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Changes in Racial and Gender Inequality Since 1970

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Changes in Racial and Gender Inequality Since 1970

C. Matthew Snipp and Sin Yi Cheung

In their seminal work, *The American Occupational Structure*, Blau and Duncan (1967) had this to say about the nature of racial inequality in the early years of post-war America, still struggling with the issue of civil rights for African Americans and others.

“The general conclusion to which these findings point is that the American occupational structure is largely governed by universalistic criteria of performance and achievement, with the notable exception of the influence of race...An important exception to this pervasive universalism is the severe discrimination the Negro [sic] suffers at every step in the process toward achieving occupational success. Although there is some indication that discrimination against Negroes has declined in this century, and hence that universalism has continued to spread...But universalism cannot restore equality.”
(p.241)

The impact of the Blau and Duncan study on the ways that sociologists understand inequality is difficult to overstate. It precipitated a substantive as well as methodological revolution in the way that stratification research has been pursued since its publication.

A decade later, amid tremendous social upheaval and change, much of it directed at the problem of racial inequality, two of Duncan’s students—Robert M. Hauser and David L. Featherman--undertook an equally ambitious effort to assess what these changes had wrought. After an exhaustive analysis of their data, Featherman and Hauser wrote:

“In sum, the evidence for trend in structural integration of the races is mixed. It confounds the always problematic association among cultural, structural, and political integration (Hechter 1971) and makes predictions about change in racial relations impossible and interpretations of trend highly problematic...if we accept our own alternative speculation...we would look for less long-range moderation of racial inequalities...Consequently, continued monitoring of trend is essential for both practical and theoretical reasons.” (1978 pp. 382-384).

This conclusion and final admonishment by Featherman and Hauser (1978) motivates the subject of this paper, changes in racial and ethnic economic inequality since 1970.

The original Blau and Duncan (1967) study and the follow-up by Featherman and Hauser (1978) are foundational for assessing socioeconomic inequality in the latter half of the twentieth century. As noted, they bracket a period of tremendous change in American society but this work is also historically contained—it did not and could not anticipate the profound changes to take place in the coming decades. These were changes brought about by changing patterns of immigration, demands for recognition by groups such as Hispanics and American Indians, and growing numbers of women in the

workforce. Indeed, these studies focused primarily on men, and on Black-White difference.

The decades between 1970 and 2010 bracket a critically important period in the history of race and gender relations in the United States. Landmark court decisions and innovative legislation were starting to dismantle the most oppressive features of the American racial hierarchy in the years just prior to 1970. At the same time, women entered the paid labor force in record numbers. Gender discrimination became a recognized problem and outlawed by federal legislation. The social upheaval of the 1960s and 1970s precipitated an equally powerful backlash against these changes that culminated with the election of Ronald Reagan and a socially and fiscally conservative congress. The so-called “Reagan revolution” was marked by a serious effort to turn back earlier reforms and especially diminish the role of government in protecting minority rights.

Forty years later, an African-American man and a White woman were leading contenders as the presidential candidate of the Democratic party, followed by an unsuccessful bid by a White man and a White woman to become the president and vice-president of the United States. The 2008 presidential campaign underscored the question of which was a greater disadvantage, race or gender and while the contest seemed to be settled in favor of gender other disturbing developments such as the mass incarceration of African-American men in the 1980s and 1990s re-opened debates about civil rights in America.

Thus, this paper focuses on two key generations connected with ascribed inequality—race and gender--in the United States. One is the formative years between 1970 and 1990, a time when civil rights enforcement and programs to ensure opportunities for women and racial minorities were relatively unfettered. The second generation, from 1990 to 2010 covers years in which these programs were in retreat, diminished by congress and the courts, civil rights enforcement waned, the so-called social “safety net” was dramatically revised, and the nation re-assessed its commitment to equality of opportunity for disadvantaged groups.

Race, Assimilation, and Gender Inequality in American Society

Race, Assimilation, and Economic Inequality: The sizable difference in Black-White incomes observed by Blau and Duncan (1967) and later by Featherman and Hauser (1978) stood out in sharp contrast when compared to the incomes received by workers with ethnic origins in Europe. The universalism noted by Blau and Duncan seemed to wash out any of the particularistic effects that might be attributed to ethnic origins and indeed, ethnicity appeared to matter little, positively or negatively with respect to the characteristics associated with higher or lower incomes.

Another way of framing this observation is that these workers were fully assimilated into the economic mainstream insofar as their ethnic origins were not a consideration in the processes by which income is determined. Economic assimilation, the incorporation of ethnic groups into the economy has been a mainstay in stratification research for generations. Observing the experiences of ethnic groups in early 20th century Chicago, Robert E. Park and Ernest Burgess (1921) offered one of the first comprehensive treatments of assimilation. Park and Burgess were leading figures in the “Chicago school” of sociology.¹ They defined assimilation as a “process of interpenetration and fusion in which persons and groups...are incorporated with them into a common cultural life (Park and Burgess 1969, p.360). Park went on to conceptualize assimilation as a series of stages: contact, competition, accommodation, and finally assimilation.

Drawing on the experiences of European immigrants in Chicago provided Park and his colleagues an important frame for understanding assimilation. However, equally important is that this setting also was unique insofar as it rested upon newcomers from Europe. Namely, persons who within a generation or so, could shed all traces of their ethnic origins by changing their names, habits of dress, and learning American inflected English. In the course of leaving behind these markers of ethnicity, they avoided the stigmas attached to ethnic difference and folded themselves into White Anglo-American society. From this perspective, assimilation entailed becoming a recognizably White American. Be this as it may, because of Park and Burgess’ influence, this view of assimilation dominated much of the sociological literature throughout the 20th century. In particular because this work inspired numerous efforts to elaborate or otherwise revise Park’s model by adding additional or different stages to his basic framework (Hirschman 1983).

The publication of Milton Gordon’s *Assimilation in American Life* (1964) represents a major milestone in the conceptualization of assimilation, particularly because it articulated a highly complex view of assimilation moving well beyond the simplistic stage models that proliferated in the decades following the 1920s. Gordon’s work articulated seven different types of assimilation: cultural (acculturation), structural, marital (amalgamation), identificational, attitude receptional (absence of discrimination), and civic (absence of value and power conflict). Gordon suggested that while these different types of assimilation might be related, one did not follow from the other. Nor did he contend that assimilation was linear process that follows some sort of temporal order. He argued, for example, that while African-Americans had been culturally assimilated, they had not been given widespread access (circa 1964) to organizations, clubs, and institutions of the host society, i.e. structurally assimilated. For social scientists concerned with social and economic disparities, it is structural assimilation that matters most.

¹ Though a generation or two removed, Blau and Duncan also were members of the University of Chicago faculty at the time that the *American Occupational Structure* was written.

Since the publication of Gordon's book, assimilation theorists put forth a variety of other sorts of schemes as alternative accounts. This work tried to acknowledge an ever more nuanced and complex understanding of the processes related to assimilation and particularly that some groups seemed to be assimilating more slowly than others, and for others, not at all. One framework for instance, was explicitly non-linear and multidirectional (Greely 1974). Another account stipulated that assimilation consisted of a set of sub-processes that operated more or less independently of one another.

The ever more complex schemes put forth to model assimilation gave some social scientists pause to question the utility of this framework. Furthermore, that some groups in American society seemed wholly unable or unwilling to assimilate led to a mounting number of criticisms of this idea. By the late 1970s and early 1980s, the vast shortcomings in assimilationist thinking led many to abandon this idea as a useful explanation for understanding the nature of race and ethnicity in American society. In its place, theorists began to emphasize the salience and durability of ethnicity. These ideas hearkened back to an idea proposed by Horace Kallen in 1915. He argued that it was unreasonable to expect immigrants to fully abandon their ethnic heritage as a condition for participating in society and instead, it made more sense to think of American society as a multicultural aggregate as opposed to one where such differences have melted away. One such perspective counters that ethnicity plays a central role in the lives of the most acculturated groups (Glazer and Moynihan 1970) and even among groups once expected to disappear from American society such as American Indians, there has been a remarkable revitalization of ethnic awareness (Nagel 1996).

While the vision of the United States as a multiethnic society addressed earlier limitations in assimilation theory, it also lacked the capacity to account for the experiences of a new generation of immigrants arriving in the country in the late 20th century. These immigrants differed from earlier generations insofar as they were arriving from non-European origins—primarily from Mexico, Latin America, the Caribbean Islands, and Asia. Some of these immigrants were successfully incorporating themselves in American society while others were distinctly failing to do so. Segmented assimilation was proposed as a new form of assimilation in which immigrant groups became balkanized into discrete segments. Some of these segments were more successful than others in gaining education, employment and other scarce resources. The task of this perspective was to understand the origins of immigrant segmentation and why some groups were more successful than others in terms of becoming part of the economic mainstream (Portes and Zhou 1993). More recently, others have offered a full-scale rehabilitation of assimilation theory in an effort to make it more consonant with the experience of recent immigrants and to address the shortcomings identified with earlier assimilation theories (Alba and Nee 2003).

However, we cannot emphasize strongly enough that we expect to find substantial differences among these groups. There are many reasons for this expectation as well as

research to support it (McCall 2001, Snipp and Hirschman 2005, Kim and Sakamoto 2010, Bloome 2014). One reason is the historical circumstances connected with these groups presence in the United States. Another is the spatial distribution of these groups. Latinos and Asians for example, are heavily concentrated in the western United States while there are large concentrations of African-Americans in the South and in rust belt cities. A substantial proportion of American Indians and Alaska Native reside in relatively remote rural locations. Similarly, these groups have different experiences with employment discrimination. For these reasons, we expect to find a great deal of heterogeneity among these groups with respect to their earnings.

Race, Gender, and Economic Inequality: There are voluminous literatures addressing racial inequality and gender inequality. Some of the issues of greatest interest have been noted above with respect to the economic incorporation of racial and ethnic minorities. Suffice it so say, explanations of gender inequality take a sharply different tack by focusing on gender roles, gender-based employment segregation and discrimination, and the preservation of male privilege in the workplace (e.g. Budig and England 2001, Padavic and Reskin 2002, Charles and Grusky 2004).

Fusing the intersection of race and gender has been a serious challenge for students of inequality for theoretical as well as methodological reasons. Theoretically, the narratives about gender inequality invoke a host of conditions that are incommensurate with the circumstances associated with racial inequality and vice versa. This has led researchers to privilege one type of inequality at the expense of the other. Studies of racial inequality typically limit their attention to men while research about gender inequality most focuses on White women and men. As a Venn diagram, overlaying these two approaches neglects the experiences of minority women. However, there is a substantial consensus in the stratification literature that understanding social and economic inequality requires a broader focus that takes into count the intersectionality of multiple hierarchies. That is, that certain types of inequalities cannot be fully understood unless they are viewed in the context of other forms of stratification. The intersection of race and gender for example, cannot and should not be viewed as existing independently of one another (Collins 1998).

Taking note of the intersection of race and gender has evoked a growing body of literature in which a fundamental challenge has been to address the question of which is larger: inequalities based on race or inequalities based on gender? This research attempts to incorporate the effects of race and gender using two basic strategies. One has been to compare configurations of race and gender—Black women for example—against a single reference group such as White men (Corcoran and Duncan 1979). A second approach contrasts race effects by gender juxtaposed with gender effects by race (Kilbourne et al. 1994). As Greenman and Xie (2006) point out, there is a tendency in these approaches to treat race and gender as two separate components that can simply be added together to assess the cumulative disadvantages owing to the combined effects, or the intersection of these two dimensions of stratification. However, there is a case to be made that the

effects of race and gender inequalities are larger (or smaller) than the sum of their parts; that they are indeed multiplicative as opposed to merely additive (Greenman and Xie 2006).

Data and Methods

This chapter will seek to measure changes in economic inequality from the perspective of the wages earned by men and women and by racial and ethnic minorities in two putatively different historical regimes, and especially to gauge how the economic circumstances of American ethnic minorities and women in the labor force have evolved over the past forty years. We examine changes in gender inequality vis-à-vis changes in the economic circumstances among several different racial and ethnic minority groups.

Because the experiences of specific ethnic minorities have been decidedly different in this period, we will focus our attention on the largest and most prominent groups for whom data are available. Specifically, we turn our attention the following populations: Hispanics (of any race)², and the non-Hispanic groups of African-Americans, American Indians and Alaska Natives, Asians, and Whites. We will be able to further disaggregate the Asian population into three sub-groups: Chinese, Filipino, and Japanese.

We use decennial census data collected for the decades between 1970 and 2010. We are particularly interested in two periods that roughly correspond to two important generations in recent American history—namely changes taking place in the decades of 1970 to 1990 and the changes taking place between 1990 and 2010. These data were collected in large samples taken at the time of the census and for 2010; we will use the American Community Survey.³ Our analytic strategy will consist of three components.

Our analysis begins with an examination of median earnings for these groups relative to changes over time between men and women, and relative to White men and women. This is a descriptive benchmarking exercise because historically, White men have enjoyed a significant economic advantage relative to others and this exercise will document in gross terms how this differential has changed or remained the same. It is an open question about how White women might have similar or different advantages or disadvantages; especially because gender discrimination is embedded in a fundamentally different set of social processes connected with traditional gender roles, family responsibilities, occupational segregation. These are fundamentally different from the social antipathy behind racial discrimination.

² We regret that for 1970, the measure for Hispanic is based on surname and language. This is an admittedly weak measure but the only one available for these years.

³ The American Community Survey replaces the data that was collected in the census long form sample that was discontinued in the 2010 census.

Our second analysis uses weighted micro-data to examine the differential returns to investments in human capital. A persistent finding is that for some ethnic minorities such as African-Americans, the income accruing to additional years of education is not commensurate with income gained by Whites or even other ethnic minorities such as Japanese (Snipp and Hirschman 2005). We estimate multivariate models of earnings within each of these groups using data for employed workers—male and female-- between the ages of 25 and 64.

We present the results of the multivariate models in Tables 5A and 5B, for men and women respectively. We model the economic well-being of ethnic minorities reflected in earnings with respect to three types of effects: (1) gross, (2) total, and (3) direct and indirect effects. The *gross effect* is the effect of ethnic inequality between whites and ethnic minorities in terms of real 2009 dollar earnings. The *total effect* is the level of ethnic inequality net of age and birthplace. Direct effects measure the level of ethnic inequality on earnings after the effects of the remaining covariates (e.g. residence, education, and industrial sector) are removed. Indirect effects are the effects of ethnicity on earnings mediated through the covariates in our models. We calculate indirect effects by estimating successive regression equations and subtracting the ethnicity coefficients with the intervening variable from the ethnicity coefficients in the preceding equation without the intervening variable (Alwin and Hauser 1975).

Observing Changes in Racial and Gender Inequality

Starting with the simple race- and gender-specific differences shown in Table 2, a couple of quick and not terribly surprising results are abundantly clear. One is that men earn more than women in every ethno-racial category. The other is that historically disadvantaged groups—namely African-Americans, American Indians, and Hispanics—fare more poorly than Whites regardless of gender. However, it might come as a surprise to some that Asians, and particularly Japanese and Chinese workers fare about as well and in some cases better than White workers. Japanese men, for example, earned \$2,921 than White men in 1970 and four decades later, the earnings of the former exceeded the earnings of the latter by 24 percent (\$11,350). Chinese men earned less than Japanese men and less than White men in 1970. However, the earnings of Chinese men grew rapidly after 1990 and by 2009, they exceeded those received by White men by a modest 3.7 percent. The earnings of Chinese men also remained lower than their Japanese counterparts.

Table 2 about here

Similar patterns can be found among women. In 1970, the earnings of White women exceeded the earnings of Black, Hispanic and American Indian women. These disparities more or less remained intact in subsequent decades; in some cases shrinking and in others, growing. For example, in 1970 the earnings of White women exceeded those of African-American women by 28 percent and in 2009, the gap shrank to 14

percent. In contrast, the 1970 earnings of White women exceeded those received by Hispanic women by about 20 percent. The gap between White and Hispanic women subsequently grew to 50 percent in 2009. Interestingly, White women in 1970 earned less than Chinese or Japanese women. The earnings gap between White and Japanese women widened significantly between 1970 and 2009. Specifically, the earnings of Japanese women were nearly 20 percent higher than those of White women in 2009. Similarly, the gap between Chinese and White women also grew between 1970 and 2009, albeit more slowly.

Historically, White workers and particularly White male workers have been viewed as representing the pinnacle of economic privilege in the United States. Yet compared to Asian workers, namely the Japanese and Chinese, it is plain that White workers are no longer alone at the top of the earnings hierarchy. This is a remarkable development and most likely reflects changes in the Japanese and Chinese labor force due to the 1965 modification of United States immigration laws. After 1965, as immigrants from Japan and China entered the U.S. to attend American colleges and to take employment in high paying professional positions, the result has been a steep rise in the economic standing of these populations. Fully unraveling the experiences of these groups is well beyond the intent of this paper. However, we will in a very limited way explore the effects of immigration in the multivariate models we will describe shortly.

It also is worth noting that the earnings of White male workers declined modestly between 1970 and 2009, while the Asian groups we have included in our analysis enjoyed earnings gains; some that were very large. Indeed, the declines in the earnings of White workers men did not differ much from declines in the earnings of Hispanic and American Indians men, keeping the earnings gap among these groups intact or exacerbating them between 1970 and 2009. For example, the mean earnings of White men were 41 percent greater than Black men in 1970 and this gap grew to nearly 71 percentage points in 2009. Taken together, immigration and aggregate earnings growth (and lack thereof) have propelled Asians into the top reaches of the earnings hierarchy while other groups lag ever farther behind.

Race-specific Gender Inequality: There are substantial gender-specific earning gaps across the ethno-racial groups shown in Table 3. White and Japanese workers have relatively high levels of gender inequality while Blacks and Filipinos display the lowest levels of gender inequality, with Hispanics, American Indians, and Chinese falling in the middle of these two extremes. The largest and most persistent earnings gap exists between White men and women and between Japanese men and women. In 1970, the earnings of White women were only 43 percent of the earnings received by White men. Nearly four decades later, the earnings of White women were still only 65 percent of the earnings of White men. From another perspective, White women earned \$29,000 less than White men in 1970 and this gap shrank to \$17,000 in 2009. A similar gap exists between Japanese men and women.

Table 3 about here

At the other end of the earnings spectrum, the gender gap is smallest for Black and Filipino men and women. In 1970, the earnings of Black women were 54 percent of the earnings of Black men. However, in the decades that follow, Black women enjoyed sustained gains and by 2009, their earnings were over 85 percent of their male counterparts. In dollar terms, the Black gender earnings gap was reduced by two-thirds between 1970 and 2009. Black men earned \$14,000 more than Black women in 1970 but by 2009, this gap had been reduced to slightly less than \$4,700. Filipinos display the lowest levels of gender inequality for all three periods. In 1970, Filipina women received earnings that were 67 percent of Filipino men, and by 2009, the earnings of Filipinas were 88 percent of the earnings received by Filipinos.

Another way of viewing race- and gender-specific earnings inequality is with respect to how minority men and women fare relative to White male and female workers. Table 4 shows the median earnings of minority male and female workers in relation to the median earnings of their White counterparts. For instance, in 1970, Black male workers earned \$19,282 less than White male workers; and this translates into a difference of black men earning about 61 percent of median White male earnings.

There are at least two noteworthy observations that can be made in Table 4. One is that in almost every instance, there is greater inequality among minority men relative to White men than among minority women relative to White women; in absolute as well as in relative terms. Of course, Asians are clearly an exception insofar as Asian men, especially Japanese men earn more than White men; and Asian women earn substantially more than White women. For example, in 2009, Chinese and Japanese women earned about 16 and 24 percent more respectively, than White women. A second and more important observation is that among non-Asian minorities, the earnings deficits relative to Whites are not much different today than they were in 1970. It is most striking for Hispanics insofar as the earnings of this group lags Whites by nearly \$20,000 (among men) and this is 35 percent larger than the 1970 deficit of \$14,608. One likely factor connected with the size of this deficit has been the dramatic increase in the number of unskilled or low-skilled Mexican immigrants entering the country since 1965.

Table 4 about here

Multivariate Models: Immigration and other ethno-racial specific characteristics certainly account for some or most of the observed mean differences displayed in the preceding tables. For this reason, it is important to estimate multivariate models for the purpose determining the true magnitude of race- and gender-specific earnings differentials. As noted above, we use the logarithm of earnings to compensate for the skewness in the distribution and for the temporal heterogeneity in the variances of this

measure.⁴ Taking the antilog of the coefficients for race and ethnicity expresses their multiplicative effect on earnings. A value of 1.0000 indicates no effect; an effect that is less than 1.0000 depresses earnings and an effect greater than 1.0000 increases them. Gross effects are estimated by regressing log earnings on a series of dichotomous variables corresponding to the ethno-racial self-identification of respondents. We further decompose these effects by sequentially entering the control variables to obtain estimates of total effects (race and ethnicity net of age and immigration), indirect effects via a series of independent variables, and the direct effects of race and ethnicity net of the independent variables. Further details about this analytic strategy are available from Alwin and Hauser (1975).

Table 5A contains the estimated effects for minority men relative to the earnings of White men (omitted category). In terms of gross effects, only Japanese men have consistently enjoyed higher earnings than White men. American Indian men have the consistently lowest earnings relative to White men, and as noted above, Hispanic male earnings have declined consistently relative to Whites. Most groups of minority men improved their status relative to White men in modest amounts between 1969 and 1989 but were virtually unchanged since then. Chinese men are the exception as they experienced a very sharp gain relative to White men between 1989 and 2009. Adding age and immigration to these simple models does little to change the coefficients displayed in the rows representing total effects in the three periods. The total effects differ only slightly from the gross effects of race and ethnicity.

Table 5B displays the same results from models estimated for women. In terms of gross effects, there is a smaller deficit between non-Asian minority women and White women than the deficit that exists for men. This was foreshadowed in the simple mean differences previously noted. Likewise, Asian women enjoy earnings that are well above those received by White women, and these too are larger than those observed among men. Over time, non-Asian minority women nearly closed the gap with White women in their 1989 earnings but fell farther behind by 2009. Asian women retained their advantages relative to White women, with little or no change over time. Controlling for age and immigration—Total effects—created a notably larger advantage for Asian women but with little influence on non-Asian minority women.

Tables 5A and 5B about here

Turning to the indirect effects, the industrial sector in which these workers are employed virtually has no mediating effect for any of these groups and deserves no further comment. Residence also does not have a sizable role in mediating the influence of race and ethnicity on earnings among non-Asian minorities, especially Blacks and

⁴ We provide an appendix that shows a corresponding set of models estimated in their original dollar metric. We consider these models less useful and potentially problematic due to the distributional qualities of the earnings variable. However, we provide them for readers who might wish to see the effects of race and ethnicity expressed in their original dollar metrics.

Hispanics. Residence has a small dampening effect (about 5 percent) on the earnings of American Indians; most likely because non-metropolitan residence is virtually synonymous with the depressed conditions found in most reservations. Among Asians, the residence variables capture their concentration in urban areas of California and Hawaii; locations with relatively high prevailing wage rates. Temporally, the indirect effects of race and ethnicity via residence do not vary much from one period to another, nor are the effects very different for men than they are for women.

The indirect effects of race and ethnicity through marital status and the presence of children on earnings are also slight. For men, not surprisingly, marital status and children have almost no mediating influence on their earnings and temporal variation also is almost non-existent. Though among men, Black men seem to be most affected by the absence of family ties; but again, the indirect effect is small and yields only about a 5 percent penalty. A somewhat surprising finding is that the mediating influence of marital status and the presence of children is sizable in 1969, in the 10 to 15 percent range among non-Asian minority women but this penalty disappears in subsequent decades. To be sure, the direct effects of family ties (not shown) are large and significant in all three periods, and larger for women than for men. However, the indirect effects of race and ethnicity as mediated by family relationships in the form of spouses and children virtually disappeared in the decades following 1970.

For the most important indirect effects, it is not too surprising that the effects of race and ethnicity are most strongly mediated by education. For non-Asian minority men, the effect of race and ethnicity on schooling in turn diminishes earnings by about 10 to 15 percent, and by over 20 percent for Hispanics in 2009. This effect is substantially the same for women and varies relatively little over time. However, one exception is the mediating (and decrementing) influence of education among Hispanics has grown larger over time, from about 11 percent in 1969 to 22 percent in 2009, even after controlling for the direct effect of immigration. In contrast, Asians, especially Chinese and Japanese are predisposed to higher levels of educational attainment and this is manifest in a very strong positive indirect effect of ethnicity on earnings via educational attainment. This is most visible among the Japanese who enjoy a premium indirect effect that increases their earnings in the range of 16 percent to 19 percent for women and men, respectively.

Labor force participation as measured by the number of weeks worked and hours worked has an erratic effect that varies across years, gender, and race and ethnicity. Asian women, for instance, used to enjoy a premium via their labor force participation in 1969 and 1989 but this effect declined substantially in 2009. One exception is that the earnings of American Indians are negatively impacted by this group's tenuous connection to the labor force. For example, the indirect effect of being an American Indian via labor force participation decrements the earnings of these men in the range or 15 percent or more. Women are similarly impacted but to a lesser extent than men.

Finally, the last three rows of Tables 5A and 5B show the direct effects of race and ethnicity controlling for the variables listed in Table 1. Comparing the direct effects to the uncontrolled gross effects of race and ethnicity shows that the control variables do account for a substantial amount of the gap between racial and ethnic minority workers and White workers. However, they do not fully erase this gap. Indeed the gap is large and surprisingly durable over time. Among non-Asian minority men, other characteristics being equal, their race caused an earnings decrement in the vicinity of about 20 to 30 percent in 1969. For Black men, this gap shrank significantly between 1969 and 1989; bringing their disadvantage to about the same as that of Hispanic and American Indian men. Since 1989, the race-specific earnings gap has remained virtually unchanged for non-Asian minority men.

Asian men and women were also disadvantaged in 1969 but much of the earnings gap relative to Whites was erased by 2009. However, the advantages that seem to have accrued to Asian men and women in recent decades virtually disappear once other characteristics are taken into account. That is, the gross effects showing the considerable advantage of Asian ethnicity virtually disappear once other factors are considered. The earnings of Chinese and Filipino men lag slightly behind the earnings of White men but Japanese men are an exception. Their earnings have modestly exceeded those of White men for the past two decades. Similarly, Asian women enjoy earnings that are virtually identical to White women. For these women, race may not a detriment to their earnings but this “equality” mimics the gender inequality experienced by White women.

For non-Asian minority women, their earnings grew substantially relative to the earnings of White women between 1969 and 1989. Black women, for example achieved parity with White women in the decades between 1969 and 1989. However, these gains were short-lived. Reversing this trend, race-specific earnings inequalities grew in magnitude between 1989 and 2009. By 2009, they hovered in the range of a 5 to 10 percent penalty for non-Asian minority women with characteristics similar to White women. This retreat from equality is difficult to explain but plainly, it exemplifies the dual disadvantages accruing to race and to gender.

Concluding Remarks

We have endeavored to show the cross-cutting effects of race and gender on the earnings of American workers since 1969. The years just preceding 1969 were a time of historic, precedent setting social policies. The aim of these policies was to diminish the adverse effects of race and gender by outlawing labor market discrimination by employers; and by establishing programs to increase labor market opportunities for women and for members of disadvantaged minority groups. Taking stock of these policies, we expected to observe a trend of diminishing earnings gaps across these groups.

What we found is perhaps not too surprising. In 1969, race mattered a great deal for material well-being. It mattered most for African-Americans but it also mattered for other groups as well. It mattered less for women only because White women were themselves disadvantaged and the objects of pervasive labor market discrimination. Four decades later, race continues to matter, though to a lesser degree than in the late 1960s. However, the way it matters is more complicated today than it was forty years ago. Comparing Black men and Japanese men to White men offers an instructive lesson because they reflect two very different sorts of experiences yet a common thread of persistent inequality runs through both of them.

Looking at Japanese men first, they enjoyed earnings that were slightly higher than White men in 1969. However, these higher earnings were due to the fact that Japanese men also tended to be better educated than White men and clustered in areas with high prevailing wage rates such as California and Hawaii, among other characteristics that helped bring them into parity with White men. Taking these differences into account, the earnings of Japanese men fall well below the earnings of White men, by over 10 percent. Twenty years later, the earnings of Japanese men exceed those of White men by more than 25 percent and this advantage persists into the present. However, once differences in residence, education, and other characteristics are taken into account, the earnings of Japanese men are just slightly higher than White men. It seems fair to say that for Japanese men, they have attained parity with White men and their race no longer matters for them in the way that it did in 1969. These findings are consistent with data reported by Kim and Sakamoto (2010). However, this would not be a conclusion that could be made for Black men.

In 1969, the earnings of African-American men were about 42 percent lower than the earnings of White men. Taking into account that Black men tended to be less educated than White men, as well as other differences reduced the magnitude of this gap to about 28 percent. That is, differences between Black and White workers accounted for about one-third of the lower earnings by Black men but two-thirds of this gap remained unexplained and likely due to discrimination by employers. In 2009, the gross earnings differential between White and Black workers shrank slightly to 38 percent (down from 42 percent). However, nearly half of this gap (18 percent) can be explained by Black-White differences in other characteristics compared to one-third in 1969. The wage gap that cannot be explained by these characteristics has hovered around 20 percent since 1989. The good news is that this gap is smaller, the bad news is that it is still large, the worse news is that despite the rafts of social policies to change these conditions, the racial penalty accruing to Black men remains unchanged for a generation.

In the years since 2008, much has been written about whether America has become a post-racial society. To be sure, a small group of African-Americans have benefited from changes in American society taking place since World War II. One of them even managed to become elected to the nation's highest office. However, it would be a mistake to take these exceptions as proof of the rule. On the contrary, for the vast

majority of historically disadvantaged racial and ethnic minorities—Blacks, Latinos, and American Indians—race matters and it matters mightily for material well-being. It has mattered throughout this nation’s history, it matters today, and there is every reason to believe that it will matter far into the foreseeable future.

Table 1. Definition and Measurement of Demographic and Socioeconomic Characteristics

| | |
|-------------------------------------|--|
| Ethnicity | Self-reported racial identification. Hispanic is self-identified in a separate item in the 1990 census and 2005-2009 American Community Survey. It is a composite measure in the 1970 census. Whites are non-Hispanic Whites, ; Hispanic Blacks and Hispanic American Indians are coded as Blacks and American Indians, respectively |
| Gender | Self-reported gender, men and women. |
| Age | Age at last birthday (centered); and age squared. |
| Birthplace/length of U.S. residence | A composite measure based on country of birth and place of residence five years ago. Coded as native born; foreign born, in U.S. five years ago; foreign born, not in U.S. five years ago, |
| Place of residence | State or region of residence April 1, 1970, 1990; variable in the American Community Survey. Coded for California; Hawaii; New York; South, metropolitan area; South, non-metropolitan area; rest of the U.S., metropolitan; rest of the U.S., non-metropolitan. |
| Education | Level of formal education attained, coded in four values: less than high school (up to grade 11), finished high school (grade 12), some college (up to 3 years college), college or higher (4 or more years college). |
| Sector | Composite variable based on class of worker and industry classification. Coded as self-employed; government employed; retail trade, not self-employed; other periphery, not self-employed, not government employed, not in retail trade; other core, not self-employed, not government employed. |
| Weeks worked last year | Number of weeks worked in 1969; 1989; and variable over the years prior to 2005-2009 in the American Community Survey. Median value was taken where only ordinal measure was available in 1970. |
| Hours worked last week | Hours worked during the week before the census (April 1) in 1970 and 1990, variable across the years of 2005-2009 in the American Community Survey. Median value was taken where only ordinal measure was available in 1970. |
| Earnings | Total income received from wages and salaries, self-employment income from farm and non-farm sources. Earners with zero or negative incomes were excluded from each sample. |

Table 2. Race/ethnic-specific median earned income (2009 constant dollars) for men and women ages 25 to 64, 1970, 1990, and 2009¹.

| Race/Ethnicity | 1970 | | 1990 | | 2009 ¹ | |
|------------------|--------|--------|--------|--------|-------------------|---------|
| | Male | Female | Male | Female | Male | Female |
| Whites | 49,958 | 21,327 | 48,440 | 25,950 | 47,670 | 31,050 |
| Blacks | 30,676 | 16,653 | 32,005 | 25,639 | 31,890 | 27,240 |
| Hispanics | 35,350 | 17,821 | 29,756 | 20,068 | 27,945 | 20,700 |
| Japanese | 52,879 | 25,709 | 59,988 | 32,870 | 59,020 | 38,430 |
| Chinese | 41,193 | 23,664 | 41,520 | 27,680 | 49,410 | 35,856 |
| Filipinos | 35,350 | 23,664 | 40,655 | 31,349 | 41,724 | 36,774 |
| American Indians | 31,844 | 12,562 | 30,860 | 19,030 | 30,015 | 22,700 |
| Un-weighted N | 397868 | 244706 | 925784 | 820634 | 3173637 | 2946000 |

Sources: Integrated Public Use Microdata Samples (IPUMS) based on weighted data from 1970 and 1990 decennial census data supplied by the Minnesota Population Center, University of Minnesota; U.S. Bureau of the Census American Community Survey.

¹American Community Survey data aggregated across 2005 to 2009.

Table 3. Gender specific median earnings differentials in percentage by race for workers ages 25 to 64, 1970 to 2009¹.

| Race/Ethnicity | 1970 (Female/Male) | 1990 (Female/Male) | 2009 ¹ (Female/Male) |
|------------------|-----------------------|-----------------------|------------------------------------|
| Whites | 42.7 | 53.6 | 65.1 |
| Blacks | 54.3 | 80.1 | 85.4 |
| Hispanics | 50.4 | 67.4 | 74.1 |
| Japanese | 48.6 | 54.8 | 65.1 |
| Chinese | 57.4 | 66.7 | 72.6 |
| Filipinos | 66.9 | 77.1 | 88.1 |
| American Indians | 39.4 | 61.7 | 75.6 |

Sources: Integrated Public Use Microdata Samples (IPUMS) based on weighted data from 1970 and 1990 decennial census data supplied by the Minnesota Population Center, University of Minnesota; U.S. Bureau of the Census American Community Survey.

¹American Community Survey data aggregated across 2005 to 2009.

Table 4. Race/ethnic-specific median earnings differentials (in percentage) for racial and ethnic minorities relative to White workers ages 25 to 64, by gender, 1970 to 2009¹

| Race/ethnicity | 1970 | | 1990 | | 2009 ¹ | |
|------------------|-------|--------|-------|--------|-------------------|--------|
| | Male | Female | Male | Female | Male | Female |
| Blacks | 61.4 | 78.1 | 66.1 | 98.8 | 66.9 | 87.7 |
| Hispanics | 70.8 | 83.6 | 61.4 | 77.3 | 58.6 | 66.7 |
| Japanese | 105.8 | 120.5 | 123.8 | 126.7 | 123.8 | 123.8 |
| Chinese | 82.5 | 111.0 | 85.7 | 106.7 | 103.7 | 115.5 |
| Filipinos | 70.8 | 111.0 | 83.9 | 120.8 | 87.5 | 118.4 |
| American Indians | 63.7 | 58.9 | 63.7 | 73.3 | 63.0 | 73.1 |

Sources: Integrated Public Use Microdata Samples (IPUMS) based on weighted data from 1970 and 1990 decennial census data supplied by the Minnesota Population Center, University of Minnesota; U.S. Bureau of the Census American Community Survey.

¹American Community Survey data aggregated across 2005 to 2009.

Table 5A. Effects of Ethnicity [$\exp(\beta)$] on the Logged Earnings of Men Aged 25 to 64, in the Civilian Labor Force, 1969, 1989, 2009 (in constant logged 2009 dollars).

| Effects/Year | Black | American Indian | Japanese | Chinese | Filipino | Hispanic |
|------------------------------------|--------|--------------------|----------|---------|----------|----------|
| Gross | | | | | | |
| 1969 | 0.5764 | 0.5335 | 1.0518 | 0.8180 | 0.7084 | 0.7014 |
| 1989 | 0.6056 | 0.5535 | 1.2514 | 0.8408 | 0.8582 | 0.6201 |
| 2009 | 0.6174 | 0.5601 | 1.2503 | 0.9956 | 0.8623 | 0.6171 |
| Total | | | | | | |
| 1969 | 0.5769 | 0.5313 | 1.0436 | 0.8110 | 0.7387 | 0.6945 |
| 1989 | 0.6172 | 0.5635 | 1.3164 | 0.8838 | 0.8874 | 0.6606 |
| 2009 | 0.6298 | 0.5747 | 1.2892 | 1.0363 | 0.9087 | 0.6721 |
| Indirect via | | | | | | |
| Residence | | | | | | |
| 1969 | 0.9891 | 0.9441 | 1.0987 | 1.0399 | 1.0330 | 1.0036 |
| 1989 | 1.0026 | 0.9460 | 1.0634 | 1.0525 | 1.0516 | 1.0284 |
| 2009 | 1.0297 | 0.9597 | 1.0651 | 1.0656 | 1.0676 | 1.0423 |
| Schooling | | | | | | |
| 1969 | 0.8873 | 0.9048 | 1.0574 | 1.0458 | 0.9775 | 0.8911 |
| 1989 | 0.8955 | 0.8974 | 1.1250 | 1.0874 | 1.0796 | 0.8203 |
| 2009 | 0.8895 | 0.8604 | 1.1898 | 1.1442 | 1.1049 | 0.7813 |
| Children and Marital Status | | | | | | |
| 1969 | 0.9635 | 0.9804 | 0.9816 | 0.9759 | 1.0037 | 1.0149 |
| 1989 | 0.9436 | 0.9783 | 0.9769 | 1.0050 | 1.0158 | 1.0089 |
| 2009 | 0.9456 | 0.9708 | 0.9650 | 0.9920 | 0.9900 | 1.0008 |
| Sector | | | | | | |
| 1969 | 0.9975 | 0.9937 | 1.0001 | 0.9888 | 0.9723 | 0.9928 |
| 1989 | 1.0113 | 1.0075 | 1.0037 | 0.9869 | 1.0136 | 1.0014 |
| 2009 | 1.0170 | 1.0136 | 1.0043 | 0.9921 | 1.0278 | 1.0095 |
| Weeks/Hours Worked | | | | | | |
| 1969 | 0.9554 | 0.8160 | 1.0246 | 0.9751 | 0.9716 | 0.9611 |
| 1989 | 1.0061 | 0.8608 | 1.2565 | 0.9824 | 0.9838 | 0.9666 |
| 2009 | 0.8842 | 0.8469 | 1.0036 | 0.9588 | 0.8920 | 0.9835 |
| Direct | | | | | | |
| 1969 | 0.7160 | 0.7823 | 0.8932 | 0.7925 | 0.7716 | 0.8019 |
| 1989 | 0.8193 | 0.8391 | 1.0856 | 0.8233 | 0.8078 | 0.8334 |
| 2009 | 0.8086 | 0.8352 | 1.0458 | 0.9008 | 0.8488 | 0.8298 |

Table 5B. Effects of Ethnicity [$\exp(\beta)$] on the Logged Earnings of Women Aged 25 to 64, in the Civilian Labor Force, 1969, 1989, 2009 (in constant logged 2009 dollars).

| Effects/Year | Black | American Indian | Japanese | Chinese | Filipino | Hispanic |
|--|--------|--------------------|----------|---------|----------|----------|
| Gross | | | | | | |
| 1969 | 0.7721 | 0.6293 | 1.3019 | 1.1999 | 1.1204 | 0.7985 |
| 1989 | 0.9862 | 0.7207 | 1.3046 | 1.1642 | 1.3603 | 0.8148 |
| 2009 | 0.8935 | 0.7122 | 1.2117 | 1.1933 | 1.2737 | 0.7154 |
| Total | | | | | | |
| 1969 | 0.7840 | 0.6436 | 1.2941 | 1.1629 | 1.1148 | 0.7896 |
| 1989 | 0.9885 | 0.7189 | 1.3352 | 1.2230 | 1.4110 | 0.8308 |
| 2009 | 0.9088 | 0.7189 | 1.2786 | 1.3173 | 1.4120 | 0.7758 |
| Indirect via | | | | | | |
| Residence | | | | | | |
| 1969 | 1.0164 | 0.9914 | 1.1505 | 1.1035 | 1.0833 | 1.0342 |
| 1989 | 1.0266 | 0.9370 | 1.0979 | 1.0889 | 1.0759 | 1.0587 |
| 2009 | 1.0357 | 0.9492 | 1.0689 | 1.0800 | 1.0631 | 1.0524 |
| Schooling | | | | | | |
| 1969 | 0.9078 | 0.8885 | 1.0331 | 1.0387 | 1.1582 | 0.8943 |
| 1989 | 0.9230 | 0.9076 | 1.0995 | 1.0674 | 1.1593 | 0.8343 |
| 2009 | 0.8995 | 0.8743 | 1.1562 | 1.1027 | 1.1613 | 0.7962 |
| Children and Marital Status | | | | | | |
| 1969 | 0.9128 | 0.8560 | 1.0253 | 0.9700 | 1.0874 | 0.8681 |
| 1989 | 0.9963 | 0.9881 | 1.0051 | 0.9708 | 0.9462 | 0.9570 |
| 2009 | 0.9884 | 0.9894 | 1.0178 | 1.0067 | 0.9897 | 0.9789 |
| Sector | | | | | | |
| 1969 | 0.9288 | 0.9363 | 0.9499 | 1.0079 | 0.9569 | 0.9820 |
| 1989 | 1.0512 | 1.0157 | 1.0051 | 1.0057 | 1.0347 | 1.0252 |
| 2009 | 1.0506 | 1.0183 | 1.0066 | 1.0058 | 1.0480 | 1.0189 |
| Weeks/Hours Worked | | | | | | |
| 1969 | 1.0744 | 0.9066 | 1.1774 | 1.1654 | 1.1168 | 0.9980 |
| 1989 | 1.0000 | 0.8910 | 1.0532 | 1.1154 | 1.1802 | 1.0033 |
| 2009 | 0.9986 | 0.9416 | 0.9898 | 1.0727 | 1.0782 | 1.0277 |
| Direct | | | | | | |
| 1969 | 0.8467 | 0.8934 | 0.9809 | 0.9249 | 0.8856 | 0.8974 |
| 1989 | 0.9960 | 0.9453 | 1.0396 | 0.9662 | 0.9790 | 0.9556 |
| 2009 | 0.9407 | 0.9132 | 0.9800 | 1.0183 | 1.0228 | 0.9032 |

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