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## Race vs. Class: Is the Market Colorblind?

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### Introduction

For over forty years, sociologists and social scientists have debated the nature of inequality. Indeed, going back to Karl Marx and his contemporaries, the debates on the significance of race and class have been perpetual. Marxists often contended that class superseded race, gender, and other divisions in importance, but instead, those divisions were utilized by capitalists to preserve economic advantage and better exploit the proletariat. Race theorists like Michael Omi and Howard Winant attempted to shift focus back on race, noting that race was still a fundamental aspect of our social organization and had significance on its own, beyond class.<sup>1</sup> As time has gone on, racism has changed forms, and many scholars acknowledge the new racism as what Eduardo Bonilla-Silva has termed “colorblind racism”.<sup>2</sup> His concept of abstract liberalism, one of colorblind racism’s four fundamental frames, explains that people oppose race-based social policy by using justifications grounded in the principles of liberalism in an abstract manner.<sup>3</sup> For example, people often oppose affirmative action on the grounds that they favor equal opportunity.<sup>4</sup> The underlying assumption here is the common belief that the market is colorblind, therefore without race-conscious policies, we will achieve the ever-elusive “fairness”. Unfortunately, numerous studies indicate that pervasive labor market discrimination continues, suggesting that colorblindness will likely perpetuate and even increase racial inequality.<sup>5</sup> This is not necessarily an issue of individual prejudice, but research indicates that white privilege is preserved not simply by whites with antipathy towards

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<sup>1</sup> Michael Omi and Howard Winant, *Racial Formation in the United States* (New York: Routledge, 2014).

<sup>2</sup> Eduardo Bonilla-Silva. *Racism without Racists: Color-Blind Racism and the Persistence of Racial Inequality in the United States*. 4th ed. (Philadelphia, PA: Temple University Press, 2014).

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

Marianne Bertrand and Sendhil Mullainathan, "Are Emily and Greg More Employable Than Lakisha and Jamal? A Field Experiment on Labor Market Discrimination." *American Economic Review* 4 (2003): 991-1013.

Roberto M. Fernandez and Isabel Fernandez-Mateo, "Networks, Race, and Hiring." *American Sociological Review* 71, no. 1 (2006): 42-71.

Devah Pager, *Marked: Race, Crime, and Finding Work in an Era of Mass Incarceration* (Chicago, IL: University of Chicago Press, 2008).

members of other groups, but whites whose social network connections lead them to provide references and job leads disproportionately to other whites while they profess colorblindness and perpetuate white privilege in employment.<sup>6</sup> Two Ivy League professors and former presidents of the American Sociological Association, William Julius Wilson and Douglas Massey (along with Nancy Denton), engaged in a spirited debate that many perceived as an extension of the race vs. class debate. This debate was, however, somewhat mischaracterized, as neither scholar denied the significance of race. In fact, both of their arguments in combination, along with subsequent research on the racial wealth gap present a strong case for race-based policy to address the current racial inequality, particularly between black and white Americans, that plagues U.S. society today. Indeed, the market is not colorblind; historical policies have created an environment in which the status quo operation of the market perpetuates racial inequality. As a result, because the market is not colorblind, neither should be the policies that address the inequality created by the market.

### **Race or Class: The Old False Dichotomy**

William Julius Wilson stirred up a great deal of controversy in his 1978 book, *The Declining Significance of Race*. Much of this controversy seemed to be attributable more to the title of the book than its actual substantive arguments. Nonetheless, Wilson's book is a classic in sociology and racial inequality, and brought renewed scholarly attention to black/white inequality. In the book, Wilson's primary claim is that the life chances for individual African Americans and their access to privilege and power are more largely impacted by economic class position than by their race.<sup>7</sup> Wilson claimed that since the overt racism of the early 20th century had dissipated, many traditional racial barriers for African Americans had also declined, and class took primacy.<sup>8</sup> This idea has been contested by some theorists, who note the emergence of a "new racism" in the post-Civil Rights era characterized as being covert and subtle.<sup>9</sup> Wilson explained his argument by looking at U.S. history as split into three periods, (1) preindustrial – characterized by racial caste oppression and a plantation economy; (2) industrial – characterized by racial oppression, class conflict, and industrial expansion; and (3) modern industrial – characterized by the gradual transition

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<sup>6</sup> Nancy DiTomaso, *The American Non-Dilemma: Racial Inequality without Racism* (New York: Russell Sage Foundation, 2013).

Deirdre Royster, *Race and the Invisible Hand: How White Networks Exclude Black Men from Blue-Collar Jobs* (Berkeley, CA: Univ of California Press, 2003).

<sup>7</sup> William Julius Wilson, *The Declining Significance of Race* (Chicago, IL: University of Chicago Press, 1978).

<sup>8</sup> Ibid.

<sup>9</sup> Eduardo Bonilla-Silva, *Racism without Racists*, 2014.

from racial inequalities to class inequalities.<sup>10</sup> Essentially, Wilson focused on how economic arrangements, systems of production, and polity constrained the interactions of different racial groups and limited their access to rewards and privileges.<sup>11</sup> He argued that the Marxist theories and the split labor market theory both serve well to explain inequality in preindustrial and industrial economies, where capitalists and higher-paid members of the working class (respectively) intentionally generated racial stratification, but failed to explain the situation in modern industrial times.<sup>12</sup> Wilson saw the problem for black Americans at that time as the government's inability to deal with barriers created by structural changes in the economy related to technological and economic revolutions; he did not believe race was the primary barrier, as equal opportunity and affirmative action programs helped to deal with racial obstacles.<sup>13</sup> Recent scholarship has pointed out that in addition to technology, skill mismatches, global financialization, and outsourcing/offshoring also contribute to structural unemployment, and African Americans historically have seen higher unemployment rates than whites.<sup>14</sup> While denying race's primary importance, Wilson noted that affirmative action had helped to contribute to growing class inequality and divisions within the black community, and that the exit of the black middle class from communities with underclass residents resulted in a loss of resources for societal organization, advocacy, social movements, and the social buffer they provide during economic woes.<sup>15</sup> Finally, racial conflicts, Wilson noted, had not disappeared, but had been reduced, and conflicts were based more on class.<sup>16</sup>

In 1987, Wilson focused his attention on the problems of the black urban underclass in his book *The Truly Disadvantaged*. He began by noting a lack of research on racial issues since the controversial Moynihan Report, and the subsequent dominance of a conservative culture-of-poverty perspective inspired by Oscar Lewis.<sup>17</sup> In the wake of antipoverty and antidiscrimination legislation, but with persisting racial and class inequality, liberals seemed to avoid the

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<sup>10</sup> William Julius Wilson, *The Declining Significance of Race*, 1978.

<sup>11</sup> *Ibid.*

<sup>12</sup> Edna Bonacich, "A Theory of Ethnic Antagonism: The Split Labor Market." *American sociological review* (1972): 547-59.

William Julius Wilson, *The Declining Significance of Race*, 1978.

<sup>13</sup> *Ibid.*

<sup>14</sup> Thomas Janoski, David Luke, and Christopher Oliver, *The Causes of Structural Unemployment: Four Factors That Keep People from the Jobs They Deserve* (London: Polity Press, 2014).

<sup>15</sup> William Julius Wilson, *The Declining Significance of Race*, 1978.

<sup>16</sup> *Ibid.*

<sup>17</sup> William Julius Wilson, *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* (Chicago, IL: University of Chicago Press, 1987).

conversation altogether.<sup>18</sup> In the book, Wilson argued that historic discrimination played a much larger role than contemporary discrimination, and in addition, that black migration to urban centers and high fertility rates resulted in a lower average age, which depressed wages relative to whites and artificially increased the wage gap often attributed to race.<sup>19</sup> He noted spatial mismatch, the shift of jobs from urban areas to the suburbs, as one economic factor that contributed to the creation of the black urban underclass.<sup>20</sup> Wilson introduced the concept of the Male Marriageable Pool Index (MMPI), stating that the pool of “marriageable” males (same race, similar age, employed) was lower for African American women, resulting in more single female-headed households and lower socioeconomic status.<sup>21</sup>

The error from Wilson’s perspective was that race-based policies were seen as the solution to racial inequality for all classes, but this was not the case; while advantaged members of the black community saw significant gains from 1970-1987, the “truly disadvantaged” members of the underclass saw their conditions worsen.<sup>22</sup> Additionally problematic, Wilson noted that original civil rights movement goals of equality of opportunity were consistent with traditional “American values” like freedom of choice, but the goals changed to preferential treatment for minority groups.<sup>23</sup> Research has provided evidence that this may contain some truth, as the opposition to affirmative action of some individuals is because it violates the ideal of fairness.<sup>24</sup> This also explains how Bonilla-Silva’s concept of abstract liberalism works now to justify race-neutral policies.<sup>25</sup> Deviating from the race-conscious position, Wilson pushed for equality of life chances, calling for a long-term universal program to create job and mobility opportunities without generating the resentment short-term, targeted affirmative redistribution programs like affirmative action tend to generate.<sup>26</sup> Wilson noted that poverty rates were tied closely to a country’s general economic standing and forcefully advocated for incorporating antipoverty legislation in general economic

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<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

<sup>24</sup> Laura Stoker, "Understanding Whites' Resistance to Affirmative Action: The Role of Principled Commitments and Racial Prejudice," in *Perception and Prejudice: Race and Politics in the United States*, eds. J. Hurwitz and Mark Peffley (New Haven, CT: Yale University Press, 1998), 135-70.

<sup>25</sup> Eduardo Bonilla-Silva, *Racism without Racists*, 2014.

<sup>26</sup> Nancy Fraser, *Justice Interruptus: Critical Reflections on the "Postsocialist" Condition* (Cambridge, UK: Cambridge University Press, 1997).

William Julius Wilson, *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* (Chicago, IL: University of Chicago Press, 1987).

policy (Wilson 1987). While advocating for universalist policies, Wilson espoused the need for a “hidden agenda” including race-targeted policies, explaining it as follows:

“The hidden agenda for liberal policymakers is to improve the life chances of truly disadvantaged groups such as the ghetto underclass by emphasizing programs to which the more advantaged groups of all races and class backgrounds can positively relate (Wilson 1987:155).”

So in this “hidden agenda”, Wilson left the door open to include some race-based policy as long as the major programs that received more focused attention were universal programs, which would garner much more support.<sup>27</sup>

In 1993, Massey & Denton published their classic book, *American Apartheid*. They emphasized what they believed to be a severely overlooked factor in the making of urban underclass communities: racial residential segregation.<sup>28</sup> In fact, directly addressing their position with regard to *The Truly Disadvantaged*, they noted a basic agreement with Wilson’s argument that the structural transformation of the economy worked against the economic situation of the urban underclass, but argued that without residential segregation, the deleterious impact of the economic transformation would have been substantially lessened.<sup>29</sup> While mentioning spatial mismatch in his discussion of urban poverty and structural changes to the economy, Wilson did not explicitly identify residential segregation as a causal factor. Additionally, Massey & Denton were critical of Wilson’s treatment of the black middle class in *The Truly Disadvantaged*.<sup>30</sup> They argued that while Wilson blamed the black middle class for exiting underclass neighborhoods and thereby harming the underclass and contributing to the concentration of poverty, he missed the point that concentrated poverty was created by residential segregation limiting and black housing options and would have happened regardless of middle-class outmigration.<sup>31</sup> Their effort in the book was to bring residential segregation back into the conversation, and recognize it as a key structural factor that caused enduring black poverty in urban ghettos in the U.S.<sup>32</sup>

The case was laid out by first presenting a history, noting very little residential segregation in 1900, but a tremendous increase during the great

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<sup>27</sup> William Julius Wilson, *The Truly Disadvantaged*, 1987

<sup>28</sup> Douglas S. Massey and Nancy A. Denton, *American Apartheid: Segregation and the Making of the Underclass* (Cambridge, MA: Harvard University Press, 1993).

<sup>29</sup> *Ibid.*

<sup>30</sup> *Ibid.*

<sup>31</sup> *Ibid.*

<sup>32</sup> *Ibid.*

migration of the early 20th century.<sup>33</sup> The great migration coincided with the creation of the urban ghetto and a rise in white supremacist ideology and violence in the North.<sup>34</sup> Violence (or the threat of violence) soon became a method of enforcing residential segregation, along with restrictive covenants of neighborhood associations, and if all else failed, white flight.<sup>35</sup> The result of the nefarious practices that helped keep African Americans contained in the ghetto was a gradation where the most poor individuals were highly concentrated and the wealth expanded outward.<sup>36</sup> Southern whites used Jim Crow to enforce residential segregation until 1916, but residential segregation still persisted at higher levels in the North.<sup>37</sup> By the time of World War II, northern ghettos were established as Black and white flight ensured in the 50s and 60s that segregation persevered.<sup>38</sup> Redlining and the administration of Federal Housing Administration (FHA) loans helped to ensure this as well, later contributing to the tremendous racial wealth gap by prohibiting blacks from buying houses that would ultimately be good financial investments.<sup>39</sup>

Massey & Denton noted that evidence suggests African American segregation is not a result of self-segregation, as surveys indicate a desire among blacks for integrated neighborhoods; conversely, such desire is reflected in principle, but not in practice among white Americans (Massey & Denton 1993). They noted widespread discrimination in housing still being practiced, even since the passage of the Fair Housing Act in 1968 (and effective removal of residential segregation from public policy discourse).<sup>40</sup>

The impact of residential segregation is staggering. Higher levels of poverty concentration among African Americans and lower levels among whites is one result.<sup>41</sup> Black poverty in segregated cities leads to an increase in the level of abandoned buildings to a tipping point level of disinvestment that would not occur in integrated cities.<sup>42</sup> Commercial institutions shut down if they cannot be supported by locals in urban ghettos; crime increases as a result of urban poverty that, in high concentration, has a greater impact than it would in an integrated

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<sup>33</sup> Ibid.

<sup>34</sup> Ibid.

<sup>35</sup> Ibid.

<sup>36</sup> Ibid.

<sup>37</sup> Ibid.

<sup>38</sup> Ibid.

<sup>39</sup> Dalton Conley, *Being Black, Living in the Red: Race, Wealth, and Social Policy in America*. (Berkeley, CA: University of California Press, 2009).

Douglas S. Massey and Nancy A. Denton, *American Apartheid*, 1993.

Melvin L. Oliver and Thomas M. Shapiro, *Black Wealth, White Wealth: A New Perspective on Racial Inequality* (New York: Taylor & Francis, 2006).

<sup>40</sup> Douglas S. Massey and Nancy A. Denton, *American Apartheid*, 1993.

<sup>41</sup> Ibid.

<sup>42</sup> Ibid.

community.<sup>43</sup> Poor African Americans are incredibly socially isolated and rarely leave their neighborhoods until adulthood, resulting in the development of a unique dialect that increases barriers to employment; oppositional, sometimes violent culture is also often a result.<sup>44</sup> Significantly, there is a major wealth component to systemic residential segregation, as many African Americans live in undervalued neighborhoods and, if they choose to purchase homes, often see a lower return on investment than whites.<sup>45</sup>

The big policy recommendation from Massey & Denton's perspective was systematic enforcement of the Fair Housing Act, which is currently only enforced through individual complaints and verification by "testers" hired for local fair housing councils.<sup>46</sup> They argued that Housing and Urban Development (HUD) could take the lead on fair housing enforcement through increased funding for local fair housing organizations, establishment of a permanent testing program with a special unit dedicated to large-scale housing audits in search of patterns of discrimination, added staff under the Assistant Secretary for Fair Housing and Equal Opportunity to evaluate lending data and look for patterns in rejection rates among minorities, a "more vigorous" promotion of desegregation under the affirmative mandate of the Fair Housing Act, and prompt judicial action and timely relief in enforcing the act.<sup>47</sup> Essentially, they were calling for more regulation in the housing market.

### **Racial Inequality in Markets**

While since the 1960s racial income inequality has shrunk to some degree, racial wealth inequality, often ignored in the conversation, remains.<sup>48</sup> Black wealth has indeed grown during that time, but it has simultaneously fallen further behind white wealth (meaning, it has grown at a slower pace).<sup>49</sup> Wealth differs from income in that wealth constitutes what people own, whereas income is received in exchange for work, retirement, or social welfare.<sup>50</sup> Looking at wealth adds information to the racial inequality conversation, because while the income gap appears to be closing somewhat, in 2007, the median white family held assets

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<sup>43</sup> Ibid.

<sup>44</sup> Ibid.

<sup>45</sup> Ibid.

Melvin L. Oliver and Thomas M. Shapiro, *Black Wealth, White Wealth*, 2006.

<sup>46</sup> Douglas S. Massey and Nancy A. Denton, *American Apartheid*, 1993.

<sup>47</sup> Ibid.

<sup>48</sup> Dalton Conley, *Being Black, Living in the Red*, 2009.

Melvin L. Oliver and Thomas M. Shapiro, *Black Wealth, White Wealth*, 2006.

<sup>49</sup> Ibid.

<sup>50</sup> Ibid.

worth more than 15 times that of the median African American family.<sup>51</sup> Those in the “class” side of the race/class debate often focus more attention on income, occupation, and educational attainment, thus missing what information wealth provides.<sup>52</sup>

Oliver & Shapiro utilize three concepts to highlight the way wealth accumulation varies by race, and specifically the black-white racial wealth gap.<sup>53</sup> First, they refer to the racialization of state policy, highlighting the role of the state in hindering the capacity of many African Americans to accumulate wealth starting in slavery and proceeding thereafter.<sup>54</sup> Specifically, they note government promotion of home ownership, retirement, education, pensions, homesteading, land acquisition, and asset accumulation excluding poor people, and blacks in particular.<sup>55</sup> This fits directly with Massey & Denton, who looked at the role of the state in creating a segregated underclass community.<sup>56</sup> The promise of “40 acres and a mule” was left unfulfilled as overt discrimination by bankers, exclusive social security policies that left domestic and agricultural workers ineligible, and the practices of redlining by the Home Owners Loan Corporation (HOLC), Veterans Affairs (VA), and FHA loan administration kept blacks from wealth accumulation opportunities.<sup>57</sup> Importantly, the racist housing practices and loan administration ensured that white American investment in homes in the suburbs generated substantially greater returns than Black home investment; this is crucial as the home is often the biggest financial asset of many middle-class families.<sup>58</sup> Additionally, white flight and the fear that a black population of over 20% in a neighborhood would drive property values down became a self-fulfilling prophecy, and with all these obstacles to home ownership, black families often ended up renting at higher rates than whites; renting is typically more expensive than home ownership overall.<sup>59</sup> With that in mind, any monthly cost-savings is important for lower- and middle-income families in order to save money for higher education for children. The cost of renting, thus, partly contributes to

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<sup>51</sup> Dalton Conley, *Being Black, Living in the Red*, 2009.

Melvin L. Oliver and Thomas M. Shapiro, *Black Wealth, White Wealth*, 2006.

<sup>52</sup> Ibid.

<sup>53</sup> Ibid.

<sup>54</sup> Ibid.

<sup>55</sup> Ibid.

<sup>56</sup> Douglas S. Massey and Nancy A. Denton, *American Apartheid*, 1993.

<sup>57</sup> Dalton Conley, *Being Black, Living in the Red*, 2009.

Melvin L. Oliver and Thomas M. Shapiro, *Black Wealth, White Wealth*, 2006.

Ira Katznelson, *When Affirmative Action Was White: An Untold History of Racial Inequality in Twentieth-Century America* (New York: WW Norton & Company, 2005).

Douglas S. Massey and Nancy A. Denton, *American Apartheid*, 1993.

<sup>58</sup> Ibid.

Melvin L. Oliver and Thomas M. Shapiro, *Black Wealth, White Wealth*, 2006.

<sup>59</sup> Dalton Conley, *Being Black, Living in the Red*, 2009.

making higher education a more difficult proposition, and lower levels of education severely limit options for higher-paying occupations.

Second, Oliver & Shapiro highlight the “economic detour” of black businesses caused by restrictions from participation in the open market up until the mid 20th century.<sup>60</sup> These restrictions effectively closed off another avenue for wealth generation. They note that African American businesses were often allowed to cater to black customers but prohibited from breaking into the “mainstream” (i.e. white American) market; as a result, they served clients who had similarly restricted income and could not provide the same level of support for their entrepreneurial endeavors.<sup>61</sup> If black businesses began to grow to be able to compete with white-owned businesses, intimidation and violence were sometimes used to keep them “in their place”.<sup>62</sup> While Wilson notes the geographic shift of jobs to suburban areas and the spatial mismatch for inner city residents as contributing to the dire economic position of the underclass, he does not touch explicitly on the wealth aspect or discuss black business in great detail.<sup>63</sup>

Third and finally, Oliver & Shapiro refer to wealth as the “sedimentation of racial inequality”. They look at wealth as the cumulative impact of a history of poor schooling, segregation, and low wages.<sup>64</sup> From slavery to Jim Crow to the present day (perpetuated by inheritance or lack thereof), racial inequality’s sedimentation is visible through wealth inequality.<sup>65</sup> In this case, both Massey & Denton and Wilson did not directly touch this point. While Massey & Denton’s policy recommendations pertained only to the race-focused issue of residential segregation, Wilson’s universalist policies dealt with class-inequality, but neither tackled the sedimentation of racial inequality.<sup>66</sup> This is where Dalton Conley’s suggestion of class-based affirmative action (which fits well with Wilson) and a wealth/property component in the form of reparations would be more appropriate.<sup>67</sup> Unfortunately, I suspect Wilson would consider reparations too noticeable to be effectively included on any “hidden agenda”.<sup>68</sup> However, a reparations policy that directly ties back to the numerous historical wealth-generating policies that benefited whites and excluded people of color (and especially African Americans) has a strong empirical and moral basis.

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<sup>60</sup> Melvin L. Oliver and Thomas M. Shapiro, *Black Wealth, White Wealth*, 2006.

<sup>61</sup> Ibid.

<sup>62</sup> Ibid.

<sup>63</sup> William Julius Wilson, *The Truly Disadvantaged*, 1987

<sup>64</sup> Melvin L. Oliver and Thomas M. Shapiro, *Black Wealth, White Wealth*, 2006.

<sup>65</sup> Ibid.

<sup>66</sup> Douglas S. Massey and Nancy A. Denton, *American Apartheid*, 1993.

William Julius Wilson, *The Truly Disadvantaged*, 1987

<sup>67</sup> Dalton Conley, *Being Black, Living in the Red*, 2009.

<sup>68</sup> William Julius Wilson. *The Truly Disadvantaged*, 1987

With the recent foreclosure crisis, residential segregation was identified as a causal factor, and African American communities were targeted for subprime mortgages and felt greater wealth loss in this process.<sup>69</sup> Wells Fargo reached a \$175 settlement with an NAACP lawsuit after the great recession that alleged within the organization “ghetto loans” for “mud people” were higher interest subprime loans targeted at African American clients.<sup>70</sup> In fact, although many African Americans have made advances into the middle class, the black middle class still differs from the white middle class in that a pillar of wealth supports whites and gives them more stability in times of economic downturn.<sup>71</sup> Wealth begets wealth, because more wealth often means the capacity to make investments for retirement, children’s education, etc. In this way, inheritance perpetuates and accentuates wealth inequality and violates the deeply-held American principle of equality of opportunity. Curiously, discussions of the inherent fairness of the market rarely involve discussions of the inherent unfairness of inheritance.

A Pew Research Center analysis of 2009 government data revealed median white household wealth is on average have 20 times that of African Americans and 18 times that of Latino’s; this has major ramifications, including a substantial impact on education.<sup>72</sup> Entry into higher education is made more manageable through long-term savings by parents or guardians of potential students, but it is not the only education that matters.<sup>73</sup> The reproduction of racial and class inequality can be viewed through the lens of education quite effectively.<sup>74</sup> Progress in educational equality was made in the wake of the Civil Rights Movement, but much of that was reversed during the Reagan administration in the 1980s.<sup>75</sup> In fact, segregation in general declined from 1966-1980, but only sex segregation continued to decline after 1980; the decline in racial segregation did not continue.<sup>76</sup> The educational differentials can be traced

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<sup>69</sup> Jacob S. Rugh and Douglas S. Massey, "Racial Segregation and the American Foreclosure Crisis," *American Sociological Review* 75, no. 5 (2010): 629-51.

<sup>70</sup> Eduardo Bonilla-Silva, *Racism without Racists*, 2014.

<sup>71</sup> Sharon M. Collins, *Black Corporate Executives: The Making and Breaking of a Black Middle Class* (Philadelphia, PA: Temple University Press, 1997).

Joe R. Feagin and Melvin P. Sikes, *Living with Racism: The Black Middle-Class Experience* (Boston, MA: Beacon Press, 1994).

Melvin L. Oliver and Thomas M. Shapiro, *Black Wealth, White Wealth*, 2006.

<sup>72</sup> Rakesh Kochhar, Paul Taylor, Richard Fry, Gabriel Velasco, and Seth Motel, "Wealth Gaps Rise to Record Highs between Whites, Blacks, and Hispanics," Washington, DC: Pew Research Center, 2011.

<sup>73</sup> Dalton Conley, *Being Black, Living in the Red*, 2009.

<sup>74</sup> Ibid.

<sup>75</sup> Ibid.

<sup>76</sup> Donald Tomaskovic-Devey, Catherine Zimmer, Kevin Stainback, Corre Robinson, Tiffany Taylor, and Tricia McTague, "Documenting Desegregation: Segregation in American

closely to socioeconomic differences between blacks and whites in a number of ways.<sup>77</sup> Housing can be an issue here: neighborhood socioeconomic status is closely associated with academic performance, and social capital from peer and neighborhood influences and environmental hazards (violence, crime, etc.) all play a factor in predicting academic performance.<sup>78</sup> This academic performance subsequently impacts educational and career aspirations, as well as possibilities for higher education.

### **Race and Colorblindness in Labor and Education**

In the labor market, governmental policy intrudes and intervenes (however weak the intervention is) in the form of “affirmative action”. William Julius Wilson made a clear critique of how these programs operate and who they help.<sup>79</sup> Wilson has been highly critical, noting that affirmative action has failed the underclass and only helps highly qualified minorities, increasing their demand in the labor market while decreasing the demand of less-qualified workers due to cost, he argues.<sup>80</sup> While Wilson referred mainly to affirmative action at work, affirmative action in university admissions and financial aid fit well into his argument as well. While need-based, racially targeted financial aid can theoretically assist in lifting lower-income minorities into universities they would otherwise not attend, affirmative action in higher education tends to primarily help those African Americans who are already in better financial situations. This is why Wilson advocated for universalist policies and the “rising tide” to lift all the boats, and then believes through his “hidden agenda” of race-based policy, this would help overcome discrimination.<sup>81</sup> His comprehensive policy recommendations help address the racial and class barriers for lower-income African Americans.

Wilson’s writing has generated its share of controversy, and as he has published new editions of many of his classic texts, he has also clarified his (sometimes modified) positions. In a 2012 article in the *Du Bois Review*, Wilson elucidates his position on affirmative action and specifically addresses the new colorblind class-based alternatives that are often proposed.<sup>82</sup> Wilson claims that two factors drive the overwhelming public opposition to race-based policy, a racial factor and the “heavy reliance on individualistic explanations of social

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Workplaces by Race, Ethnicity, and Sex, 1966–2003," *American Sociological Review* 71, no. 4 (2006): 565-88.

<sup>77</sup> Dalton Conley, *Being Black, Living in the Red*, 2009.

<sup>78</sup> *Ibid.*

<sup>79</sup> William Julius Wilson, *The Truly Disadvantaged*, 1987.

<sup>80</sup> *Ibid.*

<sup>81</sup> *Ibid.*

<sup>82</sup> William Julius Wilson, "Race and Affirming Opportunity in the Barack Obama Era," *Du Bois Review: Social Science Research on Race* 9, no. 01 (2012): 5-16.

behavior and social outcomes in this country.”<sup>83</sup> Class-based affirmative action addresses the racial factor, he notes.<sup>84</sup> While people argue class-based policies will disproportionately benefit people of color (who are disproportionately poor), Wilson contends that by considering the traditional aptitude tests where African Americans often score poorly and other similar measures, class-based policies would systemically reduce opportunities for African Americans.<sup>85</sup> The problem, he argues, is that these measures where blacks perform overwhelmingly worse is due to the cumulative effects of “having one’s life chances limited by race.”<sup>86</sup> Residential segregation, poor schools, and the fact that this is common experience among multiple generations (such that parents of young African Americans also had their life chances restricted in a similar way) contribute to these cumulative effects. Black people of all social classes would be negatively impacted by class-based affirmative action, but the poor would see the worst results.<sup>87</sup>

Wilson instead advocates for what he terms “affirmative opportunity” programs involving “flexible and merit-based criteria.”<sup>88</sup> He shows evidence that the public would generally be more supportive of targeted programs, but are leery of the idea of hard quotas (which are not legal under affirmative action) and unqualified individuals being hired or accepted for college admissions.<sup>89</sup> Wilson recommends race be considered among a constellation of factors, standardized tests be given less weight, and that criteria become more flexible.<sup>90</sup> As an example, he notes that the University of Michigan Law School uses this type of flexible criteria in admissions; rather than reserving spots for people of color, the school considers race in conjunction with numerous other factors to make decisions.<sup>91</sup> The idea of flexibility can raise legitimate concerns which Wilson does not address in his brief article. Flexibility brings more discretion to the hiring or admissions processes, opening the door for the negative impacts of pervasive implicit bias favoring whites and working against African Americans and other people of color.<sup>92</sup> One result of affirmative action early-on was more standardization of hiring processes for many organizations, formalized job descriptions, and other measures to remove discretion and make hiring processes

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<sup>83</sup> William Julius Wilson, "Race and Affirming Opportunity in the Barack Obama Era" (2012):7.

<sup>84</sup> Ibid.

<sup>85</sup> Ibid.

<sup>86</sup> Ibid.: 8.

<sup>87</sup> Ibid.

<sup>88</sup> Ibid.: 9.

<sup>89</sup> Ibid.

<sup>90</sup> Ibid.

<sup>91</sup> Ibid.

<sup>92</sup> Brian A. Nosek, Mahzarin Banaji, and Anthony G. Greenwald, "Harvesting Implicit Group Attitudes and Beliefs from a Demonstration Web Site," *Group Dynamics: Theory, Research, and Practice* 6, no. 1 (2002): 101.

“objective”.<sup>93</sup> As Wilson’s critique of the “objective” criteria is strong, it becomes important that admissions and hiring decisions are made by a diverse committee, or a committee that will not fall into the trap of individualistic explanations for social behavior that he identified.<sup>94</sup>

While people argue for colorblind policies instead of affirmative action, which some perceive as colorblind racism, the Texas Top 10% law provides one case to illustrate the effectiveness of class-based affirmative action.<sup>95</sup> In the wake of legislation banning racial preferences in higher education in Texas, a plan known as the Texas Top 10 was implemented, which mandated that individuals in the top ten percent of their high school class would be accepted to any state university in Texas. The results of this plan were mixed:

"Since one out of ten public high schools in Texas enrolls 90–100 percent minority students, some minority students must be guaranteed acceptance to college under the Texas percent plan. However, the percent plan negatively impacts the probability of admission to the best public colleges in Texas for students outside of the top ten percent of their high school class."<sup>96</sup>

This new program, and the end of affirmative action, reduced the percentage of Black and Hispanic students in Texas who chose to apply to college.<sup>97</sup> If minority students who were not in the top ten percent of their class would have applied to college under affirmative action, the reduction in Black and Hispanic applicants under the top ten rule is rational, since minority students who are not in the top ten do not see their college admissions as likely under the new rules. Additionally, financial aid is still a factor, and one study showed that the Texas Top 10 plan was only effective when admissions offers were followed-up by financial aid awards.<sup>98</sup>

The Texas Top 10 program was effective in some ways – although in the first two years of the plan (1998-1999), admission rates for every minority group except Asians declined, after the second year those rates rebounded to 1996 levels - the last time race-sensitive criteria was used.<sup>99</sup> In this way it was a success and

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<sup>93</sup> Frank Dobbin, *Inventing Equal Opportunity* (Princeton, NJ: Princeton University Press, 2009).

<sup>94</sup> William Julius Wilson, "Race and Affirming Opportunity in the Barack Obama Era" (2012)

<sup>95</sup> Eduardo Bonilla-Silva, *Racism without Racists*, 2014.

<sup>96</sup> Lisa M. Dickson, "Does Ending Affirmative Action in College Admissions Lower the Percent of Minority Students Applying to College?," *Economics of Education Review* 25, no. 1 (2006): 109-19.

<sup>97</sup> *Ibid.*

<sup>98</sup> *Ibid.*

<sup>99</sup> Alon, Sigal, and Marta Tienda. "Diversity, Opportunity, and the Shifting Meritocracy in Higher Education." *American Sociological Review* 72, no. 4 (2007): 487-511.

class rank, rather than standardized test scores, could be used in college admissions and, some scholars argue, achieve results similar to affirmative action.<sup>100</sup> Still, extrapolating the results of Texas is dangerous, as Texas is a unique state with a large residentially segregated minority population.<sup>101</sup>

Residential segregation and the resulting school segregation is important in that in academically struggling and low-resource schools, the highest academic achievers still have a chance to go to college. In this way, if schools are completely segregated, the result will be proportions of students accepted to universities in Texas that are exactly proportionate to the population numbers. However, qualitative differences in schools merit consideration. College-going traditions of schools are important, so for poorer schools that do not offer advanced placement courses and are not geared toward college preparation, their students are less likely to know about the top ten rule and how it works, or how to work it to their advantage.<sup>102</sup> In fact, although top decile students are more likely than others to know their class rank, even this knowledge has racial disparities and Black and Hispanic high school students are less likely to know their class rank and whether or not they are in the top ten accurately.<sup>103</sup> Additionally problematic for Texas due to the large Latino population is the fact that Hispanic seniors in the top ten of their classes are less likely than comparable white students to know much about the admission guarantee; this is due in part for many of these students to their parents' lack of proficiency in English and racially segregated social networks.<sup>104</sup> So while no system is perfect, and some contest the effectiveness of the Texas Top 10 plan,<sup>105</sup> it is an alternative to affirmative action that has promoted diversity in higher education more than having no program at all. This does not, however, mean class-based affirmative action is the most effective for remedying racial inequality. In fact, although UCLA law school's class-based affirmative action increased the socioeconomic diversity of the student body, they saw a dramatic decline in the enrollment of blacks and American Indian students – the racial diversity at the law school suffered.<sup>106</sup> Class-based affirmative action is better than nothing, but does not address racial inequality as well as race-based policy.

With some of the valid criticisms of affirmative action noted, what other

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<sup>100</sup> Ibid.

<sup>101</sup> Ibid.

<sup>102</sup> Sunny Xinchun Niu, Teresa Sullivan, and Marta Tienda, "Minority Talent Loss and the Texas Top 10 Percent Law\*," *Social science quarterly* 89, no. 4 (2008): 831-45.

<sup>103</sup> Ibid.

<sup>104</sup> Ibid.

<sup>105</sup> Sigal Alon and Marta Tienda, "Diversity, Opportunity, and the Shifting Meritocracy in Higher Education" (2007).

<sup>106</sup> Richard H. Sander, "Experimenting with Class-Based Affirmative Action," *Journal of Legal Education* (1997): 472-503.

race-based policies might be the most effective? Some have made strong and convincing cases for reparations.<sup>107</sup> While residential options for African American have been systematically reduced through policy, the income and wealth gap have also contributed to difficulty in integrating neighborhoods.<sup>108</sup> Wealth inequality is a tremendous barrier for people of color – particularly African Americans. A strong policy for addressing economic inequality might involve a calculated effort to compensate those who have been prohibited historically from benefitting from government policies that helped build the white middle class.<sup>109</sup> The results of neglect from these policies could be calculated and a one-time payment given to families whose wealth is depressed due to discriminatory government practices. The cost of this would likely be small in comparison to the social costs that wealth inequality incurs on society, and would be substantially less than recent government bailouts for large corporations.<sup>110</sup> While it may be difficult to hide, including reparations in a “hidden agenda” would be crucial for addressing racial inequality.

## Conclusion

“The Market” is often invoked in the same way as a deity; as an all-knowing, all-powerful, perfectly just force. As a result, markets are believed to hold the values, especially in the United States, that many hold dear. Equality and fairness are two of those values. Some have argued that debates over affirmative action and race-based social policies are “shell” debates that in essence concern the “core” issues of liberty and justice.<sup>111</sup> Opponents of race-based policy might argue against this perspective, instead arguing that the market is inherently fair and just.

Colorblindness could, in principle, be considered a fair idea; but colorblind policies should not be implemented in a society where rewards, life chances, and opportunities are distributed disproportionately based on one’s color. In order to deal with racial inequality adequately, race must be considered. As outlined above, a number of government policies and programs in recent U.S. history have been designed, color-blind or otherwise, to benefit white Americans disproportionately. The result is persistent racial inequality between whites and

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<sup>107</sup> Dalton Conley, *Being Black, Living in the Red*, 2009.

Melvin L. Oliver and Thomas M. Shapiro, *Black Wealth, White Wealth*, 2006.

Wilson, William Julius. *The Truly Disadvantaged*. 1987.

<sup>108</sup> Ira Katznelson, *When Affirmative Action Was White*, 2005.

Douglas S. Massey and Nancy A. Denton, *American Apartheid*, 1993.

Melvin L. Oliver and Thomas M Shapiro, *Black Wealth, White Wealth*, 2006.

<sup>109</sup> Ira Katznelson, *When Affirmative Action Was White*, 2005.

<sup>110</sup> Dalton Conley, *Being Black, Living in the Red*, 2009.

Joe R. Feagin, *The White Racial Frame*, 2010.

<sup>111</sup> Akil Kokayi Khalfani, *The Hidden Debate: The Truth About the Battle over Affirmative Action in South Africa and the United States* (New York, NY: Routledge, 2006).

African Americans specifically in almost every major area including wealth, educational attainment, and most measures of health. In addition, research indicates the continuing significance of race and racial discrimination; historical and contemporary racism both factor into the racial inequality rampant today. The market is clearly not colorblind, and there is sufficient justification for broad-scale, race-based social policy. In fact, more aggressive race-based policy is necessary to compensate for contemporary discrimination, amend for past discrimination, and for race-neutral policies to ever truly be fair in the future. From its inception, affirmative action was vaguely defined and opposed by the majority; the result was a relatively weak policy that, although it provided opportunities for advancement, fell far short of complete elimination racial inequality (Dobbin 2009; Skrentny 1996).<sup>112</sup> Instead, a more aggressive race-based policy, grounded in the research summarized above and the wealth of other research on racial inequality, is needed to achieve fairness in the market. The unearned reputation of a colorblind, fair market is a lie, and colorblind policies are not sufficient in a market that, the overwhelming majority of evidence indicates, is substantially impacted by race.

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<sup>112</sup> Frank Dobbin, *Inventing Equal Opportunity* (Princeton, NJ: Princeton University Press, 2009).  
John D. Skrentny, *The Ironies of Affirmative Action: Politics, Culture, and Justice in America*.  
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