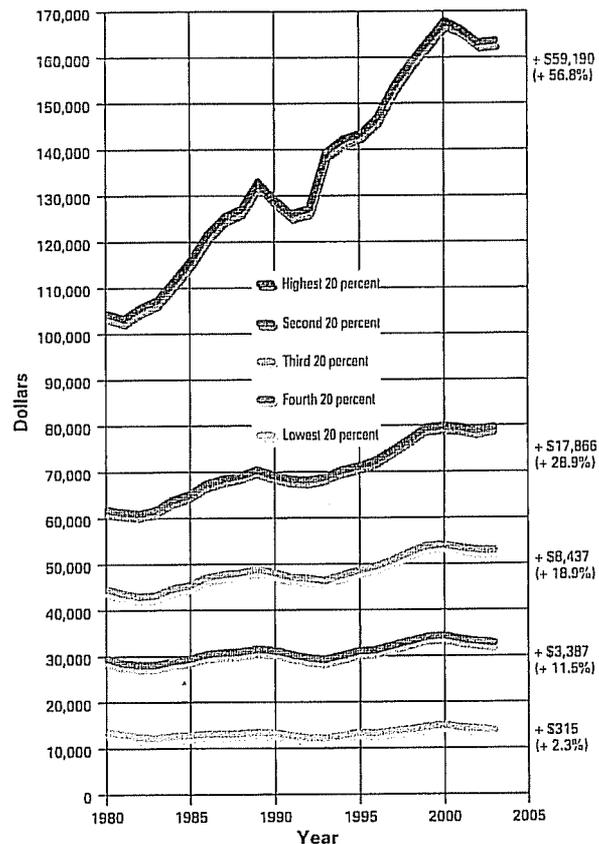


FIGURE 11-2 Mean Annual Income, U.S. Families, 1980–2003 (in 2003 dollars, adjusted for inflation)

Today, there is a greater gap between high-income families and low-income families than there was in 1980.

Source: U.S. Census Bureau (2005).

worked at two or more jobs in 1975; by 2004, the share had risen to 5.4 percent.

3. **More jobs offer little income.** In 1979, the Census Bureau classified 12 percent of full-time workers as "low-income earners" because they made less than \$6,905 a year. By 1998, this segment had increased to 15.4 percent, earning less than \$15,208 (the same level of income adjusted for inflation).
4. **Young people are remaining at home.** For the first time in history, half of young people aged eighteen to twenty-four are living with their parents. Since 1975, the average age at marriage has moved upward four years (to 25.3 years for women and 27.1 years for men).

Q: "When some learn that all the American Dream does not fit all that is true about the realities of our life, they denounce the Dream and deny the truth of any of it. Fortunately, most of us are wiser and better adjusted to social reality; we recognize that, though it is called a Dream and some of it is false, by virtue of our firm belief in it we have made some of it true." W. Lloyd Warner, *Social Class in America*

Q: "What is important for democracy is not that great fortunes should not exist, but that great fortunes should not remain in the same hands." Alexis de Tocqueville

Q: "Nothing in the world can take the place of persistence. Talent will not. . . . Genius will not. . . . Education will not. . . . The slogan 'press on' will always solve the problems of the human race." Calvin Coolidge

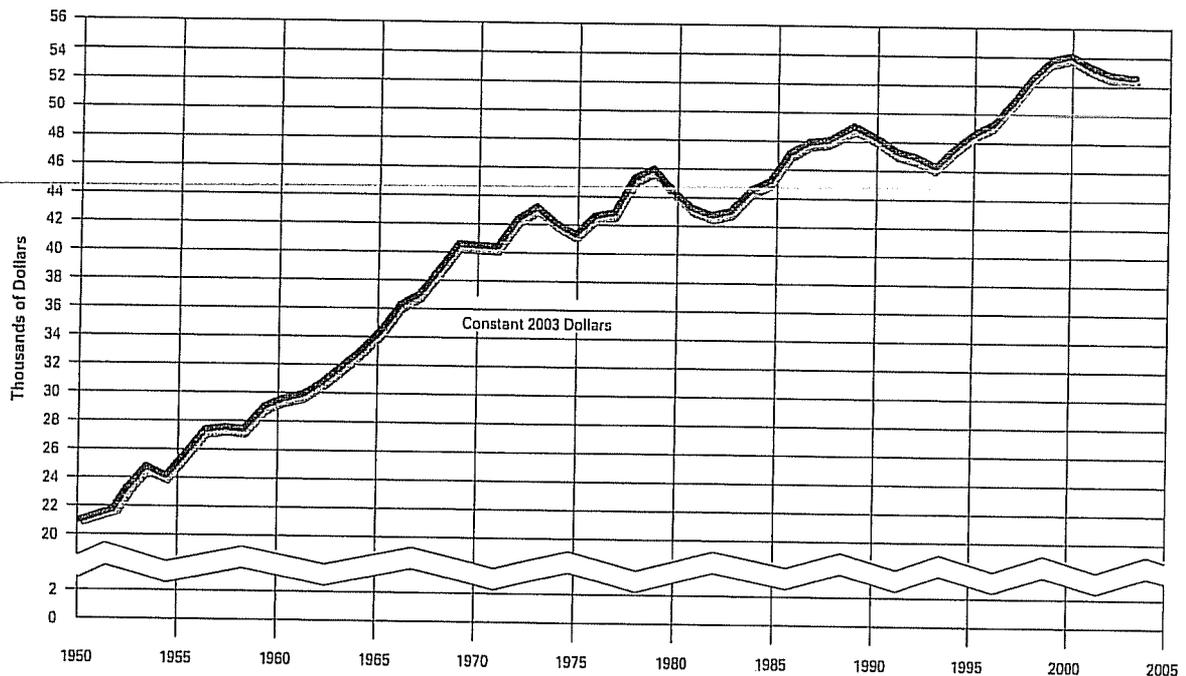


FIGURE 11-3 Median Annual Income, U.S. Families, 1950–2003

Average family income in the United States grew rapidly between 1950 and 1970. Since then, however, the increase has been smaller.

Source: U.S. Census Bureau (2005).

Over the last generation, more people have become rich, and the rich have become richer. At the very top of the pile, as the Applying Sociology box explains, the highest-paid corporate executives have enjoyed a runaway rise in their earnings. Yet the increasing share of low-paying jobs has also brought downward mobility for millions of families, feeding the fear that the chance to enjoy a middle-class lifestyle is slipping away. As Figure 11-3 shows, although median income doubled between 1950 and 1973, it has grown by only 25 percent since then (U.S. Census Bureau, 2005).

THE GLOBAL ECONOMY AND THE U.S. CLASS STRUCTURE

Underlying the shifts in U.S. class structure is global economic change. Much of the industrial production that gave U.S. workers high-paying jobs a generation ago has moved overseas. With less industry at home, the United States now serves as a vast market for industrial goods such as cars and popular items like stereos, cameras, and computers made in China, Japan, Korea, and elsewhere.

High-paying jobs in manufacturing, held by 26 percent of the U.S. labor force in 1960, support only 12 percent of workers today. In their place, the economy now offers service work, which often pays far less. A traditionally high-paying corporation like USX (formerly United States Steel) now employs fewer people than the expanding McDonald's chain, and fast-food clerks make only a fraction of what steelworkers earn.

The global reorganization of work has not been bad news for everyone. On the contrary, the global economy is driving upward social mobility for educated people who specialize in law, finance, marketing, and computer technology. Global economic expansion has also helped push up the stock market (even with the recent declines) almost tenfold between 1980 and 2005, reaping profits for families with money to invest.

But the same trend has hurt many average workers, who have lost their factory jobs and now perform low-wage service work. In addition, many companies have downsized—cutting the ranks of their workforce—to stay competitive in world markets. As a result, even though 60 percent of all families contain two or more workers—more than twice the

NOTE: Bill Gates recently spent \$53.4 million to build a new house.
NOTE: The log cabin president image began when William Henry Harrison (who won in 1840) circulated images of his log cabin, inviting people to think he was born poor. In fact, this son of a wealthy governor and signer of the Declaration of Independence was born on Virginia's Berkeley Plantation and lived in a Georgian mansion with 2000 acres. In 1992, George H. W. Bush played the same game: This

son of a senator and wealthy New England preppy used a Houston hotel room address to claim he was a Texan.

NOTE: Some of the richest people in the U.S. gave away vast fortunes. Andrew Carnegie, steel magnate, gave away \$4.5 billion (in today's dollars) before his death in 1919; John D. Rockefeller, founder of Standard Oil, gave away \$5.4 billion.

APPLYING SOCIOLOGY

As CEOs Get Richer: The Great Mansions Return



I grew up in Elkins Park, Pennsylvania, an older suburban community just north of Philadelphia. Elkins Park was at that time and still is a mostly middle-class community, although, like most of suburbia, some neighborhoods boast bigger houses than others.

What was special about the Elkins Park of my childhood was that scattered over the area were a handful of great mansions, built a century ago by early Philadelphia industrialists. At that time, just about all there was to the town was these great "estates," along with fields and meadows. By about 1940, however, most of the land was split off into lots for the homes of newer middle-class suburbanites. The great mansions suddenly seemed out of place, with heirs trying to figure out how to pay the rising property taxes. As a result, many of the great mansions were sold, the buildings were taken down, and the land was subdivided.

In the 1960s, when I was a teenager, a short ride on my bicycle could take me past what was left of the Breyer estate (built by the founder of the ice-cream company and now the township police building), the Curtis estate (built by a magazine publisher, now transformed into a community park), and the Wanamaker estate (built by the founder of a large Philadelphia department store, now gone entirely). Probably the grandest of them all was the Wiedner estate, modeled after a French chateau, complete with doorknobs and window pulls covered in gold; it now stands empty.

In their day, these structures were not just homes to families with many servants; they also served as monuments to a time when the rich

were, well, *really* rich. By contrast, the community that emerged on the grounds once owned by these wealthy families is middle-class, with homes built on smaller lots.

But did the so-called Gilded Age of great wealth disappear forever? Hardly. By the 1980s, a new wave of great mansions was being built in the United States. Take architect Thierry Despont, who mostly designs huge houses for super-rich people. One of Despont's "smaller" homes might be 20,000 square feet (about ten times the size of the average U.S. house), and the larger ones go all the way up to 60,000 square feet (as big as any of the Elkins Park mansions built a century ago and almost the size of the White House). These megahomes have kitchens as large as college classrooms, exercise rooms, indoor swimming pools, and even indoor tennis courts.

Megahouses are being built by newly rich chief executive officers (CEOs) of large corporations. CEOs have always made more money than most people, but recent years have witnessed executive pay soaring out of sight. Between 1970 and 2005, the average U.S. family saw only a modest increase in income (about 20 percent after inflation is taken into account). Yet according to *Fortune* magazine, during that period the average annual compensation for the 100 highest-paid

CEOs skyrocketed from \$1.3 million (about 40 times the earnings of an average worker of that time) to \$37.5 million (roughly a 2,800 percent increase and equal to 1,000 times as much as the earnings of today's average worker). Some CEOs, of course, earn far more: In the year before Enron collapsed, for example, Kenneth Lay earned about \$150 million. Assuming that Lay worked forty-eight hours per week and fifty weeks that year, that sum amounts to more than \$60,000 *per hour*.

Some analysts argue that in today's competitive global economy, many CEOs are true "superstars" who build company profits and deserve every penny they earn. Some take a less generous view, suggesting that CEOs have stacked their corporate boards of directors with friends, who then paid them back by approving enormous paychecks and bonuses. In any case, executive pay has become a national scandal. In light of this situation (not to mention the many cases of outright fraud and theft that are bringing executives like Kenneth Lay to trial), it appears that we have been living in an era of unbridled greed.

WHAT DO YOU THINK?

1. Do you consider increasing economic inequality a problem? Why or why not?
2. How many times more than an average worker should a CEO earn? Explain your answer.
3. Do you think that very high CEO pay hurts stockholders? What about the general public? Why or why not?



Sources: Based on Krugman (2002) and with material from Myers (2000).

NOTE: Since 1959, poverty rates have declined; then, 18% of whites and 55% of African Americans were poor.

Q: "Poverty is in the eye of the beholder." Mollie Orshansky, creator of the poverty line

NOTE: In 2000, the "poverty gap" was \$6,820, meaning the average poor family would need this much more income to reach the poverty line.

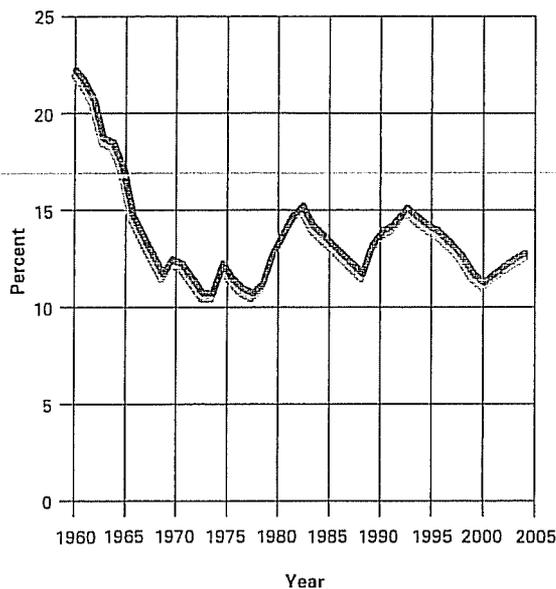


FIGURE 11-4 The Poverty Rate in the United States, 1960–2004

The share of our population in poverty fell dramatically between 1960 and 1970. Since then, the poverty rate has remained between 10 and 15 percent of the population.

Source: U.S. Census Bureau (2005).

share in 1950—many families are working harder simply to hold on to what they have (A.L. Nelson, 1998; J.M. Schlesinger, 1998; Sennett, 1998).

YOUR TURN

Do you feel that you are likely to end up with a higher social position than your parents? The same? Lower? Why? How much of the mobility you expect is due to changes in U.S. society?

Poverty in the United States

Social stratification creates both “haves” and “have-nots.” All systems of social inequality create poverty, or at least **relative poverty**, the deprivation of some people in relation to those who have more. A more serious but preventable problem is **absolute poverty**, a deprivation of resources that is life-threatening.

NOTE: In 1904, Robert Hunter (*Poverty*) estimated the U.S. poverty rate at 13% (defining poverty as annual income under \$460 in the North and \$300 in the South). Living standards rose sharply thereafter; but in 1963, Michael Harrington (*The Other America*) claimed that at least 20% of the U.S. population was poor. Poverty definitions thus are historically specific (cf. Gilbert, 1994).

As Chapter 12 (“Global Stratification”) explains, about 1 billion human beings—one person in six—are at risk of absolute poverty. Even in the affluent United States, families go hungry, live in inadequate housing, and suffer poor health because of serious poverty.

THE EXTENT OF U.S. POVERTY

In 2004, the government classified 40 million men, women, and children—12.7 percent of the population—as poor. This count of relative poverty refers to families with incomes below an official poverty line, which for a family of four in that year was set at \$19,307. The poverty line is about three times what the government estimates people must spend for food. But the income of the average poor family was just 60 percent of this amount. This means that the typical poor family had to get by on less than \$12,000 in 2004 (U.S. Census Bureau, 2005). Figure 11-4 shows that the official poverty rate fell during the 1960s and has stayed about the same since then.

WHO ARE THE POOR?

Although no single description fits all poor people, poverty is pronounced among certain categories of our population. Where these categories overlap, the problem is especially serious.

Age

A generation ago, the elderly were at greatest risk for poverty. But thanks to better retirement programs offered today by private employers and the government, the poverty rate for people over age sixty-five fell from 30 percent in 1967 to 9.8 percent—well below the national average—in 2004. Looking at it from another angle, 9 percent (3.5 million) of the poor are elderly people.

Today the burden of poverty falls most heavily on children. In 2004, 17.8 percent of people under age eighteen (13 million children) were poor. Put another way, 35 percent of the U.S. poor are children.

Race and Ethnicity

Two-thirds of all poor people are white; 24 percent are African Americans. But in relation to their overall numbers, African Americans are about three times as likely as non-Hispanic whites to be poor. In 2004, 24.3 percent of African Americans (9 million people) lived in poverty, compared to 21.9 percent of Hispanics (9.1 million), 9.8 percent of Asians and Pacific Islanders (1.2 million), and 8.6 percent of non-Hispanic whites (16.9 million). The poverty gap between whites and minorities has changed little since 1975.

DISCUSS: Self-reliance champion Ralph Waldo Emerson avoided charity, claiming, "Are they *my* poor?" Do students agree or disagree with him?

NOTE: Poverty is known to increase the risk of crime. Bruce Western (2002) notes that the reverse is also true because the "incarceration boom" of the last twenty years has disrupted career paths for millions of (mostly) men and increased economic inequality. With

high incarceration rates, African American men have been hit the hardest. **DISCUSS:** *Time* magazine recently reported that 62% of stories on poverty in *Time*, *Newsweek*, and *U.S. News & World Report* were illustrated with photos of African Americans, who make up about one-third of the U.S. poor. Is this difference an effort to call attention to the plight of black people, who are at high risk of being poor? Or an example of racial prejudice? Why?



African American artist Henry Ossawa Tanner captured the humility and humanity of impoverished people in his painting *The Thankful Poor*. This insight is important in a society that tends to define poor people as morally unworthy and deserving of their bitter plight.

Henry Ossawa Tanner (1859-1937), *The Thankful Poor*. Private collection. Art Resource, N.Y.

People of color have especially high rates of child poverty. Among African American children, 32.8 percent are poor; the comparable figures are 28.6 percent among Hispanic children and 10.5 percent among non-Hispanic white children (U.S. Census Bureau, 2005).

Gender and Family Patterns

Of all poor people age eighteen or older, 60 percent are women and 40 percent are men. This difference reflects the fact that women who head households are at high risk of poverty. Of all poor families, 51 percent are headed by women with no husband present; just 8 percent of poor families are headed by single men.

The United States has experienced the **feminization of poverty**, the trend of women making up an increasing proportion of the poor. In 1960, 25 percent of all poor households were headed by women; the majority of poor families had both wives and husbands in the home. By 2004, however, the share of poor households headed by a single woman had more than doubled to 51 percent.

The feminization of poverty is one result of a larger change: the rapidly increasing number of households at all class levels headed by single women. This trend, coupled with the fact that households headed by women are at high risk of poverty, helps explain why women and their children make up an increasing share of the poor in the United States.

Urban and Rural Poverty

The greatest concentration of poverty is found in central cities, where the 2003 poverty rate stood at 17.5 percent. The poverty rate in suburbs is 9.1 percent. Thus the poverty rate for urban areas as a whole is 12.1 percent—lower than the 14.2 percent found in rural areas. National Map 11-2 on page 296 shows that most of the counties with the highest poverty rate in the United States are rural.

EXPLAINING POVERTY

For the richest nation on Earth to contain tens of millions of poor people raises serious questions. It is true, as some analysts remind us, that most poor people in the United States are far better off than the poor in other countries: 41 percent of U.S. poor families own a home, 70 percent own a car, and only a few percent report often going without food (Rector, 1998; Gallagher, 1999). But there is little doubt that poverty harms the well-being of millions of people in this country.

Why is there poverty in the first place? We will present two opposing explanations for poverty that lead to a lively and important political debate.

One View: Blame the Poor

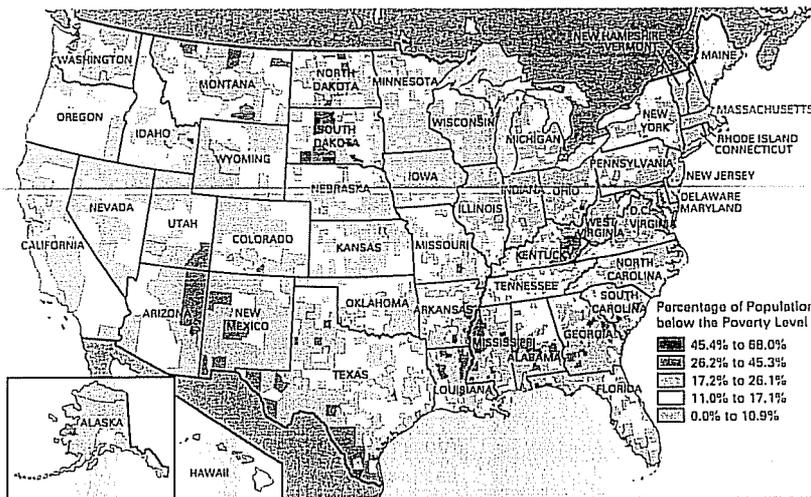
One approach holds that *the poor are mostly responsible for their own poverty*. Throughout our history, people in the

THE MAP: Appalachia is home to many poor whites, the Deep South to many poor African Americans, the Mexican border to poor Hispanics, and the “four corners” region and the Dakotas to poor American Indians.

NOTE: The poverty line does not reflect differences in cost of living from community to community; for a discussion of rural-urban differences, see Nord (2000).

Q: “Anyone who can walk to the welfare office can walk to work.” Al Capp

NOTE: Edward Banfield (1974) is another proponent of the social Darwinist view that the poor are largely responsible for their own poverty. More recently, Richard Herrnstein and Charles Murray (1994) echoed this logic, asserting that today’s poor are largely people handicapped by low intelligence.



SEEING OURSELVES

NATIONAL MAP 11-2
Poverty across the United States

This map shows that the poorest counties in the United States—where the poverty rate is more than twice the national average—are in Appalachia, spread across the Deep South, along the border with Mexico, near the Four Corners region of the Southwest, and in the Dakotas. Can you suggest some reasons for this pattern?

Source: U.S. Census Bureau (2001).

United States have placed a high value on self-reliance, convinced that social standing is mostly a matter of individual talent and effort. According to this view, society offers plenty of opportunities to anyone able and willing to take advantage of them. Therefore, the poor are those who cannot or will not work, women and men with few skills, little schooling, and limited motivation.

In his study of poverty in Latin American cities, the anthropologist Oscar Lewis (1961) noted that many poor become trapped in a *culture of poverty*, a lower-class subculture that can destroy people’s ambition to improve their lives. Raised in poor families, children become resigned to their situation, producing a self-perpetuating cycle of poverty.

In 1996, hoping to break the cycle of poverty in the United States, Congress changed the welfare system, which had provided federal funds to assist poor people since 1935.



A report on food scarcity in the United States is found at <http://www.ers.usda.gov/Publications/tanrr42/>

The federal government continues to send money to the states to distribute to needy people, but benefits carry strict time limits—in most cases, no more than two years at a stretch and a total of five years as an individual moves in and out of the welfare system. The stated purpose of this reform was to force people to be self-supporting and move them away from dependency on government.

Counterpoint: Blame Society

A different position, argued by William Julius Wilson (1996a, 1996b; Mouw, 2000), holds that *society is primarily responsible for poverty*. Wilson points to the loss of jobs in the inner cities as the primary cause of poverty, claiming that there is simply not enough work to support families. Wilson sees any apparent lack of trying on the part of poor

people as a *result* of little opportunity rather than a *cause* of poverty. From Wilson’s point of view, Lewis’s analysis amounts to “blaming the victims” for their own suffering. The Thinking Critically box provides a closer look at Wilson’s argument and how it would shape public policy.

Critical review The U.S. public is evenly divided over whether the government or people themselves should take responsibility for reducing poverty (NORC, 2003). Government statistics show that 52 percent of the heads of poor households did not work at all during 2004, and an additional 29 percent worked only part time (U.S. Census Bureau, 2005). Such facts seem to support the “blame the poor” side of the argument, because one major cause of poverty is *not holding a job*.

But the *reasons* that people do not work seem more in step with the “blame society” position. Middle-class women may be able to combine working and child rearing, but this is much harder for poor women who cannot afford child care, and few employers provide child care programs. As William Julius Wilson explains, many people are idle not because they are avoiding work but because there are not enough jobs to go around. In short, the most effective way to reduce poverty is to ensure a greater supply of jobs as well as child care for parents who work (Wilson, 1996a; Pease & Martin, 1997; Duncan, 1999; Bainbridge, Meyers, & Waldfogel, 2003).

THE WORKING POOR

Not all poor people are jobless. The *working poor* command the sympathy and support of people on both sides of the poverty debate. In 2004, 19 percent of heads of poor families (1.5 million women and men) worked at least fifty

SOCIAL SURVEY: A U.S. Census Bureau survey of poor adults yielded these explanations for not working among those who did not work at all: Ill/disabled, 18%; retired, 3%; home or family reasons, 44%; school/other, 23%; could not find work, 13%.

Q: "Nobody talks more about free enterprise and competition and of the best man winning than the man who inherited his father's store or farm." C. Wright Mills

NOTE: The percentage of people working full time is 2.4%; among those (of all ages) with part-time work, 12.7%; among those with no work, 25.7% (Lichter & Crowley, 2002).

NOTE: One critic of Wilson notes that the population of the Chicago neighborhoods in Wilson's research declined from 250,000 in 1950 to 86,000 in 1990. This drop, suggests Marvin Koters (1996), seems to indicate that most people succeeded over time in moving on and up.

THINKING CRITICALLY

When Work Disappears: The Result Is Poverty

The U.S. economy has created tens of millions of new jobs in recent decades. Yet African Americans who live in inner cities have faced a catastrophic loss of work. William Julius Wilson points out that, although people continue to talk about welfare reform, neither major political party (Democrats or Republicans) has said anything about the lack of work in central cities.

With the loss of inner-city jobs, Wilson continues, for the first time in U.S. history a large majority of the adults in our inner cities are not working. Studying the Washington Park area of Chicago, Wilson found a troubling trend. Back in 1950, most adults in this African American community had jobs, but by the mid-1990s, two-thirds did not. As one elderly woman who moved to the neighborhood in 1953 explained:

When I moved in, the neighborhood was intact. It was intact with homes, beautiful homes, mini-mansions, with stores, laundromats, with Chinese cleaners. We had drugstores. We had hotels. We had doctors over on 39th Street. We had doctors' offices in the neighborhood. We had the middle class and the upper-middle class. It has gone from affluent to where it is today. (Wilson, 1996b:28)

Why has this neighborhood declined? Wilson's eight years of research point to one answer: There are barely any jobs. It is the loss of work that has pushed people into desperate poverty, weakened families, and made people

turn to welfare. In nearby Woodlawn, Wilson identified more than 800 businesses that had operated in 1950; today, just 100 remain. In addition, a number of major employers in the past—including Western Electric and International Harvester—closed their plant doors in the late 1960s. The inner cities have fallen victim to economic change, including downsizing and the loss of industrial jobs that have moved overseas.

Wilson paints a grim picture. But he also believes the answer lies in creating new jobs. Wilson proposes attacking the problem in stages. First, the government could hire people to do all kinds of work, from clearing slums to putting up new housing. Such a program, modeled on the Works Progress Administration (WPA) enacted in 1935 during the Great Depression, would move people from welfare to work and in the process create much-needed hope. In addition, federal and state governments must improve schools by enacting performance standards and providing more funding. Of special

importance is teaching children language skills and computer skills to prepare them for the jobs being created by the Information Revolution. Improved regional public transportation would connect cities (where people need work) and suburbs (where most jobs now are). In addition, more affordable child care would help single mothers and fathers balance the responsibilities of employment and parenting.

Wilson claims that his proposals are well grounded in research. But he knows that politics revolves around other considerations as well. For one thing, because the public *thinks* there are plenty of jobs, it is hard to change the perception that the poor are simply avoiding work. He also concedes that his proposals, at least in the short term, are more expensive than continuing to funnel welfare assistance to jobless communities.

But what are the long-term costs of allowing our cities to decay while suburbs prosper? On the other hand, what would be the benefits of giving everyone the hope and satisfaction that are supposed to define our way of life?

WHAT DO YOU THINK?

1. If Wilson were running for public office, do you think he would be elected? Why or why not?
2. In your opinion, why are people so reluctant to see inner-city poverty as a problem?
3. Do you agree with Wilson's analysis of poverty? Why or why not?



William Julius Wilson spent years studying neighborhoods like this one in Chicago. He now teaches at Harvard University in Boston.

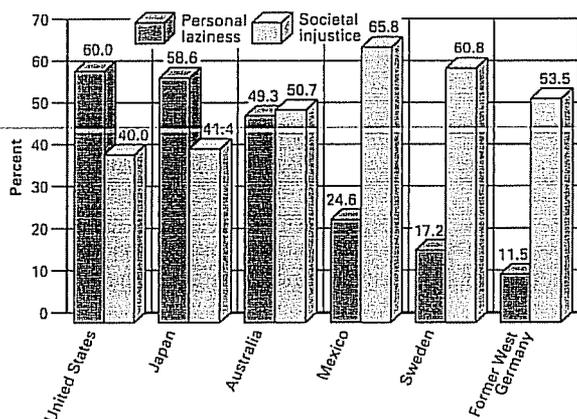
Q: "To expose citizens to social problems beyond their capacity to remedy is to make moral insensitivity a requirement for daily living." Charles Krauthamer

GLOBAL: In Japan, the law requires poor people to get help from kin before turning to the government for assistance; people physically able to work are not eligible for benefits in any case.

DIVERSITY: The U.S. homeless profile is roughly: 75% unemployed;

35% substance abusers; 25% mentally ill; 25% prison records. The categories overlap somewhat, but estimates of those with drug, alcohol, or mental problems range up to two-thirds of all homeless (although some may be effect rather than cause). In any case, perhaps 400,000 U.S. adults have problems that make it impossible for them to work and live independently—one-quarter of 1 percent of the total U.S. population.

GLOBAL SNAPSHOT



Survey Question: "Why are there people in this country who live in need?"

FIGURE 11-5 Assessing the Causes of Poverty

In the United States (and also in Japan), more people explain poverty in terms of personal laziness than societal injustice. In most high-income nations (including European countries) and in lower-income nations (such as Mexico), more people point to societal injustice rather than personal laziness as the cause of poverty.

Note: Percentages for each country may not add up to 100 because less frequently identified causes of poverty were omitted from this figure.

Source: Inglehart et al. (2000).

weeks of the year and yet could not escape poverty. Another 29 percent of these heads of families (2.3 million people) remained poor despite part-time employment. Put differently, about 4 percent of full-time workers earn so little that they remain poor (U.S. Census Bureau, 2005). A key cause of working poverty is the fact that a full-time worker earning \$6 per hour—above the 2005 minimum wage of \$5.15 per hour—cannot lift an urban family of four above the poverty line.

Another category we might call the "working near-poor" includes another 5.6 million families that are only slightly better off, earning more than those officially counted as poor but less than 150 percent of the poverty line. Among these families, 52 percent include at least one full-time worker. With only low-wage jobs available, people who work hard can boost incomes above the poverty line, but not by much (O'Hare, 2002).

In sum, individual ability and personal initiative do play a part in shaping social position. However, the weight of sociological evidence points to society—not individual

character traits—as the primary cause of poverty, because a rising share of available jobs offers only low wages. In addition, the poor are *categories* of people—female heads of families, people of color, people isolated from the larger society in inner-city areas—who face special barriers and limited opportunities.

The Thinking It Through box takes a closer look at the current welfare debate. Understanding this important social issue can help us decide how our society should respond to the problem of poverty, as well as the problem of homelessness discussed next.

HOMELESSNESS

We have no exact count of homeless people. Fanning out across the cities of the United States on the night of March 27, 2000, Census Bureau officials counted 170,706 people at emergency and homeless shelters. But experts estimate that a full count is probably at least 500,000 on any given night, with as many as seven times that number—3.5 million people—homeless at some time during the course of a year. In addition, the evidence suggests that the number of homeless people in the United States is going up (U.S. Census Bureau, 2000; Wickham, 2000; Marks, 2001; L. Kaufman, 2004). "In the *Times*" on pages 300–301 provides a closer look at the problem of homelessness.

The familiar stereotypes of homeless people—men sleeping in doorways and women carrying everything they own in a shopping bag—have been replaced by the "new homeless": people thrown out of work because of plant closings, women who take their children and leave home to escape domestic violence, women and men forced out of apartments by rent increases, and others unable to meet mortgage or rent payments because of low wages or no work at all. Today, no stereotype paints a complete picture of the homeless.

The majority of homeless people report that they do not work, but 44 percent say they work at least part time (U.S. Department of Housing and Urban Development, 1999). Working or not, all homeless people have one thing in common: *poverty*. For that reason, the explanations of poverty just presented also apply to homelessness. Some people blame the *personal traits* of the homeless themselves. One-third of homeless people are substance abusers, and one-fourth are mentally ill. More broadly, a fraction of 1 percent of our population, for one reason or another, seems unable to cope with our complex and highly competitive society (Bassuk, 1984; Whitman, 1989).



For a profile of the working poor, visit <http://www.bls.gov/cps/cpswp2003.pdf>



A report by the U.S. Conference of Mayors on homelessness is found at <http://usmayors.org/uscm/hungersurvey/2004/onlineReport/HungerAndHomelessnessReport2004.pdf>

NOTE: Due to factors including the negative stigma attached to receiving welfare and highly variable eligibility standards, roughly half the women and men eligible for welfare programs never apply for them.

NOTE: Welfare reform has not meant a reduction in government spending; rather, the government has shifted spending toward assisting low-income people who work. This spending totaled about \$65

billion in 1999, exceeding spending for the old AFDC program (Besharov & Germanis, 2000).

RESOURCE: The key conservative criticisms of public assistance are found in Charles Murray's *Breaking Ground* (1984); his thesis is that the outlay for welfare must continue to grow because the system fails to alleviate the problems it has set out to fix, actually making matters worse.

THINKING IT THROUGH

The Welfare Dilemma

In 1996, Congress ended federal public assistance, which guaranteed some income to all poor people. New, state-run programs were enacted, which require people who receive aid to get job training or find work—or have their benefits cut off.

What, exactly, is welfare? The term "welfare" refers to many policies and programs designed to improve the well-being of some of the U.S. population. Until the welfare reform of 1996, most people used the term to refer to just one part of the overall system: Aid for Dependent Children (AFDC), a program of monthly financial support for parents (mostly single women) to care for themselves and their children. In 1996, some 5 million households received AFDC for some part of the year.

Conservatives opposed AFDC, claiming that, rather than reducing child poverty, AFDC made the problem worse, in two ways. First, they argue that AFDC weakened families, because for years after the program began, it paid benefits to poor mothers only if no husband lived in the home. As a result, AFDC operated as an economic incentive to women to have children outside marriage, which conservatives link to the rapid rise of out-of-wedlock births among poor people. To conservatives, marriage is one key to reducing poverty: Fewer than one in ten married-couple families are poor; more than nine in ten AFDC families were headed by an unmarried woman.

Second, conservatives believe that welfare encouraged poor people to become dependent on government handouts, the main reason that eight of ten poor heads of households did not have full-time jobs. Furthermore, only 5 percent of single mothers receiving AFDC worked full time, compared to more than half of non-poor single mothers. Conservatives say that welfare strayed

from its original purpose of short-term help to nonworking women with children (say, after divorce or death of a husband) and became a way of life. Once trapped in dependency, poor women would raise children who were also likely to be poor as adults.

Liberals have a different view. Why, they ask, do people object to government money going to poor mothers and children when most "welfare" actually goes to richer people? The AFDC budget was \$25 billion annually—no small sum, to be sure—but just half of the \$50 billion in home mortgage deductions that homeowners pocket each year. And it pales in comparison to the \$300 billion in annual Social Security benefits provided to senior citizens, most of whom are not poor. And what about "corporate welfare" to big companies? Their tax write-offs and other benefits run into hundreds of billions of dollars per year.

Liberals add that the stereotype of do-nothing "welfare queens" masks the fact that most poor families who turn to public assistance are truly needy. The typical AFDC household received barely \$400 per month, hardly enough to attract people to a life of welfare dependency. In constant dollars, AFDC payments actually declined over the years. Liberals fault public assistance as a "Band-Aid approach" to the serious social problems of too few jobs and too much income inequality in the United States.

As for the charge that public assistance weakens families, liberals agree that the proportion of single-parent families has risen, but they do not see AFDC as the reason. Rather, they see single parenting as a broad cultural trend found at all class levels in many countries.

Figure 11-5 shows that people in the United States, more than people in

other industrial nations, tend to see poverty as a mark of laziness and personal failure. It should not be surprising, then, that Congress replaced the federal AFDC program with state-run programs called Temporary Assistance for Needy Families (TANF). The federal government provides funding, and states set their own qualifications and benefits, but they must limit assistance to two consecutive years (with a lifetime limit of five years).

By 2004, TANF had moved more than half of single parents on welfare into jobs or job training. In addition, the rate of out-of-wedlock births has fallen. Supporters of welfare reform see the new program as a success. But critics point out that many of the people who are now working earn so little that they are hardly better off than before, and half of these workers have no health insurance. In other words, the reform has greatly reduced the number of people receiving welfare, but it has done little to reduce poverty. In addition, say the critics, many of these working women now spend less time with their children. For these reasons, the welfare debate goes on.

WHAT DO YOU THINK?

1. How does our cultural emphasis on self-reliance help explain the controversy surrounding public assistance? Why do people not criticize benefits (like home mortgage deductions) for more well-off people?
2. Do you approve of the benefit time limits built into the new TANF program? Why or why not?
3. Why do you think the welfare reforms have done little to reduce poverty?

Sources: Corcoran et al. (2000), U.S. Department of Health and Human Services (2000), Rogers-Dillon (2001), Hofferth (2002), Lichter & Crowley (2002), and Lichter & Jayakody (2002).

June 29, 2004

Surge in Homeless Families Sets Off Debate on Cause

By **LESLIE KAUFMAN**

ST. CLOUD, Minn.—In small cities like this one and big ones like Kansas City, Mo., and New York, families are knocking on the doors of homeless shelters in growing numbers. Inside a faded yellow-brick Victorian on a block near downtown here, dozens of families know of the increase firsthand.

Behind the front door, the 11 rooms of the Landon House Shelter are packed with homeless parents and their children, often exceeding the 48-bed capacity and requiring the staff to roll out cots.

"We are always full," said Darlene Johnson, executive director of the shelter. "Pretty much bursting out of the seams" . . .

This wind-swept Plains city of 60,000 about 60 miles northwest of Minneapolis has seen the number of families requesting shelter climb by 45 percent in the last decade, to an average of 124 fam-

ilies a night. The number of homeless families in Minnesota tripled to 1,341 a night in 2003 from 434 in 1991, when the state first started conducting surveys every three years, and most of the last increase came in rural areas like this one.

And Minnesota is not alone. . . . The Urban Institute, a research group in Washington that surveyed homeless assistance providers in 1996, . . . found that at least 1.4 million children and 2 million adults were homeless, but that number has surely grown as cities like Columbus, Ohio; Philadelphia; St. Louis; and New York have all reported surges at their homeless shelters for the last two or three years. . . .

Family homelessness first emerged as a national problem in the mid-1980s. After a public outcry over the wretched conditions endured by many such families living in crumbling converted hotels, President Ronald Reagan in 1987 signed the McKinney Act, which gave states money to build emergency shelters and

help such families. In the years since, billions in federal dollars have financed an explosion in the number of such shelters. In 2003 alone, the federal government spent \$1.3 billion on more than 3,700 local programs that run shelters. . . .

Some liberals have expressed concern that these shelters have done little more than hide a shameful epidemic from public view, while conservatives have argued that they have become an expensive magnet for poor families who are unhappy with their living situations and are seeking government help. Yet almost everyone agrees that the number of families knocking on their doors continues to swell. . . .

Many academics and advocates for the homeless cite a widening gulf between income and rents. Real pay for the bottom 10 percent of wage earners rose less than 1 percent in adjusted dollars from 1979 to 2003. . . . Welfare payments buy less than half of what they did

Other people see homelessness as resulting from *societal factors*, including low wages and a lack of low-income housing (Kozol, 1988; Bohannon, 1991; L. Kaufman, 2004). Supporters of this position note that one-third of the homeless consists of entire families, and they point to children as the fastest-growing category of the homeless.



YOUR TURN



Our society has been more generous with the "worthy" poor (such as elderly people) than with the "unworthy" poor (such as able-bodied people who, we assume, should take care of themselves). Why do you think we have not done more to reduce poverty among children, who surely fall into the "worthy" category?

No one disputes that a large proportion of homeless people is personally impaired to some degree, but cause and effect are difficult to untangle. Structural changes in the U.S. economy, coupled with reduced aid to low-income people and a real estate market that puts housing out of the reach of the poorest members of U.S. society, all contribute to homelessness.

Finally, social stratification extends far beyond the borders of the United States. In fact, the most striking social inequality is found not within any one nation but in the different living standards from nation to nation around the world. In Chapter 12 ("Global Stratification"), we broaden our investigation of stratification by looking at global inequality.

in 1970, and millions of families no longer receive them at all.

By contrast, housing costs have nearly tripled since 1979, . . . and . . . city governments have been steadily eliminating public housing. . . .

If tight rental markets tell part of the story, they are clearly not the whole story. Since the 1980s, a significant body of research has developed to show that the heads of homeless families, like their single, street-sleeping male counterparts, are often drug addicts or mentally impaired or both.

The families are also disproportionately African American and usually headed by unwed mothers or women fleeing domestic violence. . . .

Critics of the shelter system argue that it may be abetting personal dysfunction. The shelter system constructed with federal dollars after the McKinney Act was a vast improvement over the shoddy hotels of the 1980s. Many

programs, particularly in New York, place families in the shelter at the top of the list for government subsidized rental apartments, an incentive that New York is considering dropping.

Such a system actually encourages families to enter the shelter system, argues Howard Husock, who teaches at the John F. Kennedy School of Government at Harvard University, particularly those who are doubled up with relatives or living in otherwise uncomfortable situations because of personal choices, including unwed motherhood. . . .

[Philip F.] Mangano, the Bush administration's homelessness chief, said . . . the emergency shelter system that Washington had built might have been a misuse of money.

"If we had an opportunity to go back, we might have created a different response on homeless[ness], one that focused more on investing in housing," he said. "We spent billions of dollars and

have had 20 years of shuffling homeless people from one side of town to the other, from one homeless program to another. It is a disgrace."

WHAT DO YOU THINK?

1. Why do you think homelessness is not discussed much by our political leaders in Congress?
2. What are some of the reasons for homelessness given in the article? Which do you think is most important? Why?
3. What changes in our national policy toward homelessness would you support? Why?

Adapted from the original article by Leslie Kaufman published in *The New York Times* on June 29, 2004. Copyright © 2004 by The New York Times Company. Reprinted with permission.

11

MAKING THE GRADE

The following learning tools will help you see what you know, identify what you still need to learn, and expand your understanding beyond the text. You can also visit this text's Companion Website™ at <http://www.prenhall.com/macionis> to find additional practice tests.

KEY POINTS

Dimensions of Social Inequality

Social stratification in the United States involves inequality of income, wealth, power, and prestige. White-collar jobs

generally offer greater income and prestige than blue-collar work. Many of the jobs typically held by women offer low social prestige or income. Schooling is also a resource that is distributed unequally. Eighty-five percent of people over age twenty-five complete high school, but only 28 percent are college graduates.

U.S. Stratification: Merit and Caste

Although U.S. society is partly a meritocracy, at birth children receive the social position of their parents. Family ancestry, race and ethnicity, and gender all affect people's social standing.

Social Classes in the United States

The upper class (5 percent of the population) includes the richest and most powerful families. Most members of the upper-upper class, or the “old rich,” inherit their wealth; the lower-upper class, or the “new rich,” work at high-paying jobs. The middle class (40 to 45 percent) enjoys financial security, but only upper-middle-class people have substantial wealth. With below-average incomes, most members of the working class or lower-middle class (33 percent) have blue-collar jobs, and only one-third of their children reach college. About 20 percent of the U.S. population belongs to the lower class; more than half of these people live below the government’s poverty line.

The Difference Class Makes

People with above-average incomes have better health than those whose income is below average. Social class standing also shapes some values and political attitudes. Children born into families with higher social standing receive a great advantage in the form of “cultural capital.”

KEY CONCEPTS

income (p. 280) earnings from work or investments

wealth (p. 281) the total value of money and other assets, minus outstanding debts

intragenerational social mobility (p. 289) a change in social position occurring during a person’s lifetime

intergenerational social mobility (p. 289) upward or downward social mobility of children in relation to their parents

relative poverty (p. 294) the deprivation of some people in relation to those who have more

absolute poverty (p. 294) a deprivation of resources that is life-threatening

feminization of poverty (p. 295) the trend of women making up an increasing proportion of the poor

Social Mobility

Some social mobility is common in the United States, as it is in other high-income countries. Typically, however, only small changes occur from one generation to the next. Due to the growing global economy, the wealthiest families in the United States now earn more than ever. There have been only slight increases in average income among families near the bottom of the class system.

Poverty in the United States

The government classifies 40 million people as poor. About 35 percent of the poor are children under age eighteen. Two-thirds of the poor are white, but African Americans and Hispanics are disproportionately represented among people with low income. The *feminization of poverty* means that more poor families are headed by women.

The *culture of poverty* thesis suggests that poverty is caused by shortcomings in the poor themselves. Others believe that poverty is caused by society’s unequal distribution of jobs and wealth. The U.S. cultural emphasis on individual responsibility helps explain why public assistance for the poor has long been controversial.

SAMPLE TEST QUESTIONS

These questions are similar to those found in the test bank that accompanies this textbook.

Multiple-Choice Questions

- Which term refers to earnings from work or investments?
 - income
 - assets
 - wealth
 - power
- The wealthiest 20 percent of people in the United States own about how much of the country’s privately owned wealth?
 - 34 percent
 - 54 percent
 - 84 percent
 - 94 percent
- About what share of U.S. adults over the age of twenty-five are college graduates?
 - 10 percent
 - 28 percent
 - 40 percent
 - 68 percent
- In the United States, average income for African American families is what share of average income for non-Hispanic white families?
 - 98 percent
 - 85 percent
 - 75 percent
 - 58 percent
- Which of the following is another term for the “working class”?
 - upper-middle class
 - average-middle class
 - lower-middle class
 - lower class

6. In terms of health, people living in high-income families
 - a. live in safer and less stressful environments.
 - b. are more likely to describe their own health as "excellent."
 - c. live longer lives.
 - d. all of the above.
7. Which quintile (20 percent) of the U.S. population has seen the greatest change in income over the last generation?
 - a. the top quintile
 - b. the middle quintile
 - c. the lowest quintile
 - d. All quintiles have seen the same change.
8. Change in social position during a person's own lifetime is called
 - a. intergenerational social mobility.
 - b. intragenerational social mobility.
 - c. structural social mobility.
 - d. horizontal social mobility.

9. In 2004, about what share of the U.S. population was officially counted as poor?

a. 42.7 percent	b. 22.5 percent
c. 12.7 percent	d. 2.5 percent
10. Which age category of the U.S. population has the highest percentage of people in poverty?
 - a. seniors over age sixty-five
 - b. middle-aged people
 - c. young people in their twenties
 - d. children

ANSWERS: 1(a); 2(c); 3(b); 4(d); 5(c); 6(d); 7(a); 8(b); 9(c); 10(d)

Essay Questions

1. We often hear people say that the United States is a "middle-class society." Where does this idea come from? Based on what you have read in this chapter, how true do you think this claim is? Why?
2. What is the extent of poverty in the United States? Who are the poor in terms of age, race and ethnicity, and gender?

APPLICATIONS & EXERCISES

1. Develop several questions that, taken together, will let you measure social class position. The trick is to decide what you think social class really means. Then try your questions on several adults, refining the questions as you proceed.
2. During an evening of television viewing, assess the social class level of the characters you see on various shows. In each case, explain why you assign someone a particular social position. What patterns do you find?

3. Governor Arnold Schwarzenegger of California recently said, "In this country, it doesn't make any difference where you were born. It doesn't make any difference who your parents were. It doesn't make any difference if, like me, you couldn't even speak English until you were in your twenties. America gave me opportunities, and my immigrant dreams came true. I want other people to get the same chances I did, the same opportunities. And I believe they can." Ask a number of people who came to the United States from another country the extent to which they agree or disagree with this statement.

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