

# **RACE, CLASS, CRISIS: THE DISCOURSE OF RACIAL DISPARITY AND ITS ANALYTICAL DISCONTENTS**

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A Harvard University study of more than 2,500 middle-income African American families found that, when compared to other ethnic groups in the same income bracket, blacks were up to 23 percent more likely. ‘Our data would seem to discredit the notion that black Americans are less likely’, said head researcher Russell Waterstone, noting the study also found that women of African descent were no more or less prone than Latinas. ‘In fact, over the past several decades, we’ve seen the African-American community nearly triple in probability’. The study noted that, furthermore, Asian-Americans.

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The only thing that hasn’t changed about black politics since 1965 is how we think about it.

Willie Legette (ca. 1999)

The 2008-09 economic crisis hit black Americans and other populations classified as nonwhite in the United States hard in relation to whites. This differential impact was no surprise to anyone who pays attention to patterns of inequality in the United States. Nonwhites, especially blacks and Latinos, are on the average poorer and economically less secure than whites. It was predictable, therefore, that those populations in the aggregate would experience the hardships of bad economic times in disproportionate measure. That likelihood underlies the inclination to inquire into the issue of racially differential impacts in the first place. And, unsurprisingly, as the studies and reports discussed here demonstrate, that prediction has generally

been affirmed by empirical examination.<sup>1</sup>

Research precisely specifying racial disparities in the distribution of advantages and disadvantages, well-being and suffering has become common enough to have generated a distinctive, *pro forma* narrative structure. Quantitative data, usually culled from large aggregate data sets, is parsed to generate accounts of the many facets of apparent disparity along racial lines with respect to barometers of inequality such as wealth, income and economic security, incarceration, employment, access to medical care, and health and educational outcomes. However, as *The Onion* parody suggests, they tend not to add up to much beyond fleshing out the contours of the disproportionate relations, which are predictable by common sense understanding. Explanations of the sources of disparities tend to dribble into vague and often sanctimonious calls to recognize the role of race, and on the left, the flailing around of phrases like ‘institutional racism’ that on closer examination add up to little more than signifying one’s radical credentials on race issues.

So what, then, do researchers assume they are doing in rehearsing versions of the same narrative with slightly different variations on the punch line? What are its conceptual foundations and premises? How should we assess the strengths, limits and significance of its perspectives on race, class and inequality and their connections, especially to understand American capitalism’s social and ideological reproduction in the current period?

This essay is an initial attempt to answer those questions and, through doing so, to assess the deeper significance of the discourse of racial disparity that has taken shape in American social science and policy research during the last decade and a half. We consider what the findings of disparate impact at the level of gross racial groups mean and do not mean and examine ambiguities within this literature concerning race as a significant element in the reproduction of durable inequalities. In doing so, we identify several interpretive pathologies.

Among those pathologies are a schematic juxtaposition of race and class that frequently devolves into unproductive either-or debates; the dilution of class into a cultural and behavioural category or a static (usually quantitative) index of economic attainment that fails to capture power relations; sweeping characterizations of white Americans’ racial animus and collective psyche; ahistorical declarations that posit a long and unbroken arc of American racism and that sidestep careful dissection of how racism and, for that matter, race have evolved and transformed; and a tendency to shoehorn the United States’ racial history into a rhetorically powerful but analytically crude story of ‘two societies’, monolithic and monochromatic. Our overall concern is

the extent to which particular inequalities that appear statistically as ‘racial’ disparities are in fact embedded in multiple social relations and how the dominant modes of approaching this topic impede the understanding of this larger picture. We believe that too much writing, including that on the crisis of 2008, is laced with generic, *a priori* assumptions about the role of racial categorization that then straitjackets research and tempts researchers, in Ian Shapiro’s words, to ‘load the dice in favor of one type of description’, in this case, characterizing disparities in outcome as strictly ‘racial’ and thus resulting in the ho-hum and one-dimensional research conclusions we have mentioned.<sup>2</sup>

## II

Initial accounts of the crisis have mostly come from major left-liberal think-tanks and magazines and often carry provocative titles like ‘Mortgage Industry Bankrupts Black America’ or ‘Drained: Jobless and Foreclosed in Communities of Color’. The overall narrative is the same. First, authors select an undesirable phenomenon for study, such as unemployment, foreclosure, personal bankruptcy, and increasingly unmanageable subprime mortgages. Next, using quantitative data from a variety of sources, they cross-tabulate or run regressions against race (and sometimes other variables) and find that for minorities, the percentage of the group experiencing the adverse phenomenon is substantially greater than it is for white counterparts. When regressions are used, non-white race yields greater odds ratios and greater coefficients for the undesirable outcome, usually even if other variables are held constant. Some reports identify additional manifolds to this basic story – for example, a positive association between racial segregation and higher rates of subprime loans issued or greater likelihood of traditional mortgage denials for minorities than for whites.<sup>3</sup> In short, whites may have it bad in the recession, but minorities have it far worse. Thus the authors of these reports conclude, in some form or another, there are really two recessions and that one’s ascriptive status determines which one a person will experience, and by extension, the severity of the pain.

Anyone who recalls the controversy over the Boston Federal Reserve’s 1992 study on racial discrimination in the mortgage market and racial disparity in loan denials knows that claims over the magnitude of a variable’s effects can quickly morph into methodological ping pong.<sup>4</sup> Defenders, critics, and those in between filled hundreds of pages and edited volumes with careful, if often arcane, dissection of the study.<sup>5</sup> Our intent for this essay is not to develop a critique along these technical lines; let us assume the findings of these studies, in their basic outline, are correct. Rather, we wish instead to

assess, from a left perspective, the analytical payoff (or lack thereof) in this framework.

Common among these reports is a tautological reference to one racial disparity to explain another while avoiding concrete exploration of either's roots. And like their counterparts in the larger racial disparities field, the overall takeaways often simply exhort readers to register the historical and enduring impact of race and racism. So, to take one example, a typical report notes that 'for communities of color, the crisis is intensified', while another reminds the reader that 'economically, blacks and Latinos have suffered disproportionately because of structural racism and the web of policies that evolved from it'.<sup>6</sup> Policy proposals, too, sometimes take this form, such as a call for 'expand[ing] the use of Racial Equity Impact Assessments for public planning and policy so that racial inequities can be anticipated and prevented prior to the adoption of new policies and practices'.<sup>7</sup> More frequently, they are reasonable, and unobjectionable and include calls for better regulation of lending markets, especially of independent mortgage brokers who sell subprime loans; targeted metropolitan job creation programs, particularly in minority-heavy areas hit hard by the crisis; support for affirmative action to combat demonstrable ongoing discrimination; and foreclosure moratoriums. Thus after much rhetorical buildup and table after table of statistics showing pervasive racially disparate crisis outcomes, we are left with a plate of levelheaded, if technocratic and hardly novel, liberal policy solutions.

But the greatest pitfall to this writing is its limited potential for providing left analysts with a holistic causal account of the forces behind the bleak figures. At its most simplistic, the reader is simply left with figure after figure illustrating disparity and not much else, or only slightly better, a series of plausible just-so stories that attempt to fill in the explanatory blanks *post hoc*. One study, for example, spotlights unemployment disparities that vary in severity by region but tells us little about what specific characteristics of those regions – local history, institutions, labour market changes, political regimes, redevelopment initiatives, gentrification, and others – might account for these differences. A comparative examination of Sacramento and Minneapolis featured in the report would seem to encourage such analysis, but like most reports of the sort, its author does not undertake it.<sup>8</sup>

Simplistic use of race as the key analytic category, moreover, suggests intra-racial class uniformity and encourages thinking in monochromatic dyads. Much of the problem rests with the almost exclusive reliance on quantitative data sets, which usually limits researchers to pre-defined administrative and demographic variables while ignoring consideration of forces not captured by that data. This is not to say that analytically sophisticated quantitative

work is completely absent. An Institute of Race and Poverty report on prime loan denials and subprime mortgage issuances in the Twin Cities, for instance, carefully uncovers egregious racial disparities in lending alongside a sophisticated dissection of the financial web linking predatory subprime mortgage brokers, debt collectors, and financial institutions who bundle and securitize loans. It identifies clearly discernible geographic patterns in subprime lending, with the highest rates in North Minneapolis and its 70 per cent black population, while noting that subprime mortgage rates are also not exclusive to the neighbourhood, and thus invites more precise inquiry into the role of neighbourhood boundaries and how they (along with race and a host of other considerations) influence the calculations and behaviour of all sociological actors in the real estate industry.<sup>9</sup>

In general, however, this research is far more flatfooted. Why, then, in light of its tedious quality has the focus on racial disparity become the default frame for characterizing inequality? One answer is that it is because it is. That is, in part something like a bandwagon effect is at work. Douglas Massey and Nancy Denton's *American Apartheid* and Melvin Oliver and Thomas Shapiro's *Black Wealth/White Wealth* were field-shaping books in the mid-1990s; the attention that they generated helped to establish racial disparity discourse as *lingua franca* of inequality studies in the United States. To that extent people operate within it automatically, as the presumptive common sense frame within which academic and policy scholars approach inequality.<sup>10</sup> This frame congeals around institutional and material imperatives. Funding streams make some lines of inquiry more commonsensical than others, and formulation of inequality in terms of racial disparities appeals to funders in part because doing so conveniently sidesteps potentially thorny causal questions about the foundation of racially asymmetrical distribution of costs and benefits in contemporary American capitalism's logic of systemic reproduction. Therefore, assessment of the discourse of racial disparity requires, as an element of making sense of the sources of its proliferation and assumed explanatory power in the absence of substantive interpretive payoff, reconstructing the historical dialectic through which it has taken shape.

### III

The roots of racial disparities discourse reach back to key debates, texts and political tendencies over the past 40 years and more. These include the 1968 *Report of the National Advisory Commission on Civic Disorders* – more popularly known as the *Kerner Report* – which gave official sanction to identification of 'white racism' as the generic source of the manifest racial inequalities made visible by the civil disturbances of the mid-1960s. The *Report* declared

famously that ‘Our Nation Is Moving Toward Two Societies, One Black, One White – Separate and Unequal’. The appeal of black power sensibility and a Third Worldist rhetoric of ‘domestic colonialism’, reflected and reinforced a perspective in which racism is the main impediment to black aspirations and combating it is the definitive objective of black politics. Robert L. Allen’s 1974 volume, *Reluctant Reformers: The Impact of Racism on American Social Reform Movements*, which argued that all major progressive movements in American history have been undone by white racism, became something of a bible for those who insisted that combating racism should take priority over all other political objectives.

More direct precursors include the debate in the late 1970s and 1980s around William Julius Wilson’s *Declining Significance of Race*, which occurred in the context of intensifying controversy over affirmative action and other ‘race-targeted’ social policy initiatives; the status of claims concerning the extent to which black inequality stemmed from existence of a black urban underclass defined by behavioural and attitudinal pathologies; the highly publicized mid-1990s rightist ideological intervention condensed around anti-egalitarian texts like Dinesh D’Souza’s *The End of Racism* and, especially, Charles Murray and Richard Herrnstein’s *The Bell Curve: Intelligence and Class Structure in American Life*, which repackaged three-quarters of a century of hereditarian sophistries about I. Q. and ‘natural’ hierarchy, and the resurgence of significant legislative and judicial challenges to affirmative action and racial set-asides in the early years of this century.

Important as those earlier debates and tendencies are for a nuanced understanding of the intellectual and ideological genealogy of disparity discourse, it is impossible to examine that history here in requisite detail. We will provide that more elaborate account elsewhere, but for now we will assert that seen against those contexts, the rise of a growth industry around racial disparities is easier to understand. Moreover, taking into account the recurring anti-egalitarian challenges to racial equality highlights the many useful functions that research emerging from the disparity focus performs. For one, its authors call attention (though often in broad brush strokes rather than precise ways) to the connections between past historical developments and their residual consequences and role in shaping present-day racial inequality. Further, documenting the existence and consequences of current impediments to black and Latino economic mobility, especially ongoing discrimination, calls into question analyses that explain that lack of mobility by recourse to individual behavioural traits. Lastly, the work simultaneously challenges narratives that acknowledge racial inequality’s existence but suggest that it is withering away – and that government measures not only

do not help this process and are unfair but may in fact hinder it.

But the difficult political context surrounding this writing's production has discouraged criticism of its assumptions and analytical deficits. In order to understand the drawbacks of 'racial disparity' as a lens for interpreting the fallout of the crisis of 2008, it is useful to review two canonical racial disparities texts, Massey and Denton's *American Apartheid* and Oliver and Shapiro's *Black Wealth/White Wealth*, that capture the *modus operandi* of present-day approaches to racially disparate impacts.<sup>11</sup>

#### IV

Advocates of a disparities framework will often list a number of domains that exhibit egregious racial disparities; residential segregation, along with the standard book on the subject, *American Apartheid*, frequently tops this list. Published in 1993, *American Apartheid* argues that social scientists have insufficiently studied segregation's persistence and its role in perpetuating black economic disadvantage. The study impressively compiles indices (mostly from the 1980 United States Census) documenting black-white segregation and substantial black spatial isolation. Most usefully, it highlights five distinct dimensions of black population settlement – unevenness, isolation, clustering, concentration, and centralization – whose simultaneous manifestation comprised 'hypersegregation', a concept the book introduced.<sup>12</sup> Its authors argue for a 'persisting significance of race', and stress the particularity of black residential patterns, pointing out that segregation of other minority groups exists to a much lower degree.<sup>13</sup> They accentuate the tragedy of persistent segregation in an era after the formal legal dismantlement of Jim Crow and the fair housing laws passed in its direct wake, concluding that 'in the south, as in the north, there is little evidence of substantial change in the status quo of segregation'.<sup>14</sup>

It is impossible to deny Massey and Denton's empirical findings. Even as metropolitan settlement patterns since their work have become increasingly complex such that spatial categories like 'city' and 'suburb' tell us far less about racial composition than they once did, there is no doubt that for many blacks, residential options are greatly and uniquely constrained.<sup>15</sup> Thus *American Apartheid* was and remains an important counterweight against the politics of racial backlash. Documenting hypersegregation and its short-circuiting of economic channels for those caught within it called into doubt the highly individualistic analyses of the time. Why, then, does the analysis in *American Apartheid* fall short? Put simply, despite the empirical heft and political utility, its analysis barely advances that of the *Kerner Report's* 'two societies' trope or the raft of studies written around the same time on residential

segregation. Though written nearly three decades apart, ‘white racism’ and its psychologistic gloss remain the key causal dynamics behind the racially disparate outcomes that Massey and Denton so ably chronicle. The authors draw repeatedly from considerable survey research on whites’ aversion to living alongside black neighbours, especially as black composition rises, and whites’ tendency to move away from or avoid moving to neighbourhoods as a result.<sup>16</sup>

There are, of course, commendable nuances to the account. Throughout the text, Massey and Denton draw a careful distinction between ‘prejudice’ and ‘discrimination’. The first refers to the racial animus displayed by individual whites. The second refers to a set of institutionalized mechanisms and repertoires that actually restrict more neighbourhood integration. Explaining the distinction and relationship between the two, they write that ‘although white prejudice is a necessary precondition for the perpetuation of segregation, it is insufficient to maintain the residential color line; active discrimination against blacks must occur also’.<sup>17</sup> The book then lists mechanisms behind this ‘active discrimination’. Chief among them is the sleaze and chicanery of realtors who hide home listings from blacks or only steer them to segregated neighbourhoods and away from ones with substantial white residency. Another is the lending behaviour of financial institutions, which consistently offer fewer home loans to those in neighbourhoods that are integrated or primarily black, a disparity that holds even at an individual level.<sup>18</sup> Massey and Denton write that ‘although each individual act of discrimination may be small and subtle, together they have a powerful cumulative effect in lowering the probability of black entry into white neighborhoods’.<sup>19</sup>

At first glance, the distinction between prejudice and discrimination seems to separate *American Apartheid* (and the dozens of studies influenced by it) from mid-century social science that saw individual prejudice as the fundamental mechanism behind racial inequality.<sup>20</sup> But when one asks what exactly motivates the institutionalized discrimination that Massey and Denton identify, the only answer derivable from the volume takes one back to individual prejudice. The behaviour of realtors and financial institutions is portrayed as a response to a collective prejudicial white psyche averse to black-white residential proximity. That Massey and Denton ultimately anchor their institutional account in collective psychology – while at points seeming not to do so – is reinforced by phrases such as ‘the link between prejudice, discrimination, and segregation’, ‘strong link between levels of prejudice and discrimination and the degree of segregation and spatial isolation that blacks experience’, and other instances where the resulting



phenomenon (segregation), an institutional pattern (discrimination), and individual attitudes (prejudice) are clumped together.<sup>21</sup>

We hardly deny that these links exist, require condemnation, and should be legally constrained. The book's policy prescriptions centre around strengthening lax enforcement of fair housing laws and improving monitoring of the real estate industry. But the explanatory aspect of the work is another matter, and it can take us only so far analytically. It inadequately anchors the story of race and residence within the urban political economy – the drive to accumulate, the relationship among value, race, and space, or the role of property as speculative capital and in the derivation of exchange-value. This theme receives little attention in the book except for all too quick and scattershot references to white fears of depressed property values and bank fears of neighbourhoods in racial transition. This reasserts the psychologistic reflex that has underlain much interpretation of racial inequality since the 1950s. Yet a deeper causal account must be propelled by something besides white psychology, even if it certainly plays a role. The book's basic outlines, alas, differ only slightly from *Kerner*-era studies of residential segregation, like Karl Taeuber and Alma Taeuber's *Negroes in Cities* or Rose Helper's *Racial Policies and Practices of Real Estate Brokers*, both of which Massey and Denton briefly reference, and the *Kerner Report*'s 'white racism' frame itself.<sup>22</sup>

Notably, it is only in the chapter providing historical exposition where *American Apartheid* briefly departs from a framework rooted in collective psychology. Among others, Massey and Denton draw from Arnold Hirsch's *Making the Second Ghetto* and Kenneth Jackson's *Crabgrass Frontier*, two historical monographs on mid-century urban renewal (and its forced relocation of many black residents) and racially exclusionary suburbanization. While hardly ignoring the role of hostile white attitudes, each underscores the centrality of state and local government actions. Hirsch is especially attentive to the catalytic role of Chicago's private urban development interests, and the ghetto formation that he documents is motivated *both* by its imperatives and racial animosity.<sup>23</sup> More recent urban histories, covering a number of periods within the 20<sup>th</sup> century, have followed this lead, including Robert Self's *American Babylon*, Beryl Satter's *Family Properties*, and Samuel Roberts's *Infectious Fear*. Roberts, for example, traces the early twentieth century razing of a black Baltimore district not only to racist fears of the black population as unclean disease vectors, but crucially to the urbanization of Baltimore capital and the commitment to preserving and increasing property values as well.<sup>24</sup>

Such supple analyses of class and race's interstitial operation do not carry over into *American Apartheid*'s examination of contemporary trends, the book's central focus. In rightly rejecting the right-wing fiction of

free-standing market forces and autonomous residential choices, Massey and Denton end up dismissing the role of underlying market imperatives altogether.<sup>25</sup> At one point, they explicitly reject the relevance of class as an analytic. But they do so by perpetuating the unproductive class and race dichotomy and operationalizing class in a static, quantitative way (namely, by equating it with household income). In doing so, they find that the upper-income black population still experiences high rates of segregation; ergo, race trumps class.<sup>26</sup> This is true enough, but only as long as one accepts such a reductionist definition of class in the first place. That reductionist view also closes off the holistic analyses that might more fruitfully explore the relationship between political economy and racial attitudes and their spatial consequences.

Taking racial disparity as a starting point can subtly coerce a univariate view that precludes attention to many overarching class dynamics. One of these is intra-racial inequality. On residential segregation, a recent study by Sean Reardon and Kendra Bischoff shows that *income* segregation among blacks in the 100 largest metropolitan statistical areas ‘grew rapidly in the 1970s and 1980s, at a rate more than three times faster than the corresponding growth of white income segregation’, during the exact time span that is *American Apartheid*’s focus.<sup>27</sup> This concurrent development does not invalidate *American Apartheid*’s overall findings, especially its authors’ emphasis that upwardly mobile blacks who move to suburbs still tend to end up in ones that are more segregated.<sup>28</sup> But it does suggest that a bifurcated ‘two societies’ model tells us little about what goes on *within* the two nodes themselves. Strictly racial interpretation prevents careful consideration of other forces shaping social life.

Published two years later, Jonathan Yinger’s *Closed Doors, Opportunities Lost* covers much of the same territory as *American Apartheid* (and contains many of the same weaknesses), but discusses a much wider range of influences in its account of motivations for white avoidance and exit of neighbourhoods.<sup>29</sup> Yinger cites two local studies on Chicago and Cleveland wherein respondents’ perceptions regarding safety and crime, education, and quality of city services greatly reduced or eliminated racial considerations in white residential choice. Of course, these considerations are often inextricably bound up with attitudes about race, and the constricted quality of survey research can make disentangling them difficult, but Yinger’s point is that ‘racial and ethnic attitudes are not so strong for most people that they cannot be overcome by other neighborhood factors’.<sup>30</sup>

Methodologically, identifying these ‘neighborhood factors’ and detailing how exactly they operate requires more than large-scale aggregate analysis

(in this case, the metropolitan statistical area). That approach is necessary and undeniably useful for seeing general macro-level trends, but there are many micro-level trends that it cannot pick up, including urban redevelopment initiatives, suburban heterogeneity (however limited), and economic exploitation and gentrification (by both blacks and whites). Black-on-black gentrification, in particular, tends to occur in small corridors, and thus can easily be masked by these conventional quantitative analyses of segregation.<sup>31</sup> Moreover, when cast in the language of racial disparity, such aggregate analysis takes the larger percentage of blacks who are residentially segregated as a marker of little black political and economic power altogether. But this birds' eye view cannot capture the small but influential number of blacks who defy residential constraints, and in turn, play influential roles in the 'black urban regimes', the constellation of black elected officials, political appointees, and pro-growth business interests that exert an enormous impact on urban development.<sup>32</sup> Just as a robust aggregate GDP figure (to take just one example) can mask the economic stress experienced by the bulk of the population, so too can the depressing aggregate figures on minority outcomes – like those in *American Apartheid* and much racial disparities research – mask the affluence of a handful. Considered this way, the thematic maps periodically trucked out to show pervasive segregation may in fact obscure more subtle trends. For this work and others, then, method and choice of data obscure as much as they illuminate.<sup>33</sup>

## V

Massey and Denton's portrait represents the dominant mode of left thinking about residential segregation. It is indeed the sort of book one wields when making the case that we live in a society that is not 'post-racial', where 'race matters', and 'racism' still exists. Published two years later in 1995, Oliver and Shapiro's *Black Wealth/White Wealth* reinforces this view but uses wealth, rather than housing, as its focus. Though its general template resembles *American Apartheid* and various disparities predecessors, the work may be even more influential. Reliably invoked by those using the racial frame, it and its political prescriptions have been embraced by major policy think-tanks and foundations with decidedly non-leftist, non-progressive political orientations. To understand the implications of this widespread impact and its resulting strange policy bedfellowism, it is important to examine *Black Wealth/White Wealth's* core approach and assumptions.

On one level, *Black Wealth/White Wealth* is a very important intervention in stratification research that critiques the limits of conventional social scientific measures of socioeconomic status (SES), principally occupational

group, education level, and income. Pioneered by Edward Wolff and Michael Sherraden, this work pointed out the inadequacy of orthodox SES measures for predicting life chances insofar as they failed to take into account the critical role of assets like stocks and bonds, inheritances, and real estate holdings.<sup>34</sup> By not accounting for wealth, stratification researchers therefore ignored a crucial dimension of economic inequality. Two households with identical annual incomes, for example, might still be quite unequal if one sat on an additional \$50,000 or held a cashable portfolio of securities that the other did not. For crucial life events like medical emergencies, first home-purchases, college tuitions, seed money for a business, and spells of unemployment, this wealth leverage is crucial, and it is obvious how incorporating wealth into stratification research adds considerable complexity.

Oliver and Shapiro extend this insight to racial inequality, drawing from the Survey of Income and Program Participation (SIPP), a cross-sectional dataset that interviewed 11,257 households eight times between 1987 and 1989 about their occupational histories, educational backgrounds, parental characteristics, income levels, and wealth holdings. The empirical heart of *Black Wealth/White Wealth* is comprised of tables showing clear black-white wealth disparities. These hold across income levels, educational level, occupational category, and household structure – and regardless of whether one measures total net worth (NW) or net financial assets (NFA), the latter of which excludes equity, principally in homes and vehicles, not easily transformable into usable funds. A number of the results are dramatic and alarming. For example, one table displaying wealth disparities between ‘middle-class’ whites and blacks (defined as those making between \$25,000 to \$50,000 a year) shows that whites in ‘white-collar’ jobs have median NFA of \$11,952, while blacks in the same kind of occupational category have median NFA of zero.<sup>35</sup> Even when black median NFA is positive, it is only a fraction of white median NFA in the same category under examination. And when specific types of assets are compared, black asset figures reflect far lower value.<sup>36</sup> Summarizing the implications of this data, like Massey and Denton, Oliver and Shapiro harken back explicitly to the Kerner Report. Their results are evidence ‘that whites and blacks constitute two nations’.<sup>37</sup>

This compilation proved hugely useful in the 1990s debates referenced earlier, especially when mobilized against opponents of race-specific affirmative action who cynically appealed to ideals about preserving consideration on ‘merit’ while ignoring gross inequalities of resources conferred to swaths of applicants at birth. On this score, like *American Apartheid*, *Black Wealth/White Wealth* deserves praise and recognition for providing a counterweight to right-wing narratives. But like its counterpart on residential segregation,

its actual analysis of how race structures a disparate outcome and fits into the larger American political economy is less satisfying.

Unlike *American Apartheid*, Oliver and Shapiro root their causal account less in 'white racism' and collective psychology than in the long historical arc of American racial exclusion. In *American Apartheid*, history is dispensed with in an obligatory chapter on early- and mid-century ghetto formation. In *Black Wealth/White Wealth*, history powerfully exerts its effects at all times, from the creation of racial wealth gaps through their persistence to the present. Specifically, the authors identify three historically durable mechanisms. The first, 'the racialization of state policy', refers to various racially exclusionary policies of the American welfare state that have 'impaired the ability of many black Americans to accumulate wealth' and denied to blacks a host of government-backed avenues of economic security available to whites, including 'homesteading, land acquisition, home ownership, retirement, pensions, education, and asset accumulation'.<sup>38</sup> Second, 'the economic detour' prevented accumulation of start-up capital for African-American entrepreneurial activity and relegated that which existed to largely segregated markets.<sup>39</sup>

The third, and most durable, of these mechanisms, is presented in the form of geological metaphor: 'the sedimentation of racial inequality', or the 'central ways the cumulative effects of the past have seemingly cemented blacks to the bottom of society's economic hierarchy'. Throughout American history, according to this account, 'generation after generation of blacks remained anchored to the lowest economic status in American society' while those on the other side of the sediment (whites) simultaneously benefited.<sup>40</sup> The wealth gap tables throughout the text reflect the cumulative consequences of this racial sedimentation. At the start, the reader is treated to a breezy, impressionistic, and stagist historical tour that proceeds from slavery, emancipation, racially exclusionary homesteading, the lost promise of Reconstruction (from lack of post-Civil War land redistribution to Redemption); mid-century suburbanization and housing policy that fuelled white homeownership, denied the same to blacks, and created segregated housing and real estate markets; and finally 'contemporary institutional racism' on the part of discriminatory institutions that impedes the accumulation of assets, particularly access to fair home loans.<sup>41</sup> Oliver and Shapiro declare that 'structural disadvantages have been layered one upon the other to produce black disadvantage and white privilege'.<sup>42</sup>

Having outlined this ostensibly historical framework, Oliver and Shapiro zoom in on two specific features contributing to racial wealth gaps. The first is housing. Historical Jim Crow social welfare policy, particularly racially

exclusionary FHA home loans, surely account for some of the higher white rates of present-day homeownership, NW, and home value that Oliver and Shapiro observe. Surveying literature on racial disparities in housing prices and residential segregation (including *American Apartheid*), they show aggregate housing value appreciation for whites has been consistently greater.<sup>43</sup> They suggest persuasively that this is due to racially disparate access to mortgage markets, fairly rated loans, and residential choice.

They then examine inter-generational transfers of assets, including monetary gifts, informal loans, securities, and inheritances, especially of homes. Because whites historically have not faced barriers (formally codified and otherwise) that prohibited blacks from procuring certain assets, it is plausible that this would be reflected in racial wage gap figures of the present. Oliver and Shapiro argue as much via interspersed interviews in which white respondents repeatedly report more frequent and substantial assistance from parents and relatives in the form of tuition and wedding assistance, down payment money for homes, and substantial inheritances of wealth. (By contrast, among black interviewees, only two expect 'large inheritances'.<sup>44</sup>) They supplement these personal accounts with cross-tabulations that explore the effects of family occupational background – 'upper-white-collar', 'lower-white-collar', 'upper-blue-collar', and 'lower-blue-collar' – on one's subsequent income, NW, and NFA. They discover that for those who manage to increase their occupational mobility, all three measures are much higher for whites than they are for blacks. For example, for an 'upper-white-collar' white person who has ascended from 'upper-blue-collar' origins, NW is \$89,898 and NFA is \$29,199, compared to \$11,162 and \$0, respectively, for blacks experiencing the same mobility.<sup>45</sup> Regression analyses show that factors one might think would aid in accumulating more NFA – including increasing age (often associated with more earnings and assets), and high occupational job status – are statistically significant only for whites, not blacks. Whites, meanwhile, garner \$1.34 in NFA per income dollar compared to \$0.62 for blacks.<sup>46</sup>

The picture that emerges is one in which racial disparity endures within and across time periods. That is, blacks historically have been unable to accumulate certain assets, and when they have, they have been of less value and therefore less significant (in purely quantitative terms) to those who might inherit them. By contrast, whites historically have had a much easier time acquiring such assets – with no small assist from the racialized mid-century welfare state, to say nothing of discriminatory private institutions – and white descendants have therefore benefited enormously from a chain of hand-me-down wealth that most blacks did and do not enjoy. Above all, it

is this chain that seems to be the most powerful determinant of the persistent wealth gap. The ‘historical transmission of inequality’, continues onward, inertia unimpeded, as Oliver and Shapiro remind readers in *Black Wealth/White Wealth* that ‘between 1987 and 2011 the baby boom generation stands to inherit approximately \$7 trillion’, and that ‘for the most part, blacks will not partake in divvying up the baby boom bounty’, for ‘America’s racist legacy is shutting them out’. A recent 2010 policy brief by Shapiro examining this exact period reveals that the racial wealth gap during this period quadrupled.<sup>47</sup>

Who could quarrel with this? The language of sedimentation, legacy, and history certainly separates *Black White/White Wealth* from pedestrian research that simply describes another disparity *du jour* with little else. But this may amount more to rhetorical genuflection than substantive historical analysis. Rigorous invocation of the past to shed light on present conditions (in this case, the racial wealth gap) must not only identify a persistent social mechanism in the past (in this case, unequal asset accumulation and later inheritance) but also carefully consider when it changes or even stops and to what degree. And it is here where the historical framework falters. Racialized inheritance no doubt explains much of what Oliver and Shapiro observe, but as they note, the ‘bounty’ comes mostly from the parents of white ‘baby boomers’. That generation, in retrospect, is more an aberration than a norm. Its (white) members attained the assets that *Black Wealth/White Wealth* identifies during a period of welfare state expansion, re-distributive policies, rising labour compensation and benefits, and a booming domestic economy.

By the mid-1960s, however, this ‘affluent society’ began showing signs of destabilization before devolving a decade later into what Robert Brenner, Judith Stein, Robert Pollin, and Jacob Hacker have memorably characterized, respectively, as ‘the long downturn’, ‘the great compression’, ‘the hollow boom’, and ‘the great risk shift’.<sup>48</sup> These formulations refer to a 40-year-period that has seen a decline in American manufacturing and global trade competitiveness; undercutting of organized labour; persistent wage stagnation; exponential growths in income and wealth inequality; mounting consumer debt; and the marketization, reduction, or elimination of public and private benefits, social services, and welfare programmes – in short, what we on the left understand as neoliberalism.<sup>49</sup> This shredding of the mid-century public and private welfare state thus renders questionable the claim that inter-generational transfers will continue in as widespread a manner as they have, at least among those not fortunate enough to be in upper economic tiers.<sup>50</sup> The economic crisis of 2008 throws this into

even greater relief, given the ongoing havoc it continues to wreak on home ownership, housing prices, retirement accounts, and savings that would have been more abundant in prior times and thus more available for inter-generational transfer, by whites or blacks.

One interpretive goal should therefore be to think hard about whether mechanisms that have perpetuated racial wealth gaps in the past will take the same form in the future. This is the task, in other words, of concrete periodization and historicization rather than reliance on self-satisfying but overly elastic, transhistorical phrases like ‘America’s racist legacy’.<sup>51</sup> Yet some of the linkages between *Black Wealth/White Wealth*’s wide-spanning historical arc and the authors’ findings are apparent only in very generic ways. Take, for example, the authors’ first historical stage, that from slavery to the early 20<sup>th</sup> century. Here, *Black Wealth/White Wealth* makes much of white homesteading and the lost promise of Reconstruction, waxing counterfactually for a black yeomanry that never was. But it is unclear how consequential widespread petty black landownership would have been for contemporary wage gaps given the restructuring and dislocation in the southern agricultural economy from the immediate post-bellum period into the mid-20<sup>th</sup> century.<sup>52</sup> The wind-up historical narrative we get might more simply be summed up as an elaborate way of saying that race in history has ‘mattered’. And? Despite the spectre of history in *Black Wealth/White Wealth*’s opening pages, the account we get ends up being far less complex and multi-factorial than promised.

This leaves us with a more typical stratification study than we might expect, one that suffers from methodological constraints similar to what we have identified in both the initial crisis studies and *American Apartheid*. Oliver and Shapiro’s quantitative orientation leaves them with a treatment of class that takes the form, to use Barbara Fields’s words, of the ‘diffuse definitions of applied social science – occupation, income, status’.<sup>53</sup> Class is alternately operationalized here as income tiers, college degree attainment, and the schematic occupational categories referenced earlier. But the danger here is that such static conceptualizations often can become ‘unwieldy catch-all unit[s] of analysis’ and ‘overly inclusive’.<sup>54</sup> For one, they do not allow situation of the wealth tabulations in a social context to understand how the transformation of certain job sectors (for instance, the steel or mining industries) has affected wealth in different ways than others (like public sector work or banking). This inattentiveness to the more fine-grained intra-racial gradients in social position prevents exploration of whether some of the black population does not fall quite as easily into the general pattern that Oliver and Shapiro document, even though the overwhelming majority no



doubt does.

Notably, Dalton Conley's *Being Black, Living in the Red*, another book on the racial wealth gap that uses a more recent prospective data set, the Panel Study of Income Dynamics (PSID), is aware of these issues (even if the nature of the data necessarily results in a constricted definition of class). Through a series of regression models, Conley notes that, however uncommon, for those households where white wealth and black wealth (along with other economic measures he studies) *do* reach parity, a host of black outcomes associated with those gaps decline significantly or disappear altogether. Whereas Oliver and Shapiro take us up to the black wealth disparity – and posit through the sedimentation metaphor that it will persist – Conley takes us beyond to consider part two, when intra-racial class heterogeneity closes the wealth gap for some, and examines the consequences of this intra-racial class restructuring.<sup>55</sup> His findings deserve more follow-up. And beyond individual households, class analysis leads to consideration of how the social relations of production alter localities and regions, transformations that greatly affect the life chances – and self-understandings or pragmatic identities – of those within them. In the wake of the 2008 crisis, such an approach is crucial to understanding who precisely has been hit hardest, where, and why without resorting simply to shortcut indexical use of race.

## VI

To return to our original question, then, why, despite its serious limitations, does the focus on racial disparity persist as the principal interpretive frame for discussing apparently racialized inequality? The policy recommendations that follow from the disparitarian perspective point to part of the answer. Like *American Apartheid*, most of *Black Wealth/White Wealth's* recommendations are sound, including re-vamped anti-discrimination policy in lending or changes in the taxation of assets commonly held by the affluent. It is telling, though, that what have arguably gained the most traction are more dubious proposals for 'asset-based' social policy – such as Individual Development Accounts (IDA)<sup>56</sup> – that focus on encouraging start-up individual wealth accumulation. Such stratagems represent détente with rather than commitment to changing capitalist class relations, including those that contribute to intra- and inter-racial disparities in the first place. Among other limitations, they accommodate, rather than uproot, a key determinant of wealth gaps (racial or otherwise): the entrenched credit and debt regime, chronicled brilliantly by historian Louis Hyman's *Debtor Nation*.<sup>57</sup> Focus on wealth building as strategy and analytical lens for understanding inequality thus is not nearly as progressive as some think, since turning attention away from income is to

ignore what it fundamentally reflects: the nature of a capitalist wage-labour relation.

It is telling as well that this focal shift has occurred at precisely the time incomes have skyrocketed for a single-digit percentage of the population while remaining flat for everybody else. Hegemonic chestnuts like ‘equal opportunity’, ‘American Dream’, ‘awarding achievement and merit, not birth’, ‘level playing field’ abound in *Black Wealth/White Wealth* and Shapiro’s own follow-up volume, *The Hidden Costs of Being African-American*, published in 2004. These red flags confirm that the agenda at work here stems from a concern to create competitive individual minority agents who might stand a better fighting chance in the neoliberal rat race rather than a positive alternative vision of a society that eliminates the need to fight constantly against disruptive market whims in the first place. This is a notable and striking reversal from even the more left-inclined of War on Poverty era liberals, who spoke without shame about moving beyond simply placing people on an equal starting line – ‘equality of opportunity’ – but also making sure they ended up closer to an equal finishing line.

Within the racial context specifically, such proposals exude more than a whiff of racial communitarianism and collective racial self-help, along with a dollop of republican nostalgia. Although Oliver and Shapiro are careful to note that they advocate ‘penetration into the newest and most profitable sectors of the wider economy’ alongside the ‘development of local community-based entrepreneurs’, the involvement of financial institutions or ‘community-based’ institutions in these policy proposals and their actual execution is perfect fodder for a bourgeois racial brokerage or machine politics, or more likely, a reinforcement of one that already exists.<sup>58</sup> This focus only serves to affirm a racialized class politics from above.

The discourse of disparity also accommodates a strain of stigmatizing behavioural argument that stretches back at least to Kenneth B. Clark’s 1965 study, *Dark Ghetto*.<sup>59</sup> This strain, in varying ways, has characterized the economically marginalized segment of the black population – the most common focus of racial disparities research – as culturally deviant and bereft of role models, typically reasserting a politics of black petit bourgeois racial noblesse oblige that originated in the late 19th century rubric of racial ‘uplift’.<sup>60</sup> These claims often have relied on a narrative anchored in racialized geography (‘ghetto-specific culture’). *American Apartheid*, for example, contains lurid and impressionistic sections – in disturbingly racialized language bordering on vicious stereotype – on ingrained, ‘concentrated’ social deviance and cultural pathologies supposedly engendered and exacerbated by constricted, segregated space. These ideas have shaped the policy consensus around

the racialized notion of ‘concentrated poverty’, one that holds that these spatial configurations perpetuate poverty, foreclose economic opportunities, breed undesirable behaviours and require dispersal through varied policy initiatives, from the destruction of high-rise public housing to vouchers for moving into mixed-income neighbourhoods. In the name of a progressive-sounding anti-racism, policy discussion has come to focus on technocratic initiatives to rearrange space that in this way grant causal primacy to a spatial consequence rather than to more fundamental dynamics of metropolitan economies, particularly those linked to the political economy of land use, labour markets and the politics of social service distribution.<sup>61</sup>

It should give us pause that these decidedly non-leftist policy prescriptions flow from the leftist frame of choice for analyzing the racial minority experience in the crisis of 2008. In choosing that frame, rather than fundamentally rethinking default approaches in the face of changing historical circumstances, the left has simply dusted off, rinsed, and repeated. This reflex is reinforced by commitment to a *pro forma* anti-racism that depends on evocations – as in Michelle Alexander’s widely noted recent book, *The New Jim Crow*<sup>62</sup> – of regimes of explicitly racial subordination in the past to insist on the moral primacy of simplistic racial metaphor for characterizing inequality in the present. Most charitably, this tendency arises from intensified concerns to defend racial democracy in debates over the legitimacy of race-targeted social policy that have recurred since the late 1970s. Less charitably, it is an expression of an at best self-righteous and lazy-minded expression of the identitarian discourse that has increasingly captured the left imagination in the United States since the 1990s.<sup>63</sup> This is moreover an antagonistic alternative to a politics grounded in political economy and class analysis, despite left-seeming defences that insist on the importance of race *and* class. Its commitment to a fundamentally essentialist and ahistorical race-first view is betrayed in the constantly expanding panoply of neologisms – ‘institutional racism’, ‘systemic racism’, ‘structural racism’, ‘colour-blind racism’, ‘post-racial racism’, etc. – intended to graft more complex social dynamics onto a simplistic and frequently psychologistic racism/anti-racism political ontology. Indeed, these efforts bring to mind Kuhn’s account of attempts to accommodate mounting anomalies to salvage an interpretive paradigm in danger of crumbling under a crisis of authority.<sup>64</sup> And in this circumstance as well the salvage effort is driven by powerful material and ideological imperatives.

The discourse of racial disparity is, when all is said and done, a class discourse. Even the best of the studies analyzing the racial impact of the crisis, for example, in focusing on racial disparity in subprime mortgage markets

and foreclosure rates, sidestep a chance to interrogate the very limitations of the hegemonic commitment to homeownership altogether. More generally, automatic adoption of the racial disparities approach avoids having to conduct the detailed work that would situate ascriptive status within the neoliberal regime of accumulation that mitigates its influence. Repetitiously noting the existence of segregated neighbourhoods and how they decrease property value (real and perceived) and increase the likelihood of subprime mortgage is to identify a *result*, albeit one that is surely repellent. It does not tell us with much exactitude what institutions, policies, actuarial models, and systems of valuation produce those results, or more generally, what sociologist Mara Loveman describes as the ‘extent a particular essentializing vocabulary is related to particular forms of social closure and with what consequences’.<sup>65</sup> It substitutes in its place pietistic hand-wringing and feigned surprise over results that can hardly be surprising.

Ironically, it is authors who operate from outside of that frame, and in some cases outside the left entirely, that currently have the most to offer us. Gretchen Morgenson and Joshua Rosner’s *Reckless Endangerment* traces the short-term roots of the crisis, detailing how a 1990s consensus on pushing homeownership led to a system of tax credits, perverse incentives, refinancing, risky (and often fraudulent) loans, lax regulation, and debt securitization that exploded a decade and a half later. To cast the story primarily in terms of racial disparity is to capture only a sliver of what some have labelled the ‘real estate financial complex’. Doing so misses as well the legitimizing role that disparities rhetoric played in pushing minority homeownership. Focusing so robotically on racially disparate home financing and credit access obscures how these injustices, repugnant as they are, fit into a larger picture of income stagnation and welfare state instability, which gave rise to the increasing need, documented by Hyman, for significant household debt, protracted mortgages, and accelerated re-financing in the first place, all simply to stay afloat. In the accounts we reviewed here, the *Kerner Report*’s ‘white racism’ remains the enemy, while the Big Kahuna, financialization, wobbles in the background, meriting more an obligatory mention than focused inquiry on how it impacts other phenomena. The misdirection strategies can take if predicated on such an analysis are obvious.

Our call to transcend this stifling frame is absolutely *not* a call to ignore racial exclusion or to declare in abstract terms, as Ellen Wood has, that race is not ‘constitutive of capitalism’ the way class is.<sup>66</sup> Rather, we advocate that in analyzing the current situation and how it fits into historical context, left analysts ought to conduct what Ian Shapiro has labelled ‘problem-driven’ research, in his words, ‘to endeavor to give the most plausible possible

account of the phenomenon that stands in need of explanation', in this case racially disparate impacts, instead of forcing it into a stifling, ready-made narrative.<sup>67</sup> Doing so will break away from analytical sloth and widen strategic options. Doing so also requires jettisoning the hoary, mechanistic race/class debate entirely. We believe that our critique here demonstrates the virtues of a dynamic historical materialist perspective in which race and class are relatively distinct – sometimes more, sometimes less, sometimes incoherently related or even interchangeable – inflections within a unitary system of capitalist social hierarchy, without any of the moralizing, formalist ontological baggage about priority of oppression that undergirds the debate. From this perspective insistence that race, or any other category of ascriptive differentiation, is somehow *sui generis* and transcendent of particular regimes of capitalist social relations appears to be, as we have suggested here, itself reflective of a class position tied programmatically to the articulation of a metric of social justice compatible with neoliberalism. That is a view that both obscures useful ways to understand the forces that are intensifying inequality and undermines the capacity to challenge them.

#### NOTES

- 1 See, for instance, Charles Bromley et al, *Paying More for the American Dream V: The Persistence and Evolution of the Dual Mortgage Market*, California Reinvestment Coalition, 2011; Barbara Ehrenreich and Dedrick Muhammad, 'The Recession's Racial Divide', *New York Times*, 13 September 2009; Kai Wright, 'Mortgage Industry Bankrupts Black America', *The Nation*, 24 July 2008; Wright, 'The Assault on the Black Middle Class', *The American Prospect*, 4 August 2009; and the series of studies by Algernon Austin, Gregory Squires and their colleagues for the Economic Policy Institute as well as those by Amaad Rivera, Ajamu Dillahunt, Mazher Ali and their colleagues for United for a Fair Economy from 2008 to 2011.
- 2 Ian Shapiro, 'Problems, Methods, and Theories in the Study of Politics', in Shapiro, *The Flight from Reality in the Human Sciences*, Princeton: Princeton University Press, 2007, p. 188.
- 3 Debbie Gruenstein Bocian, Wei Li, and Keith Ernst, *Foreclosures by Race and Ethnicity: The Demographics of a Crisis*, Center for Responsible Lending, 18 June 2010; Seth Wessler et al., *Race and Recession: How Inequity Rigged the Economy and How to Change the Rules*, Applied Research Center, May 2009; *Communities in Crisis: Race and Mortgage Lending in the Twin Cities*, Institute on Race and Poverty, February 2009.
- 4 Alicia Munnell et al., 'Mortgage Lending in Boston: Interpreting HMDA Data', Working Paper No. 92-7, Federal Reserve Bank of Boston, October 1992, available from <http://www.bos.frb.org>.
- 5 For the debate that it generated, see, for example, John Goering and Ron Wienk,

- eds., *Mortgage Lending, Racial Discrimination, and Federal Policy*, Washington, DC: Urban Institute Press, 1996; Stephen Ross and John Yinger, eds., *The Color of Credit: Mortgage Discrimination, Research Methodology, and Fair-Lending Enforcement*, Cambridge: MIT Press, 2002. An otherwise excellent account of both the study and the events leading up to the subprime crisis in general is Gretchen Morgenson and Joshua Rosner, *Reckless Endangerment: How Outsized Ambition, Greed, and Corruption Led to Economic Armageddon*, New York: Times Books, 2011, is unfortunately too dismissive of the study and the careful and serious methodological debates that occurred over its findings.
- 6 Wessler et al., *Race and Recession*, p. 7; Amaad Rivera et al., *The Silent Depression: State of the Dream 2009*, Boston: United for a Fair Economy, 2009, p. iii.
  - 7 Wessler et al., *Race and Recession*, p. 47.
  - 8 Algernon Austin, *Uneven Pain: Unemployment by Metropolitan Area and by Race*, Issue Brief No. 278, Economic Policy Institute, 8 June 2010.
  - 9 *Communities in Crisis*, pp. 26–34.
  - 10 There has been an interesting critical discussion of this phenomenon in public health and epidemiological research. See Dawn R. Comstock, Edward M. Castillo and Suzanne P. Lindsay, ‘Four-Year Review of the Use of Race and Ethnicity in Epidemiologic and Public Health Research’, *American Journal of Epidemiology*, 159, 2004, pp. 611–619 and Camara Phyllis Jones, ‘Invited Commentary: “Race”, Racism and the Practice of Epidemiology’, *American Journal of Epidemiology*, 154, 2001, pp. 299–304. Also see Merlin Chowkwanyun, ‘The Strange Disappearance of History from Racial Health Disparities Research’, *Du Bois Review: Social Science on Race*, 8, 2011, p. 253.
  - 11 Douglas Massey and Nancy Denton, *American Apartheid: Segregation and the Making of the Underclass*, Cambridge: Harvard University Press, 1993; Melvin Oliver and Thomas Shapiro, *Black Wealth/White Wealth: A New Perspective on Racial Inequality*, New York: Routledge, 1995.
  - 12 Massey and Denton, *American Apartheid*, pp. 74–78.
  - 13 *Ibid.*, p. 112.
  - 14 *Ibid.*, p. 81.
  - 15 Katz et al., ‘Immigration and the New Metropolitan Geography’, *Journal of Urban Affairs* 32(5), 2010, pp. 523–547; Richard Alba and John Logan, ‘Variations on Two Themes: Racial and Ethnic Patterns in the Attainment of Suburban Residence’, *Demography*, 28(3), 1991 and ‘Minority Proximity to Whites in Suburbs: An Individual-Level Analysis of Segregation’, *American Journal of Sociology*, 98(6), 1993.
  - 16 Massey and Denton, *American Apartheid*, p. 93.
  - 17 *Ibid.*, p. 97.
  - 18 *Ibid.*, p. 107.
  - 19 *Ibid.*, p. 98.
  - 20 Ellen Herman, *The Romance of American Psychology: Political Culture in the Age of Experts*, Berkeley: University of California Press, 1996 and Leah Gordon, ‘The Question of Prejudice: Social Science, Education, and the Struggle to Define the “Race Problem” in Mid-Twentieth Century America, 1935–1965’, Ph.D. Thesis, University of Pennsylvania, Pennsylvania, 2008.

- 21 Massey and Denton, *American Apartheid*, pp. 109-110.
- 22 Karl Taeuber and Alma Taeuber, *Negroes in Cities*, Chicago: Aldine, 1965; Rose Helper, *Racial Policies and Practices of Real Estate Brokers*, Minneapolis: University of Minnesota Press, 1969.
- 23 Kenneth Jackson, *Crabgrass Frontier: The Suburbanization of the United States*, New York: Oxford University Press, 1987, chs. 11-12; Arnold Hirsch, *Making the Second Ghetto: Race and Housing in Chicago, 1940-1960*, Chicago: University of Chicago Press, 1983, ch. 4.
- 24 Robert Self, *American Babylon: Race and the Struggle for Postwar Oakland*, Princeton: Princeton University Press, 2003; Beryl Satter, *Family Properties: How the Struggle Over Race and Real Estate Transformed Chicago and Urban America*, New York: Picador, 2010; Samuel Roberts, *Infectious Fear: Politics, Disease, and The Health Effects of Segregation*, Chapel Hill: University of North Carolina Press, 2009, p. 136. It is notable that Roberts maintains this class analysis while writing about the age of Jim Crow, during which a strictly racial interpretation might be more justifiable, though hardly adequate.
- 25 Massey and Denton, *American Apartheid*, pp. 10-11.
- 26 *Ibid.*, pp. 84-88.
- 27 Sean Reardon and Kendra Bischoff, 'Income Inequality and Income Segregation', *American Journal of Sociology*, 116(4) January 2011, pp. 1115-16.
- 28 Massey and Denton, *American Apartheid*, p. 69.
- 29 Jonathan Yinger, *Closed Doors, Opportunities Lost: The Continuing Costs of Housing Discrimination*, New York: Russell Sage Foundation, 1995, pp. 120-21.
- 30 *Ibid.*, p. 121.
- 31 This may partly explain why the topic has received such little attention. An important exception is Michelle Boyd's account of a Chicago neighbourhood revitalization project in the late 1980s and early 1990s. See Boyd, 'The Downside of Racial Uplift: The Meaning of Gentrification in an African American Neighborhood', *City and Society*, 17(2), December 2005, pp. 265-88; Boyd, 'Defensive Development: The Role of Racial Conflict in Gentrification', *Urban Affairs Review*, 43(6), July 2008, pp. 751-76; and Boyd, *Jim Crow Nostalgia: Reconstructing Race in Bronzeville*, Minneapolis: University of Minneapolis Press, 2008, chs. 2-5. Peter Kwong has called attention to intra-racial exploitation between Chinese employers and Chinese workers in the United States. See Kwong, *The New Chinatown*, Second Edition, New York: Hill and Wang, 1996.
- 32 See Adolph Reed, Jr., 'The Black Urban Regime: Structural Origins and Constraints', in Reed, *Stirrings In The Jug: Black Politics In The Post-Segregation Era*, Minneapolis: University Of Minnesota Press, 1999, ch. 3; John Arena, 'Race and Hegemony: The Neoliberal Transformation of the Black Urban Regime and Working Class Resistance', *American Behavioral Scientist*, 47(3), November 2003, pp. 352-380.
- 33 Chowkwanyun has criticized a parallel quality in racial health disparities research that results from its similar reliance on large, aggregated data sets and repeated uncovering of statistical associations between race and adverse health outcomes.

- Constrained by methodology and type of empirical base, such research thus rarely penetrates a level deeper than these macro-level quantitative portraits to tell us what concrete policies; institutions, phenomena and actors are causing them. More generally, Robert Aronowitz identifies a similar phenomenon in post-war epidemiology and identification of quantifiable 'risk factors'. See Chowkwanyun, 'Strange Disappearance'; Aronowitz, 'The Social Construction of Coronary Heart Disease Risk Factors', in Aronowitz, *Making Sense of Illness: Science, Society, and Disease*, New York: Cambridge University Press, 1998.
- 34 See Edward Wolff, *Top Heavy: The Increasing Inequality of Wealth in America and What Can Be Done About It*, Second Edition, New York: New Press, 2002 [1995]; Michael Sherraden, *Assets and the Poor: A New American Welfare Policy*, New York: M.E. Sharpe, 1991 for single-volume summations of these authors' views.
- 35 Oliver and Shapiro, *Black Wealth/White Wealth*, p. 94.
- 36 *Ibid.*, p. 106.
- 37 *Ibid.*, pp. 91, 125.
- 38 *Ibid.*, p. 4.
- 39 *Ibid.*, pp. 4-5.
- 40 *Ibid.*, p. 5.
- 41 *Ibid.*, pp. 11-52.
- 42 *Ibid.*, p. 51.
- 43 *Ibid.*, pp. 147-151.
- 44 *Ibid.*, p. 156.
- 45 *Ibid.*, p. 166.
- 46 *Ibid.*, pp. 130-133.
- 47 *Ibid.*, pp. 6-7; Thomas Shapiro, Tatjana Meschede, and Laura Sullivan, 'The Racial Wealth Gap Increases Fourfold', Institute on Assets and Social Policy, May 2010. In addition to lax taxes on inheritances, Shapiro identifies persistent disparities in the labour and housing market as other culprits.
- 48 Robert Brenner, *The Boom and the Bubble: The US in the World Economy*, New York: Verso Books, 2002, ch. 1; Judith Stein, *Pivotal Decade: How the United States Traded Factors for Finance in the Seventies*, New Haven: Yale University Press, 2011, ch. 1; Robert Pollin, *Contours of Descent: U.S. Economic Fractures and the Landscape of Global Austerity*, New York: Verso Books, 2005 [2003], chs. 2-3; Jacob Hacker, *The Great Risk Shift: The Assault on American Jobs, Families, Health Care and Retirement and How You Can Fight Back*, New York: Oxford University Press, 2006.
- 49 David Harvey, *A Brief History of Neoliberalism*, New York: Oxford University Press, 2006, p. 2.
- 50 Shapiro advances such a claim even more forcefully in *The Hidden Cost of Being African-American: How Wealth Perpetuates Inequality*, New York: Oxford University Press, 2004, ch. 3.
- 51 Kenneth Warren has urged a similar approach for African-American literature, arguing for constricting its definition to works produced between the beginning and end of federally sanctioned legal segregation. This stands in contrast to all encompassing definitions that include black American writing



from the antebellum era to the present. See Warren, *What Was African American Literature?* (Cambridge: Harvard University Press, 2011), ch. 1.

For two other considerations of how race's operation has changed over time that consider the limits of strictly using race as a marker of social position, see Adolph Reed, Jr., 'The "Color Line" Then and Now', in A. Reed and K. Warren, eds., *Renewing Black Intellectual History: The Ideological and Material Foundations of African American Thought*, Boulder: Paradigm, 2010 and Michael Katz, Mark Stern, and Jamie Fader, 'The New African-American Inequality', *Journal of American History*, 92(1), June 2005, pp. 75-108.

- 52 A considerable body of work chronicles this restructuring and the political mobilization against it, including Steven Hahn and Jonathan Prude, eds., *The Countryside in the Age of Capitalist Transformation*, Chapel Hill: University of North Carolina Press, 1985, chs. 6-7; Hahn, *The Roots of Southern Populism: Yeoman Farmers and the Transformation of the Georgia Upcountry, 1850-1890*, New York: Oxford University Press, 1983; Jack Temple Kirby, *Rural Worlds Lost: The American South, 1920-1960*, Baton Rouge: Louisiana State Press, 1987. It is worth noting that this counterfactual on the lost opportunity for land redistribution in the immediate wake of the Civil War plays a central role in much pro-reparations discourse, which also mobilizes a similar long narrative of American history by highlighting cross-generational racial disadvantage. But like the one presented in this work, it is more impressionistic outline than detailed exploration of contemporary inequality's historical roots. For one example, see Raymond Winbush, ed., *Should America Pay?: Slavery and the Raging Debate on Reparations*, New York: HarperCollins, 2003.
- 53 Barbara J. Fields, 'Ideology and Race in American History', in James McPherson and Morgan Kousser, eds., *Region, Race and Reconstruction: Essays in Honor of C. Vann Woodward*, New York: Oxford University Press, 1982, p. 150.
- 54 Adolph Reed, Jr., 'Review: *The New Black Middle Class*', *Political Science Quarterly*, 103, Spring 1988, pp. 159-161.
- 55 Dalton Conley, *Being Black, Living in the Red: Race, Wealth, and Social Policy in America*, Berkeley: University of California Press, 1999. Curiously, both volumes are frequently cited next to one another, even though their analytical missions are quite different. In the second edition of their book and a separate volume by Shapiro, Conley is mentioned but not engaged. See Oliver and Shapiro, *Black Wealth/White Wealth: A New Perspective on Racial Inequality*, Second Edition, New York: Routledge, 2006, p. 232; Shapiro, *The Hidden Cost*, p. 96. Conley explores the role of class dynamics in blunting the racial wealth gaps' deleterious effects. Oliver and Shapiro state that this is not a primary goal when they write that they 'do not intend here to engage in a discourse about class in modern American life; the concept is important but not entirely germane to our purposes', which is to show the endurance of the racial wealth gap whatever class measure they use (p. 70).
- 56 Largely due to Sherraden's *Assets and the Poor*, IDAs emerged as an attractive policy idea in the 1990s. They entitle low-income applicants who promise to save an agreed upon sum of money to matching funds from local municipalities, community organizations, or financial institutions who partner

up to participate in the program, sometimes in an amount many times more than the original principal. These transfers, in turn, come with no stipulations that they be paid back but are restricted to certain usages, such as paying for college, making a down payment for a home, or starting a small business, and they usually require recipients to attend workshops on wealth management and financial responsibility. IDAs have attracted a broad spectrum of neoliberal support, including the Democratic Leadership Council, the Aspen Institute, Bill Clinton, and George W. Bush.

- 57 Louis Hyman, *Debtor Nation: The History of America in Red Ink*, Princeton: Princeton University Press, 2011.
- 58 Oliver and Shapiro, *Black Wealth/White Wealth*, First Edition, p. 193. The literature on such politics and its close ties with community development efforts remains thin, but see Nicole Marwell, *Bargaining for Brooklyn: Community Organizations in the Entrepreneurial City*, Chicago: University of Chicago Press, 2007; Karen Tani, 'The House that "Equality" Built: The Asian American Movement and the Legacy of Community Action', in Annelise Orleck and Lisa Hazirjian, eds., *The War on Poverty and Struggles for Racial and Economic Justice: Views from the Grassroots*, Athens: University of Georgia Press, 2011; Kent Germany, *New Orleans after the Promises: Poverty, Citizenship, and the Search for the Great Society*, Athens: University of Georgia Press, 2007.
- 59 Kenneth B. Clark, *Dark Ghetto: Dilemmas of Social Power*, New York: Harper & Row, 1965.
- 60 On the politics of racial uplift, see Kevin Gaines, *Uplifting the Race: Black Leadership, Politics and Culture in the Twentieth Century*, Chapel Hill: University of North Carolina Press, 1996; Michele Mitchell, *Righteous Propagation: African Americans and the Politics of Racial Destiny after Reconstruction*, Chapel Hill: University of North Carolina Press, 2004; Touré F. Reed, *Not Alms but Opportunity: The Urban League and the Politics of Racial Uplift, 1910-1950*, Chapel Hill: University of North Carolina Press, 2008; Wilson J. Moses, *The Golden Age of Black Nationalism, 1850-1925*, Oxford: Oxford University Press, 1988; August Meier, *Negro Thought in America, 1880-1915: Racial Ideologies in the Age of Booker T. Washington*, Ann Arbor: University of Michigan Press, 1963.
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- 66 Ellen Meiksins Wood, 'Class, Race, and Capitalism', *Political Power and Social Theory*, 15, 2002, p. 276. Wood's comment is part of a symposium on the race/class controversy. See also in the same issue: Adolph Reed, Jr., 'Unraveling the Relation of Race and Class in American Politics'; Maurice Zeitlin, 'On the "Confluence of Race and Class" in America'; Steven Gregory, 'The "Paradoxes" of Misplaced Concreteness'; and Reed, 'Rejoinder'.
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