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# What Do We Really Know About Racial Inequality? Labor Markets, Politics, and the Historical Basis of Black Economic Fortunes

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## Abstract

Racial earnings inequalities in the United States diminished significantly over the three decades following World War II, but since then have not changed very much. Meanwhile, black–white disparities in employment have become increasingly pronounced. What accounts for this historical pattern? Sociologists often understand the evolution of racial wage and employment inequality as the consequence of economic restructuring, resulting in narratives about black economic fortunes that emphasize changing skill demands related to the rise and fall of the industrial economy. Reviewing a large body of work by economic historians and other researchers, this article contends that the historical evidence is not consistent with manufacturing- and skills-centered explanations of changes in relative black earnings and employment. Instead, data from the 1940s onward suggest that racial earnings inequalities have been significantly influenced by political and institutional factors—social movements, government policies, unionization efforts, and public-employment patterns—and that racial employment disparities have increased over the course of the postwar and post-1970s periods for reasons that are not reducible to skills. Taking a broader historical view suggests that black economic fortunes have long been powerfully shaped by nonmarket factors and recenters research on racial discrimination as well as the political and institutional forces that influence labor markets.

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It is well recognized that racial earnings inequalities in the United States diminished significantly over the thirty years following World War II. Since that time, relative racial wages—and in particular black wages compared to those of whites—have remained largely unchanged even as black unemployment has risen to very high levels.<sup>1</sup> What accounts for these historical patterns?

Sociologists of inequality have not produced a large and coherently integrated body of work that directly examines the relationship between racial earnings, employment, and labor-market changes. Foundational investigations tended to focus on the relative influence of supply-side factors (such as human capital) and demand-side characteristics (labor-market segmentation, employer skill demands, occupational segregation and devaluation) on racial wage gaps. Subsequent sociological research continued along these lines, while also directing expanded attention to the role of family structure and, less often, government affirmative-action policies.<sup>2</sup> In the process, sociologists increasingly ceded to economists the study of how racial disparities in earnings might relate to historical changes in the economy and general wage structure as well as to more episodic shifts in politics and policy. If the contending explanations offered up by economists—with certain researchers emphasizing market factors and others institutional factors—have resulted in a lively and ongoing debate in labor economics, sociological thinking across a range of subfields came to be strongly influenced by William Julius Wilson's claims that post-1970s processes of industrial restructuring were centrally responsible for declines in black employment rates and earnings. As a result, the notion that contemporary racial inequality was closely linked to economic restructuring and skills mismatch became especially pronounced, even though the empirical support for such a connection was mixed at best.<sup>3</sup>

Sectoral and skills-based arguments have figured prominently, in fact, in explanations of relative racial earnings changes both prior to the 1970s and thereafter. Post-World War II gains in relative wages by African Americans, for example, were attributed in long-influential accounts to the education-related advances that flowed from northern migration, along with the expansion of a manufacturing economy with relatively low skill demands.<sup>4</sup> The rising tide, as was so often asserted, lifted all boats. Skills mismatch became central, in turn, to explanations of racial disadvantage with the claim that post-1970s manufacturing job losses had particularly acute impacts on the employment and earnings of African Americans because these workers were disproportionately concentrated in this sector and because they were less able to meet the skill demands of the new jobs that emerged. Although this post-1970s mismatch argument is often associated with Wilson's assertion that racial discrimination has declined in significance as a determinant of black economic fortunes, it is notable that Loïc Wacquant, who argues that racial "exclusionary closure" remains an important cause

of black workers' socioeconomic marginality, also presents a historical account of black inequality that emphasizes the racially disproportionate impacts of 1970s-era job losses in the manufacturing sector.<sup>5</sup> Whether understood in relation to Fordist/post-Fordist regimes or industrial/postindustrial orders, then, racial inequalities continue to be seen as closely tied to the expansion or contraction of lower-skilled industrial employment in a range of historical explanations.<sup>6</sup>

Yet there are significant empirical problems with these skills- and manufacturing-based historical accounts. Studies by economic historians, for instance, indicate that the timing of black wage gains over the course of the postwar period is not consistent with the gradual improvement one would expect to see if this progress had resulted from supply-side market changes, such as human-capital advances stemming from educational gains by blacks. A similar lack of fit plagues the use of skill-based and sectoral shifts in the economy to explain the post-1970s changes in relative racial wages.<sup>7</sup> Furthermore, sectoral patterns of black employment concentration in certain postwar cities tend to complicate explanations that emphasize manufacturing-sector jobs as the central ladder to black economic progress, while long-term trend data on black unemployment seems to undermine the analytical purchase of deindustrialization-centered accounts of late-twentieth-century racial economic disparities. Much of this research also begins to build a compelling case for the significant influence of various government-led practices—from affirmative action to mass incarceration—on the relative racial impacts of U.S. labor markets.<sup>8</sup> There has been little effort to-date, however, to examine this revisionist work and its historical implications in a systematic fashion, even as the assumed solidity of skills-mismatch explanations continues to discourage the investigation of important but still unanswered empirical questions. For these reasons, it is useful to revisit what we know, and do not know, about the historical evolution of racial labor-market inequalities.

This article examines patterns in black earnings and employment since the 1940s. Building on recent studies by economic historians and other researchers, we find considerable evidence that challenges enduring notions that the economic fortunes of African Americans after World War II have been consistently linked, for better and then for worse, to the fate of the manufacturing economy. This evidence also indicates that racial patterns of earnings inequality, employment-sector concentration, and labor-force participation were strongly shaped by political forces—such as social-movement mobilizations, shifting government policies, unionization efforts, and evolving public-employment opportunities—throughout the postwar and the post-1970s periods.

The following sections develop this claim in three stages. First, we examine recent studies in economic history that offer compelling evidence that the postwar ebb and flow of racial earnings inequalities was the result of conjunctural shifts in political conditions or government policy, focusing in particular on the 1940s and on the 1960s and 1970s. Second, the article looks at post-1970s racial earnings disparities in relation to broader changes in the political economy, finding significant support for the claim that institutional factors such as minimum-wage policies and unionization patterns—along with racial discrimination—provide a more persuasive accounting of the evolution

of racial wage trends than do sectoral and skills-related factors. Third, we examine two different kinds of employment-related data with significant bearing on manufacturing-centered explanations of black economic gains and losses. In one instance, emerging findings indicate that manufacturing employment in postwar U.S. cities—even in “Fordist” cities like Chicago—may have been significantly less central to African American economic progress than is typically supposed. In the other, evidence that racial disparities in unemployment emerged as early as the 1940s offers a challenge to explanations of black joblessness that center on post-1970s deindustrialization. Taken together, these various findings provide strong support for the importance of nonmarket determinants of racial wage and employment disparities.<sup>9</sup>

The primary purposes of the article are synthetic and interpretive. Although we do present some new data related to earnings and employment, our intended contribution is not to break new empirical ground but rather to bring together within a single lens an array of research problems and findings whose limited scope (whether in terms of periodization or causal focus) has obscured broader historical patterns and has forfeited the analytical leverage that comes from examining complex sequences of continuity and change. By constructing a more nuanced historical picture, it becomes possible not only to better recognize general tendencies, key turning points, and unexplained anomalies but also to begin to reexamine prevailing skills- and sector-based analyses within an expanded field of causal explanation and in relation to new lines of research on racial labor-market inequalities.

## **Postwar Inequality and Black Earnings Advance: When and Why?**

Recent studies in economic history make it clear that the post–World War II era for African Americans was neither an age of steady relative progress nor one of persistent immobility. Instead, these decades might be best characterized as an extended period of racial-inequality stasis bracketed by two quantum-leap advances. The first of these moments of rapid gain came in the 1940s, when wartime mobilization and a rejuvenated Great Migration—along with other, less well-recognized developments—spurred dramatic increases in African American earnings, both in absolute terms and in relation to whites. A second moment of relative black economic progress took place between the mid-1960s and the mid-1970s, when federal civil rights policies played an especially prominent role in generating wage gains among blacks that significantly outstripped those of whites. Economic historians have examined both of these moments in growing detail, and their insights tend to challenge or complicate longstanding conceptions of the path of black progress.

### *Making Gains: 1940 to 1950*

Much of the recent historical research by economists has focused on the 1940s, a decade that witnessed a substantial contraction in racial wage inequality. Explanations

for these relative racial gains have traditionally emphasized the acceleration of mass migration by millions of African Americans, pushed by the mechanization of southern agriculture and pulled by the growing demand for industrial labor in northern cities. Indeed, the role of migration continues to be seen as substantial; given the striking wage disparities during this period between black agricultural labor and even the most menial urban jobs available to new black arrivals, migration to cities was unquestionably a major factor in the reduction of black–white earnings disparities. Rising educational levels for African Americans, partly the result of northern migration, also figure prominently in traditional explanations of postwar relative-earnings gains.<sup>10</sup> Economic historians, however, recently point to a number of other reasons for this decade’s shrinking racial wage gap: certain factors relate to shifts in the general wage structure; other factors concern policy changes with direct effects on racial discrimination; and still others involve political activities or policies that had indirectly beneficial impacts on black wages and employment.

Economists refer to the changing wage structure of the 1940s as the Great Compression. Over the course of this decade, the wage gap between highest and lowest earners—irrespective of race—declined sharply, both across and within occupational groups. Yet this general pattern did not persist, as the following decade saw a resumption of wage differentiation throughout much of the economy.<sup>11</sup> The causes of wage compression in the 1940s, and of its subsequent reversal, are by no means fully understood. Long-brewing economic and demographic changes, such as sharp reductions in immigration after World War I, may have played a role. Regardless, it is clear that overall wage compression exerted a major influence on racial wage convergence in the 1940s. Robert Margo, for example, finds that mean black–white wage ratios increased about 22 percent (0.202 in log terms) over the course of the decade and attributes a considerable portion of that gain to the impact of the Great Compression.<sup>12</sup> Another significant part of that gain resulted from the accelerated exodus of black workers from low-paying southern agriculture. Economic historians also suggest that the significant movement of black workers “out of service jobs and into manufacturing” accounts for at least some of the decade’s general wage convergence, though even black women who remained in service jobs posted strong relative wage gains during this period.<sup>13</sup> What is most striking, however, is that recent causal interpretations of black–white wage convergence by economic historians give considerable credence to political factors, such as government policy, civil rights mobilization, and union efforts.

Research has focused on a range of different government actions that, while not race-specific, probably resulted in significant black gains. Certain National War Labor Board practices in the early 1940s, for example, permitted wage increases in low-paying jobs despite the ostensible imposition of wartime wage controls. Such policy actions, along with a more general increase in the minimum wage in 1945, tended to benefit black workers significantly because of their disproportionate representation among lower-income workers. More generally, government employees, like those in the private sector, experienced a significant reduction in wage differentials in the 1940s (i.e., wage inequality narrowed), and public-sector employment growth during this

decade likely made a major contribution to the Great Compression.<sup>14</sup> Higher levels of union activity in the 1940s also contributed to raising wages at the lower end of the earnings ladder, both in the private and public sectors.<sup>15</sup> Taken together, these findings suggest that institutional factors unrelated to race played a partial role in narrowing the decade's racial earnings gap.

There were also factors related to race that contributed both directly and indirectly to black wage gains in the 1940s. Growing levels of African American political mobilization early in the decade, including A. Philip Randolph's threatened March on Washington in 1941, played a major role in elevating the importance of civil rights issues within the wartime economy. Randolph's Brotherhood of Sleeping Car Porters was central to pressuring the federal government to develop new policies against racial discrimination, and groups like the National Association for the Advancement of Colored People (NAACP), the National Urban League, and the National Negro Congress pushed local officials to implement these measures.<sup>16</sup>

Among the wartime policies that reduced employment discrimination against black workers, the most prominent were those associated with the Roosevelt administration's Fair Employment Practice Committee (FEPC). First established by executive order in 1941, the FEPC mandated nondiscrimination in government and defense-related industries, but implementation of the order failed to gain much traction. Reformulated by a second executive order in 1943, the FEPC then worked through regional offices set up in sixteen cities to prod recalcitrant employers, largely through persuasion and negotiation, to employ black workers. By 1944, war-industry positions for black workers had finally opened up.<sup>17</sup> Although historical assessments have often argued that the FEPC contributed little to this opening, a recent statistical analysis by William Collins suggests that the committee's wartime efforts are associated with a not-insignificant portion of black defense-related employment gains outside the South, and that these gains outlasted the brief period of the FEPC itself.<sup>18</sup> State-level antidiscrimination laws that were passed in nonsouthern regions also had impacts on the labor market outcomes of black men and, especially, black women.<sup>19</sup> To the extent that a movement of black workers into manufacturing, transportation, and government employment contributed to racial earnings compression in the 1940s, government fair-employment efforts seem to have played a significant role.

Relative earnings gains were also fueled by the antidiscriminatory pressures and lower-income wage demands exerted by unions. The war years represented a dramatic period of union growth, and by 1945 a half million black workers had joined unions affiliated with the Congress of Industrial Organizations (CIO). Not only the CIO unions but many of those associated with the older American Federation of Labor (AFL), which also enjoyed large wartime membership gains, won contracts that rationalized wage standards in ways that often disproportionately, if indirectly, benefited black workers; some unions also began to embrace explicit demands for greater racial parity in wages.<sup>20</sup> Public-sector unionization, while still in its infancy in the 1940s, contributed to relative black gains as well. Low-wage postal employment, for example, long an

important niche for black workers, benefited from aggressive wage demands by an exceptionally strong union during this period.<sup>21</sup>

Economic historians, then, not only see the 1940s as a decade of rather dramatic black progress, but now characterize these historic gains in new ways. The recent emphasis given to causal factors beyond strictly market and demographic ones has implications for how the underlying economic conditions of the postwar era are to be understood. In particular, the important role of 1940s-era policies and mobilizations in reducing the black–white wage gap suggests that earlier historical explanations tended to overestimate the underlying change in the labor-market position of black workers. Recent findings imply that the positive economic returns resulting from postwar black educational advances—another longstanding emphasis—have also been overstated, particularly since increases in black educational levels continued throughout the 1950s while the black–white wage convergence did not.<sup>22</sup> In effect, the gains in racial earnings of the war and early-postwar years reflected not so much human-capital-related advances as they did more momentary shifts in class power, political mobilization, and state strategy.

Black economic progress of the 1940s, therefore, is less likely to be characterized by economic historians today as a “sea change” or “watershed” development.<sup>23</sup> Instead, the progress was spurred by exceptional economic and demographic conditions (sharp increases in mass migration, a wartime economy) whose racial impacts were shaped considerably by a particular confluence of political forces. Governmental policy measures, union advances, and civil rights pressures, taken together, significantly boosted the wages of lower-end workers in general as well as demonstrably reducing the impacts of discrimination on relative black earnings. It is perhaps not surprising that, with a post-1940s widening of the general wage distribution and a significant shift in political forces and policy priorities, the forward march in racial equality became halting at best.

### *Making Gains: 1965 to 1975*

Current scholarship in economic history suggests a similarly revisionist picture of black economic progress during the 1960s and 1970s. Whereas traditional explanations understood the relative black wage gains in this period as the culmination of steady postwar educational improvements, recent studies support the claim that racial earnings compression in the 1960s and 1970s was not so much evolutionary as episodic in nature. Indeed, it appears that the relative economic advances by African Americans during this period, like those in the 1940s, derived less from secular changes in human capital than from factors related to politics and policy. The most important of these seems to have been a shift in federal civil rights policies, particularly the forceful and multifaceted implementation of antidiscrimination mandates in the South.

Relative black male wages grew substantially between the mid-1960s and the mid-1970s, and then subsided. Specifically, Donohue and Heckman show that the overall



black–white male earnings ratio stood at .62 in 1964, rose to .72 by 1975, then fell to .69 by 1987.<sup>24</sup> Black women experienced a similar increase during this period (relative to the wages of white women and white men), though without the same drop-off thereafter.<sup>25</sup>

This decade-long upward shift cannot be explained simply by relative improvements in black education, which are inconsistent with the timing of post-1965 black wage and income gains. As Donohue and Heckman observe, changes in schooling quality occur at a “continuous, slowly evolving pace, with wage gains being experienced only by each graduating cohort,” whereas the relative wage improvement in this period occurred abruptly and across all age groups.<sup>26</sup> It might also be supposed that the booming economy of the late 1960s explains the gains in racial wages, but studies that control for business-cycle effects have consistently shown that an upward shift in black male relative earnings persists independent of macroeconomic conditions.<sup>27</sup> Precisely what caused this shift remains subject to debate, and most explanations point to multiple factors, but there is general consensus among economic historians that a significant portion of the mid-1960s-to-mid-1970s gain was related to civil rights enforcement, primarily in southern states. This consensus is supported by post-1960 regional trend data showing a more pronounced upward shift in relative black earnings in the South, which now supplanted the Midwest as the region of strongest racial gain.<sup>28</sup> When combined with other evidence, such a regional focus suggests that the implementation of federal anti-segregation laws—the Civil Rights Act of 1964, the Voting Rights Act of 1965, and other measures—resulted in rather dramatic impacts on employment discrimination, and by extension on relative racial earnings, in a region where black wages had been historically low.

The empirical support for this federal-pressure hypothesis, associated most directly with James Heckman and his coauthors, focuses not simply on the implementation of specific fair-employment laws (such as Title VII of the Civil Rights Act of 1964) but on a broad array of federal interventions in southern states that resulted in major changes in the regional labor market. These interventions involved new governmental efforts to protect civil rights, voting rights, and school desegregation, along with several antidiscrimination efforts specifically focused on employment. The latter included not only Title VII, which established the Equal Employment Opportunity Commission (EEOC), but also the Office of Federal Contract Compliance (created by executive order in 1965) and the Federal Equal Opportunity Act of 1972, which strengthened EEOC mandates and extended them to previously uncovered firms. It is argued that these various federal policy actions, taken within an initial context of tighter labor markets, spurred southern employers to tap a previously excluded black workforce while also encouraging more assertive black job-seeking across the color line.<sup>29</sup> Although certain studies claim that federal actions were most influential within the South’s manufacturing sector, more recent evidence points to considerable impacts in other sectors as well, such as construction and services.<sup>30</sup>

Civil rights enforcement, then, is relatively well accepted today as a major factor in the narrowing of the black–white earnings gap during the years after 1965.<sup>31</sup> Research



that focuses on earnings changes among distinct labor-market cohorts over a longer period of time also supports the importance of civil rights enforcement (as opposed to improvements in black education quality) in the narrowing of the post-1965 black–white earnings gap. That this period of sustained, multifaceted federal policy intervention followed directly upon a full decade of civil rights mobilization suggests the extent to which social movement activity itself is now recognized by economists as a significant contributor to this era’s shift in relative earnings.<sup>32</sup>

One implication of this emphasis on southern relative wage gains is the correspondingly smaller contribution made by northern and midwestern labor markets (the classic “Fordist” industrial cities) to black economic progress during the late 1960s and early 1970s.<sup>33</sup> Although there is some indication that union growth in these regions may have contributed indirectly either to improving relative racial wage gains during this decade or to slowing their subsequent erosion, the literature is silent about exactly which sectors experienced union growth. Of course, unionized manufacturing jobs made some contribution to overall black wage progress, but emerging unions in the public sector likely accounted for a portion of those gains as well. Public sector unionization, which had been relatively small-scale through much of the postwar period, expanded dramatically at the federal level after an executive order by President Kennedy in 1962 and then at the state level following the passage of state public-employee labor laws (first in midwestern states more favorable to unionism) in the late 1960s and early 1970s. While the initial impacts of public unions on wages appear to have been relatively small, those impacts did grow rapidly and entailed spillover effects on the wages of nonunionized public sector workers.<sup>34</sup> Given the concomitant growth in black governmental employment during this period, unionization in the public sector probably had a positive (if indirect) impact on overall black wages.

The dramatic gains in black–white earnings ratios began to subside sometime in the mid-1970s, a trend that continued early the following decade. Explanations for this shift are somewhat contested; these are taken up in the following section. What remains clear is that the economic history literature offers a significantly revised account of black economic progress over the course of the postwar years. For African Americans, this period was not an era of gradual relative progress toward greater earnings equality. Nor was it an age of little or no progress, even though quite powerful forms of institutional discrimination persisted throughout as major sources of black disadvantage. Rather, the economic literature reviewed here suggests that the postwar era is best understood as a roughly fifteen-year period of stasis in racial economic equality between two decades of dramatic (if still limited) advance.

At first glance, this revisionist story may not seem to offer all that much that is new. After all, the end result—that at the conclusion of a three-decade period African American earnings were significantly closer to those of whites than they had been at the beginning—remains the same. Yet this revised picture, taken as a whole, suggests a more punctuated, discontinuous pace of postwar progress and thus a somewhat different mix of causal forces than the conventional wisdom has envisioned. If relative economic progress by blacks was episodic, and if it was linked at least in part to political

struggles and policy changes, then “rising-tide” explanations that emphasize evolving demand- and supply-side conditions—such as advancing industrialization or secular improvements in education—tend to fundamentally mischaracterize a considerable part of the late-twentieth-century story. To be sure, the notion that politics and policy might significantly reshape the contours of racial inequality is hardly news to sociologists and political scientists who study the welfare state.<sup>35</sup> This scholarship has not generally recognized, however, the extent to which economic historians’ recent studies, by moving beyond narrow conceptions of demand- and supply-side factors, provide compelling empirical support for quite nuanced historical accounts in which the ebb and flow of social mobilization, unionization, and government-policy intervention can be taken seriously as explanatory causes of changes in racial labor-market inequality.

### **Post-1970s Inequality and Racial Disparity: When and Why?**

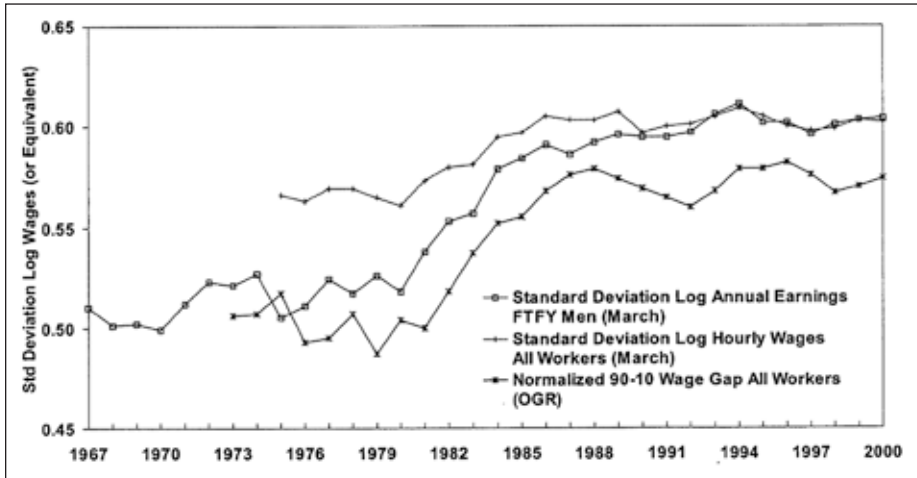
Racial wage gains halted at some point after the mid-1970s. Most labor economists agree that there was little or no improvement in relative racial wages over the remaining decades of the twentieth century, though studies differ on how early the reversal set in and how exactly to characterize the relative lack of progress for black workers. There is also considerable disagreement over how to understand the causes of these racial earnings patterns, along with their relationship to growing racial employment disparities.

What role did deindustrialization play in the shifting picture of black economic fortunes after the 1970s? The notion that industrial employment was the primary route to economic progress for African American workers has figured strongly not only in older accounts of postwar black mobility (as we saw in the preceding section of this article) but also in explanations of why those gains were not sustained amid new economic conditions in the 1970s and beyond. The most influential application of a deindustrialization argument to the question of black economic fortunes is, of course, to be found in the work of William Julius Wilson and John Kasarda.<sup>36</sup> The core claims developed by Wilson pivoted on the observation that discrimination-based explanations fail to account for declines in the economic positions of poor urban blacks over a period when discrimination itself also declined. His own explanation focused primarily on a growing crisis of black joblessness resulting from larger processes of economic restructuring and deindustrialization. Whereas Wilson’s analysis at certain moments pointed to early-warning signs of a looming crisis in the early post–World War II period, his primary attention was directed toward the decades of the 1970s and beyond. His explanation asserted that black employment and earnings advances had been closely linked to a manufacturing economy with relatively low-level skill demands, and that the post-1970s technological shifts of an emerging service economy required new levels of education and skill, with the result that black workers encountered

growing difficulties in meeting employers' demands, particularly during a period of declining public schools.<sup>37</sup>

Debates between labor economists shed light on these questions by examining how the racial wage gap has related to broader changes in the wage structure over recent decades. For several of these researchers, racial labor-market disparities after the mid-1970s—both the black–white earnings gap and the black–white employment gap—can be understood, as in Wilson's account, primarily as the consequence of a broader economic restructuring that involved major shifts in sectoral employment and skill demands.<sup>38</sup> Specifically, higher skill demands within the expanding service sector are asserted to explain much of the late-twentieth-century growth in overall wage inequality. Black workers, in this view, were particularly disadvantaged by these economic changes because of their low skill levels as well as their disproportionate reliance on employment within a receding sector (manufacturing) of the economy. Therefore, the same skills-related approaches that are used to elucidate broader trends in the wage structure are seen as offering the most compelling explanations of black–white earnings and employment patterns.

The following subsections of the article focus, one at a time, on three major issues related to these claims. First, we examine recent debates over the relationship between broader economic trends and wage inequalities generally as well as the possible connection between these trends and racial wage inequalities more specifically. A number of economists have mounted powerful challenges to skills- and sector-based explanations of post-1970s wage inequalities.<sup>39</sup> In the process, these researchers have suggested a range of other factors—such as institutional changes related to government policy and union activity—that might better explain a large portion of the overall wage inequality as well as several of the more puzzling characteristics of recent racial wage disparities. Second, we reexamine the deindustrialization argument at the urban level. Although most of the economic literature examines national-level samples, Wilson's claims were centered on the disproportionate racial impacts of sectoral changes in urban economies. Recent studies in sociology and geography, including those focused on Chicago, have begun to modify this emphasis on the centrality of the urban manufacturing sector to black employment (and subsequent loss of employment), and we review this research with an eye toward its implications for conventional explanations of black economic fortunes. Third, we reconsider a distinctive feature of those fortunes—disproportionate black joblessness—within a broader historical context. Recognizing the importance of this phenomenon as well as its growing influence on late-twentieth-century racial employment patterns, we demonstrate that the emergence of a durable racial employment disparity in the 1940s and its subsequent persistence are not consistent with skills-based accounts. These data not only further call into question 1970s-centered deindustrialization accounts but also lead the discussion of this article full circle, bringing issues of racial earnings and employment into greater focus within a single macrohistorical frame.



**Figure 1. Aggregate Wage Inequality**  
 Source: Card and DiNardo, 2002, p. 747.

Note: Annual earnings for full-time-full-year (FTFY) male workers and hourly wages for all workers are drawn from the March Current Population Survey. Data on the 90-10 wage gap are from the Outgoing Rotation Groups (OGRs) of the monthly Current Population Survey.

### *Wage Inequalities: Economic Restructuring, Skills, and Institutional Factors*

Skills-based explanations rely on economic restructuring to explain both general and racial wage inequality. Major economic changes since the 1970s, it is suggested, led to significant shifts in skill demand, resulting in a rise in general wage inequality that particularly disadvantaged lower-skilled black workers. Given the focus of this explanation, it is important to examine post-1970s patterns of racial wage inequality in relation to broader trends in the U.S. wage structure. Yet the possible causes of broader wage trends have been much debated among economists over the past two decades, and it is important to unpack the key disagreements within these debates in order to elucidate their implications for explanations of racial earnings disparities.

There is general agreement on the basic trends in overall wage inequality in recent decades (Figure 1). Depending on measures, general wage inequality remained relatively stable or declined during the 1970s, then increased sharply during the 1980s before stabilizing again or rising slightly over the course of the 1990s.<sup>40</sup> Predominant explanations of the post-1970s rise in general wage inequality tended to focus primarily on a shifting demand for skills. Converging on the notion of skill-biased technological change, these explanations have suggested that the relative demand for highly skilled workers—and thus the wage returns to those who have such skills—increased significantly in the 1980s, largely because of technological changes (such as the growing use of computers) in the workplace.<sup>41</sup> Those without such skills were left behind, and the growing skills premium received by highly skilled workers (particularly among the college-educated) drove the increase in overall earnings inequality.

Critics have argued that skills-related arguments fail to explain much of the U.S. wage structure as it evolved during the 1980s and 1990s. One weakness is that aggregate wage inequality did not increase consistently during those decades, as might be expected if the gap resulted from growing returns to skill. Instead, a considerable portion of the rise in inequality was concentrated in the early 1980s, with the rate of growth in the wage gap slowing significantly thereafter. Furthermore, overall wage inequality did not increase during the technology boom of the late 1990s, which further undermines the notion that skills-related changes in technology were driving wage patterns.<sup>42</sup> To be sure, most revisionists do not dismiss the role of demand-side skill shifts entirely. Yet the bulk of the evidence suggests that skills are merely one factor—and probably not the most important factor—in the post-1970s changes in wage inequality.

Skills-related claims centered on 1970s-era deindustrialization have fared even more poorly. As Martina Morris and Bruce Western have noted, the trend toward shrinking employment in manufacturing and growing employment in the service sector actually began as far back as the mid-1950s and continued steadily thereafter.<sup>43</sup> Although there is evidence that displaced workers in the 1970s and 1980s did experience significant wage penalties, both proponents and critics of skills-based explanations have found little support for the claim that shifts in employment between industries explain much of the rise in aggregate wage inequality that began in the 1980s. In an analysis of wage differentials across a large number of industrial sectors, David Card and John DiNardo, for example, found that within a handful of “outlier” sectors, including the steel industry, a combination of rising trade pressures, deunionization, and shifts in employment toward the South led to pronounced reductions in wage premiums during the 1980s. Yet their study does not find a pattern of wage shifts associated with sectoral shifts in general, nor does it suggest much support for the claim that industry wage differentials represent returns to skills driven by technological change.<sup>44</sup>

Taken together, these critical observations set the stage for a revisionist approach to the post-1970s wage inequality that places much more prominent emphasis on institutional causes. This revised explanation argues that because much of the change in equality was concentrated in the period of the early 1980s, its more episodic or staggered characteristics are best understood not by supply- and demand-side explanations but by a combination of more conjunctural or “mundane” developments.<sup>45</sup> Most prominent among these developments is the fall in the real value of the minimum wage, which declined by roughly one-third over the first half of the 1980s, leading to a steep decline in the influence of the minimum wage on the low-wage labor market.<sup>46</sup>

Revisionists also contend that declines in unionization, which accelerated during the 1980s, are probably a factor in the growth in general wage inequality. Various studies suggest that falling union densities may account for as much as 20 percent of the rise in wage inequality among male workers.<sup>47</sup> While one might expect these declines to be concentrated most heavily in manufacturing industries, Card found similar declines in private-sector union membership between 1973 and 1993 among men across regions and industries (such as construction, manufacturing, transportation, communications, and retail trade) that experienced very different employment trends. This pattern makes it unlikely that union decline was itself linked to sector-specific demand conditions.<sup>48</sup>

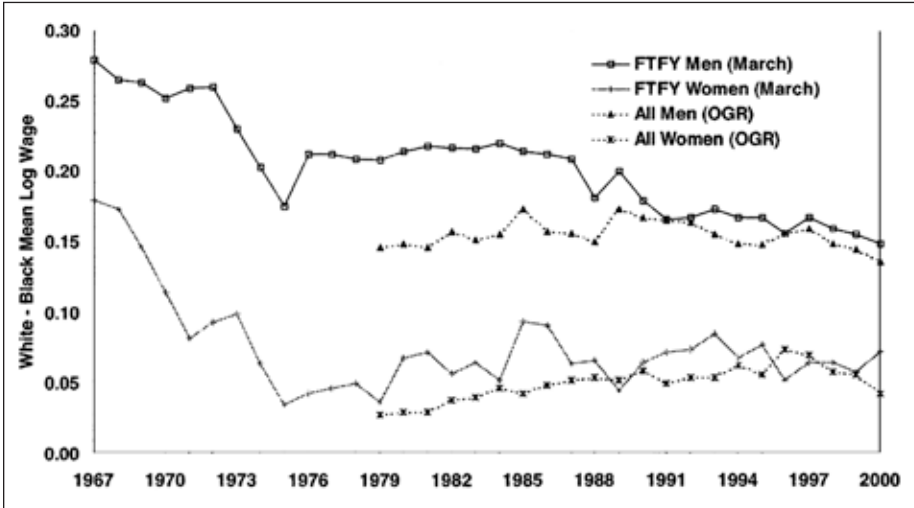
Rather than a general increase in the demand for skills, then, revisionist accounts of post-1970s wage inequality trends suggest a range of factors that, at different moments, expanded inequality at different points in the wage distribution. In short, the conventional notion that skills and sectoral shifts constitute the central dynamic behind post-1970s wage patterns in general—a notion that has persistently shaped sociological thinking about racial wage inequality—is no longer well supported by labor economists.<sup>49</sup>

To what extent do these revisionist explanations account for changes in *racial* wage inequality? Although there is a general consensus in the economic literature that the black–white wage gap, following the dramatic narrowing of the mid-1960s to mid-1970s, experienced a period of reversal, there is less agreement on how the new pattern might be characterized or best explained. Early studies disagreed over whether the reversal of the late 1970s and early 1980s represented a brief setback or the onset of a more gradual and long-lasting stagnation.<sup>50</sup> This uncertainty was also linked to broader disagreement over whether black–white wage differentials were responding to changes in the overall structure of wages and, in particular, were reflecting an economy-wide increase in the earnings premium for skilled workers. James P. Smith, for example, concluded that sharp increases in returns to skill for all workers expanded the racial wage gap. John Bound and Richard Freeman found an array of factors that could have been driving racial wage losses among different subgroups of black men, but emphasized the loss of manufacturing jobs and changing skill demands in the case of less-educated low-wage workers.<sup>51</sup>

Revisionist explanations make clear, however, that post-1970s trends in the racial wage gap were quite different from the long-term trends in overall wage inequality.<sup>52</sup> At a minimum, one might expect to see somewhat similar trends in racial earnings patterns and the general wage structure, yet these two dimensions of wage inequality exhibit little parallel movement.

For example, overall wage inequality remained relatively stable during the 1970s, while the wage advantage of white workers over black workers fell sharply (Figure 2). Most of this change took place during the first half of the decade. Over the course of the 1980s, when overall wage inequality was rising, the black–white wage gap changed very little; in the 1990s, as increases in overall wage inequality tapered off, racial wage gaps continued as before.

On similar grounds, revisionist analyses also challenge skills-related explanations of rising racial wage differentials. Skills-based accounts suggest that, if blacks are less skilled than whites on average, then post-1970s changes in skill should have led to downward pressure on black–white earnings ratios. In fact, they did not. David Card and Thomas Lemieux found that as returns to skill rose for all workers between 1979 and 1985, the racial wage gap remained constant over the same period—a finding that calls into question the proposed link between rising returns to skill and racial wage disparities. Alternatively, Card and Lemieux contend, because a change in returns to skill did not affect the black–white wage gap, discrimination may better explain the flattened trajectory of black earnings.<sup>53</sup> Meanwhile, the racial wage gaps for high-school-educated and college-educated men and women across different age groups were similar to the



**Figure 2.** White-Black Wage Gaps

Source: Card and DiNardo, 2002, p. 760.

Note: Annual earnings for full-time-full-year (FTFY) male and female workers are drawn from the March Current Population Survey. Data on all male and all female workers are from the Outgoing Rotation Groups (OGRs) of the monthly Current Population Survey.

corresponding gaps for all education groups and followed roughly similar trends, according to a separate study by Card and DiNardo. If skills-based arguments were correct, certain differentiated impacts on the black-white wage gap should be evident when looking at different education cohorts. Card and DiNardo do not find such impacts.<sup>54</sup>

The result is that economists' explanations of the post-1970s evolution of overall wage inequalities and racial wage disparities remain surprisingly unsettled. Evidence in support of both demand-shift accounts (i.e., deindustrialization) and skills-related explanations (i.e., skills mismatch) has turned out to be surprisingly weak. The revisionist view on racial wage inequality suggests that recent black-white wage trends have moved, to a considerable extent, independently of broader trends in economic restructuring. In the case of economic scholarship on the postwar period, this recognition long ago opened the door (as we saw earlier) to historically anchored consideration of a fuller array of causal determinants, from government employment and affirmative-action measures to wage policies and union trends. Similarly path-breaking investigations of post-1970s racial wage patterns are beginning to emerge, but a more comprehensive reappraisal awaits further research.

### *Deindustrialization and the City*

It seems clear that the recent economics literature on racial wage inequality does not offer strong support for the influential claims by Wilson and others that late-twentieth-century declines in black economic fortunes were centrally related to 1970s-era

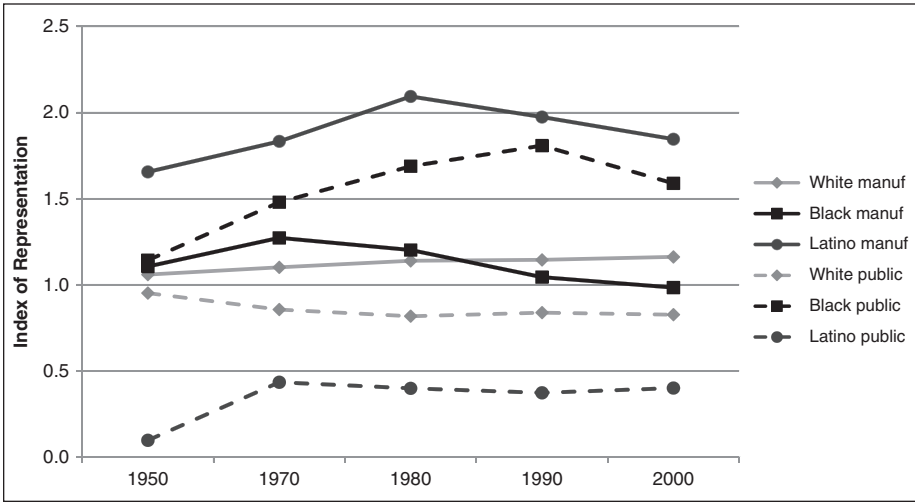


deindustrialization and an ensuing shift in demand for skills. Yet this literature tends to examine national-level samples, whereas Wilson's key claims were often centered on the disproportionate racial impacts of sectoral changes in urban economies. Relying on John Kasarda's findings, for example, which correlated a precipitous drop in central-city manufacturing jobs with significant increases in black urban poverty, Wilson theorized that a post-1970 shift in the economic base of cities from "centers of goods processing to centers of information processing" tended to disadvantage black workers in particular because of the higher educational requirements for new urban jobs.<sup>55</sup> In effect, the claim is that black workers were doubly hurt by this process of economic change: first, because they were disproportionately harmed by the job displacement and wage impacts brought about by deindustrialization (i.e., blacks suffered more losses); and second, because blacks were more concentrated in the manufacturing sector to begin with (i.e., blacks were more dependent on the jobs that disappeared). Meanwhile, industrial jobs migrated to the suburbs, where residential segregation made it hard for African Americans to follow.<sup>56</sup>

It is worth reexamining the deindustrialization argument, and the evidence for it, at the urban level. Early critics of Wilson's account tended to focus on New York City, where black economic trajectories did not fit the Fordist stereotype. Roger Waldinger showed that blacks were never disproportionately concentrated in New York's manufacturing sector. By the 1950s and 1960s, as the city's industrial base began to erode, black workers employed in that sector were already "deindustrializing" along with their white counterparts even as relative wage disparities narrowed between blacks and whites in general.<sup>57</sup> Of course, this case might be seen as somewhat exceptional; New York, unlike cities such as Detroit and Chicago, possessed relatively small numbers of the sorts of better-paying jobs that were concentrated in heavy industry. There is evidence, however, that black male employment share within this sector actually peaked during the 1940s, even in the Midwest region.<sup>58</sup> Indeed, once one examines in more detail the picture of postwar black employment concentration in Chicago (as we will do shortly), there are further reasons to question the central role given to post-1970 deindustrialization in many explanations of the changing late-twentieth-century fortunes of African Americans.

Recently, sociologists and geographers of immigration interested in the respective labor-market trajectories of native-born black and immigrant workers have begun to examine more closely the relative shifts over time in the sectoral employment concentrations of African Americans. Some of this research supports the notion that postwar black workers were less concentrated in manufacturing jobs than is often supposed. Nelson Lim, for example, in a study of African American employment concentrations in five U.S. cities (New York, Chicago, Miami, Los Angeles, and San Francisco), found that while black employment in manufacturing increased substantially after 1940, it did not represent in 1970 the principal sector of employment concentration for blacks, even in Chicago.<sup>59</sup>

It is instructive to focus on Chicago more closely. After all, if industrial employment deserves to dominate the story of black economic progress anywhere, it should do so



**Figure 3.** Employment Concentration by Sector, Chicago 1950-2000

Source: Calculations from Parks, 2011, using the Integrated Public Use Microdata Series.

Note: Index of representation is the ratio of a group's share of employment in an industry relative to the group's share of total employment. Sample includes employed, civilian male workers ages 18-64. Microlevel data at the CMSA (Consolidated Metropolitan Statistical Area) level are not available for the 1960 decennial census.

in the case of Fordist Chicago, where a large postwar manufacturing sector clearly became an important employer of black workers. There is also ample documentation that metropolitan Chicago lost enormous numbers of industrial jobs during the 1970s and 1980s, many of them held by African Americans.<sup>60</sup> What has been less clear is the *relative* importance of industrial-sector employment for black Chicagoans (relative, that is, both to other workers and to other job sectors that employed black workers) over the course of this period, and thus the relative impacts on those workers of large-scale losses in manufacturing jobs.

Such questions have not been fully explored. Nevertheless a recent study by Virginia Parks, which examines the changing sectoral dependencies of black workers in Chicago during the decades after 1950, finds that black men in this metropolitan area have not been as disproportionately concentrated in manufacturing as is often supposed.<sup>61</sup> By the end of the 1940s, black men in particular (but also black women in somewhat smaller numbers) were strongly represented in Chicago's manufacturing sector; in the decades that followed black workers continued to rely on the goods-producing industry as an important source of jobs but little more so than white workers did. In fact, Parks contends that black men and white men were, for the most part, similarly dependent on manufacturing for employment between 1950 and 2000 (Figure 3). This similarity is particularly striking when contrasted with the high level of employment concentration in manufacturing exhibited by Latinos—a group more dependent on manufacturing

than blacks or whites throughout the fifty-year period. At minimum, such comparisons reveal the inadequacy of sector concentration as the supposed key to a group's economic outcomes.

Furthermore, the industrial sector as a source of black men's jobs did not go unrialed. Public-sector employment, Parks observes, also became an important and growing job sector for African American men in Chicago during the decades after 1950; indeed, these workers came to depend more on government employment than on manufacturing over this period. Moreover, black men were more highly concentrated in (and thus more reliant on) public-sector employment than were white men. Even as public-sector employment contracted during the 1980s, black men increased their concentration. What this evidence suggests is that black workers in Chicago, after eagerly pursuing the manufacturing jobs that opened up in the 1940s, found a second path to economic advancement that may have offered distinct advantages (such as less ethnically based practices of hiring and promotion) to a racially stigmatized group of workers.<sup>62</sup> Given that the 1940s-era surge in black industrial employment winnowed thereafter, it is possible that, well before the end of the postwar era, manufacturing jobs had come to be seen by African Americans as a comparatively receding sector of opportunity.

The problem with an emphasis on 1970s-era deindustrialization, in other words, may be deeper than its lack of chronological fit. The longstanding assumption that manufacturing employment offered a singular path to upward mobility may be simply unwarranted—and not only for African Americans but, as Waldinger has suggested, for many European immigrant groups as well.<sup>63</sup> If the mobility paths of different groups of working-class Americans (along with the respective economic returns of these paths) have been considerably more varied—and perhaps even idiosyncratic—than is often supposed, all the more reason, then, to recognize the complex political and institutional conditions that may shape any given group's labor-market trajectory. In this case, it could be time to move beyond the notion that the late-twentieth-century path taken by African Americans represented an ill-timed or poorly executed effort to travel a supposedly universal route.

### *The Distinctive Nature of Black Joblessness*

Abandoning long-held assumptions about manufacturing and mobility makes it possible to recognize a genuinely distinctive feature of black economic fortunes in its proper historical context: disproportionate black joblessness. The racial unemployment gap represents an important puzzle for social scientists, and one that is increasingly being considered in connection with racial earnings disparities.

Sociologists from various perspectives have emphasized the rise of this phenomenon in recent decades, with Wilson and Wacquant both linking the growth in black unemployment and labor-force detachment directly to post-1970s bouts of deindustrialization.<sup>64</sup> Wilson's well-known argument asserts that increasingly high rates of unemployment among urban blacks through the 1980s and beyond have stemmed both

from a disproportionate concentration of blacks in the manufacturing sector and from the higher skill requirements of jobs in the postindustrial economy. Accordingly, skills mismatch and its corollary—declining school quality—figure prominently as explanations of the persistence of black joblessness in the decades that follow post-1970s deindustrialization.

It is important to recognize, however, that black joblessness first emerged as an exceptional disparity as early as the 1940s. Economic historian William Sundstrom identifies the 1940s and 1950s as the beginning of the “modern racial unemployment gap,” tying its emergence temporally to the second Great Migration. Even in the midst of postwar decades, such as the 1940s and the 1965–1975 period, that saw advances by African Americans in the form of dramatic racial wage gains, an unemployment gap between black and white workers opened up and persisted.<sup>65</sup> Data on labor-force participation exhibit a similar pattern: already by the 1940s, rates of black male non-participation began to diverge from those of white men, and this divergence would also grow over the remainder of the twentieth century.<sup>66</sup>

For all its distinctiveness, the racial disparity in joblessness is addressed by far fewer scholarly studies than the racial wage gap. Among those that do examine racial unemployment trends, researchers find some evidence that points to the effects of demand- and supply-shifts. Bound and Freeman, for example, suggest that both types of shift influence the decline in employment among young black men during the 1980s. Robert Fairlie and William Sundstrom find that a demand-shift away from less-educated workers partially accounts for the rising racial unemployment gap between 1960 and 1990, but they also discover that educational gains among African Americans attenuated the increasing gap; in fact, the two effects cancel one another out in their analysis.<sup>67</sup> M. V. Lee Badgett, in a study of the 1970s and 1980s, finds weak support for skills-related impacts on racial employment disparities but argues that further research is needed to clarify why such an effect would have a disproportionate impact on blacks. She postulates that the relatively reduced outflow of less-educated black men from unemployment to employment might result not so much from a skills mismatch—given that other similarly skilled workers *did* leave unemployment in greater proportions—as from discriminatory hiring practices.<sup>68</sup>

Strikingly, research to date indicates that most of the growth in black unemployment since 1960 *cannot* be explained by deindustrialization or skills mismatch. For example, the unexplained component of Fairlie and Sundstrom’s analysis was large, and the influence of this component widened the racial gap substantially. Thus these analysts conclude that the “*persistence* of the [racial unemployment] gap since 1960 remains an unsolved puzzle.”<sup>69</sup> Among the likely candidates, Fairlie and Sundstrom surmise, are changes in government labor-market interventions, increases in hiring discrimination, reduced antidiscrimination enforcement, and the effects of the criminal justice system. Besides the work of Bruce Western and Katherine Beckett on the effects of incarceration on recent racial unemployment trends, little research has examined these factors.<sup>70</sup> In short, much remains unknown about the causes of a persistent gap in racial unemployment over the past half-century.

**Table 1.** Black–White Male Earnings and Employment Inequality, 1940–2000

	Mean Annual Earnings Ratio	Unemployment Rate		Employment-to-Population Ratio	
	Black–White	% Black	% White	Black	White
1940	0.44	10.4	9.2	0.83	0.84
1950	0.59	7.1	3.8	0.83	0.88
1960	0.56	8.7	4.4	0.80	0.89
1970	0.64	5.8	3.3	0.78	0.87
1980	0.71	11.9	5.6	0.70	0.84
1990	0.70	13.0	5.1	0.69	0.84
2000	0.70	10.7	4.0	0.66	0.82

Note: Sample includes respondents ages eighteen through sixty-four who are not living in group quarters or the armed forces.

Source: Ruggles et al., Integrated Public Use Microdata Series, 2008.

What is already clear, however, is that the emergence of racially disproportionate rates of unemployment preceded the onset of deindustrialization: the pattern first emerged in the 1940s and persisted through the second half of the twentieth century even as blacks made gains on other fronts, most notably in wages. The persistent and growing character of the racial disparity in joblessness is starkly illuminated when we situate multiple post-1970 trends in labor-market inequality within this longer historical context.

Table 1 juxtaposes racial earnings and employment changes over the sixty-year period between 1940 and 2000. There are two notable patterns that emerge from these data. First, racial wage and black unemployment patterns fluctuated in tandem between 1940 and 1970 (e.g., racial wage inequality and black unemployment each declined during the 1940s and the 1960s), suggesting that black access to jobs was probably affected by many of the same policy and institutional changes that influenced the racial earnings gap during these periods. Second, it is also clear, however, that black and white rates of labor-force participation (measured here by an employment-to-population ratio) began to diverge as early as the 1940s, and the gap between these two rates widened significantly over the next fifty years. In effect, the distinctive character of black joblessness became more pronounced irrespective of whether blacks made gains on other fronts.

This early onset of black joblessness raises an important question with respect to the postwar episodes of relative black wage gains discussed in an earlier section of this article. Are these apparent wage gains merely the statistical product of mounting labor-force detachment? Economists have engaged in considerable debate over this question, particularly with respect to the 1965–1975 period. The balance of scholarly opinion seems to be that these racial wage gains are not, at least for the most part, simply an

artifact of growing black labor-force detachment.<sup>71</sup> Yet the concomitant rise in black joblessness and in relative racial earnings is a complex postwar pattern that still remains to be fully explained, and one with great relevance to the investigation of contemporary racial inequalities.

Other scholars have demonstrated the implications of high levels of black joblessness for recent patterns of wage inequality, with several studies showing that the increasingly large cohort of poor black individuals outside of the labor market has quite substantial impacts on recent data on racial wage disparities. Bruce Western and Becky Pettit, for example, have drawn attention to the growing numbers of incarcerated black men from the 1980s onward, and show that measures that do not account for the actual rate of black male joblessness (including both institutionalized and non-institutionalized individuals without work) inflated black earnings among working-age men between 7 percent and 20 percent from 1980 to 1999.<sup>72</sup> These studies suggest an increasingly significant role for hitherto-unconsidered government policies and practices, such as incarceration, not only in terms of their impact on labor markets but also on the data that represent those “market” outcomes.

One effort to explain the early onset of black joblessness involves a fundamentally different reading of the historical roots of contemporary black disadvantage. Michael Katz and his co-authors contend that “black men’s inability to find work in the regular labor market is not the residue of a golden age when many worked at well-paying industrial jobs. Its origins lie in the shift of black men out of agriculture and their relative inability to move—as had white men—into other kinds of work.”<sup>73</sup> In effect, the argument is that chronic black male joblessness was the consequence not of deindustrialization but, rather, of an insufficient diversity of northern employment—specifically, an early postwar moment of constricted entry into the manufacturing sector that was only partly offset by the opening of an alternate route into public-sector employment.

Similarly, we suggest that this inability to penetrate multiple segments of the labor market probably played a key role in subsequent black fortunes as well. Deindustrialization accounts, by overemphasizing the role of manufacturing unemployment and the changing skill demands of a postindustrial economy, tend to occlude alternative causes of the growing post-1970s black joblessness. These underinvestigated sources of disadvantage are likely to be found in longstanding race-specific structural and institutional factors that again constricted black employment options—this time, in the 1970s and 1980s—and impeded the uptake of displaced black manufacturing workers into other kinds of work even as their similarly skilled white counterparts moved into new job sectors. Research on employment practices in the 1990s, for example, reveals discrimination at the point of hiring as one possible factor, especially among employers who select on so-called “soft skills” for entry-level jobs.<sup>74</sup> Such findings, when seen within the longer perspective taken here, open up to scrutiny the possibility that certain processes of racial exclusion have persisted—or have been reconstituted at multiple moments—across the industrial and postindustrial divides.

In any event, it is clear that accounts that center on deindustrialization offer a limited purchase on the evolving characteristics of black economic fortunes. Certainly, there

was a significant loss of manufacturing jobs during the 1970s and 1980s, and black workers were seriously affected, especially in the Midwest; there is some evidence that, even today, localities with more industrial employment continue to be associated with relatively higher racial earnings, at least for men.<sup>75</sup> Recognition of the historical persistence of black joblessness, however, further underscores the limits of an emphasis on skills mismatch, directing attention to other structural and institutional factors that might account for such an important and long-expanding disparity.

## Conclusion

Sociological accounts of black inequality in the United States continue to operate with a historical frame that is centered on the racially disproportionate impacts of post-1970s job losses in the manufacturing sector. Whether understood in relation to industrial/postindustrial orders or Fordist/post-Fordist regimes, racial wage and employment disparities are seen as closely tied to the expansion or contraction of lower-skilled manufacturing jobs. Across a range of approaches, the sectoral shifts and changing skill demands of a restructuring economy emerge as the major determinants of late-twentieth-century black economic fortunes.

By contrast, we have argued that political, institutional, and race-specific factors explain much of the evolving pattern of racial inequality over the second half of the twentieth century. Taking an expansive historical view, we reviewed a large body of evidence by economists and other researchers indicating that broader economic shifts rarely corresponded to changes in racial wage and employment disparities and that, at key moments from the 1940s onward, racial labor-market inequalities have been strongly influenced by political or institutional forces: government policies related to discrimination, wages, employment, and incarceration—along with union and social movement activities. These various findings, taken together, suggest a quite different historical account, one that, without dismissing skills-related factors entirely, emphasizes politics, policy, and racial discrimination rather than sector and skills as the most important determinants of racial economic outcomes.

Accounts of racial inequality that focus simply on post-1970s market patterns fail to illuminate broader historical dynamics. The wider historical lens we employ better recognizes episodic changes that followed from short-term shifts in politics and policies, such as the sudden racial wage gains that came as a result of civil rights reform in the post-1964 decade or, conversely, the subsequent losses that were influenced by early Reagan-era wage and labor policies. This macro lens also brings into focus certain long-mounting racial disparities, such as black labor-force detachment, that seem to have been little affected by civil rights reform or restructuring alike. If restructuring-centered narratives of racial inequality tend to be organized around a post-1975 decade that looms as a fateful hinge-point between two distinct economies, our broader historical optic resituates this period as one moment among many in which racial economic disparities exhibit signs of both continuity and change. An important result of such a focus



is to lend greater visibility to racial discrimination—both its tractability and its stubborn persistence—across the decades of the second half of the twentieth century.

The evidence drawn from this longer-term view, then, underscores the continuing significance of race on two fronts. First, racial economic progress over the course of six decades seems to have been profoundly influenced by key moments—such as the early 1940s, the post-1965 decade, and perhaps, in a different direction, the early 1980s as well—when a confluence of political actions shifted the labor-market opportunities available to black workers. The precise dynamics of each moment were historically complex, even unique (and, in the case of the early 1980s, are still insufficiently understood); yet in their different ways these episodes all suggest the capacity of varied combinations of government initiatives and social mobilizations—some of which were explicitly concerned with racial disparities in conjunction with others that were not—to reconfigure labor-market conditions in ways that significantly altered patterns of racial earnings. Second, it is also clear that racial labor-market disparities persist, and even deepen, when the longer-term effects of politically driven interventions dissipate over time. In short, racial economic gains have relied most directly upon momentary shifts in political mobilization, state strategy, and union power rather than on secular trends in human capital or economic restructuring; yet these shifts (perhaps because they have been so momentary) often failed to sustain or build upon whatever gains have been achieved.

This revised account has two central implications for the study of racial labor-market inequalities: the need for greater attentiveness to politics and policy, and the importance of considering racial wage and employment disparities within a broader historical framework. Both implications suggest the usefulness of reexamining the historical ebb and flow of racial wage and employment disparities at key moments of the post-1970s era. As we have seen, revisionist approaches have recently expanded our understanding of the evolution of such disparities within pivotal moments of the postwar era, such as the 1940s and the post-1965 decade. Similar investigations of subsequent pivot-points, such as the late-1970s/early-1980s period, could yield more differentiated explanations of the causes—political and institutional factors as well as the market factors emphasized in restructuring accounts—of shifting patterns in racial inequality. Just as economic historians of the postwar period eventually came to recognize the growing implications of black joblessness for the measurement of racial wage gaps, recent scholarship focused on the 1980s and 1990s has begun to reexamine the relationship between racial wages and employment within a sharpened understanding of political and institutional context.<sup>76</sup> By further investigating such questions at both national and urban levels, it will become possible to develop a more robust and multidimensional *political* economy of how changing policies and institutions function as key determinants of racial labor-market dynamics.

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## Notes

1. See Reynolds Farley, *Blacks and Whites: Narrowing the Gap?* (Cambridge, MA: Harvard University Press, 1984); Reynolds Farley and Walter R. Allen, *The Color Line and the Quality of Life in America* (New York: Oxford University Press, 1987); and Sheldon Danziger and Peter Gottschalk, *America Unequal* (New York: Russell Sage Foundation, 1995). References to “relative racial wages” refer to the relative difference in black compared to white wages, measured either as a ratio of black to white wages or as a gap between black and white wages.
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  4. For an emphasis on education and relative earnings gains, see James P. Smith and Finis Welch, "Race Differences in Earnings: A Survey and New Evidence," in *Current Issues in Urban Economics*, ed. Peter Mieszkowski and Mahlon Straszheim (Baltimore, MD: Johns Hopkins University Press, 1979), 40–73; James P. Smith, "Race and Human Capital," *American Economic Review* 74, no. 4 (1984): 685–98; and James P. Smith and Finis R. Welch, "Black Economic Progress after Myrdal," *Journal of Economic Literature* 27, no. 2 (1989): 519–64. For manufacturing opportunities and black gains, see Frank Levy, *The New Dollars and Dreams: American Incomes and Economic Change* (New York: Russell Sage Foundation, 1998), 3, and Wilson, *When Work Disappears*, 26–27.
  5. William Julius Wilson, *The Declining Significance of Race: Blacks and Changing American Institutions* (Chicago: University of Chicago Press, 1978); Wilson, *Truly Disadvantaged*; and Loïc Wacquant, *Urban Outcasts: A Comparative Sociology of Advanced Marginality* (Malden, MA: Polity Press, 2008), 70–74, 95–103. Wacquant's use of the term "exclusionary closure" appears on 231.

6. See, for example, Barry Bluestone and Bennett Harrison, *The Deindustrialization of America: Plant Closings, Community Abandonment and the Dismantling of Basic Industry* (New York: Basic Books, 1982); Linda Brewster Stearns and Charlotte Wilkinson Coleman, "Industrial and Local Labor Market Structures and Black Male Employment in the Manufacturing Sector," *Social Science Quarterly* 71, no. 2 (1990): 285–98; Ronald F. Ferguson, "Shifting Challenges: Fifty Years of Economic Change Toward Black–White Earnings Inequality," *Daedalus* 124, no. 1 (1995): 37–76; and William Julius Wilson, "Toward a Framework for Understanding Forces that Contribute to or Reinforce Racial Inequality," *Race and Social Problems* 1 (2009): 3–11.
7. For postwar black wage gains, see John J. Donohue III and James Heckman, "Continuous Versus Episodic Change: The Impact of Civil Rights Policy on the Economic Status of Blacks," *Journal of Economic Literature* 29, no. 4 (1991): 1603–43; and Thomas N. Maloney, "Wage Compression and Wage Inequality Between Black and White Males in the United States, 1940–1960," *Journal of Economic History* 54, no. 2 (1994): 358–81. For the post-1970s period, see David Card and John E. DiNardo, "Skill-Biased Technological Change and Rising Wage Inequality: Some Problems and Puzzles," *Journal of Labor Economics* 20, no. 4 (2002): 733–83.
8. On postwar sectoral employment patterns, see Nelson Lim, "On the Back of Blacks? Immigrants and the Fortunes of African Americans," in *Strangers at the Gates: New Immigrants in Urban America*, ed. Roger Waldinger (Berkeley: University of California Press, 2001), 186–227; see also Roger Waldinger, "Strangers at the Gates" in *Strangers at the Gates*, 1–29, and Roger Waldinger, "Up from Poverty? 'Race,' Immigration, and the Fate of Low-Skilled Workers," in *Strangers at the Gates*, 80–116. For long-term trends in black unemployment, see Michael B. Katz, Mark J. Stern, and Jamie J. Fader, "The New African American Inequality," *Journal of American History* 92, no. 1 (2005): 75–108. On the importance of government-led practices, see Robert A. Margo, "Explaining Black–White Wage Convergence, 1940–1950," *Industrial and Labor Relations Review* 48, no. 3 (1995): 470–81; James J. Heckman, "The Impact of Government on the Economic Status of Black Americans," in *The Question of Discrimination: Racial Inequality in the U.S. Labor Market*, ed. Steven Shulman and William Darity, Jr. (Middletown, CT: Wesleyan University Press, 1989), 50–80; and Bruce Western and Becky Pettit, "Black–White Wage Inequality, Employment Rates, and Incarceration," *American Journal of Sociology* 111, no. 2 (2005): 553–78.
9. We acknowledge that there are various definitional and measurement challenges in constructing a unified macrohistorical picture of racial wage and employment inequality (e.g., studies often differ by data sources, measurement conventions, and sampling frames), but for the most part the following discussion does not address these issues. Generally, we focus on studies that investigate differences in racial wages and earnings, not all income, because we are interested in changing patterns of compensation that result from labor market dynamics. Our discussion of racial differences in unemployment and labor force participation emphasizes (except where noted otherwise) a comprehensive view of "joblessness" that includes both unemployed and discouraged workers, and thus will rely in part on the presentation of employment-to-population ratios.

10. On migration, see Maloney, "Wage Compression and Wage Inequality," and Levy, *New Dollars and Dreams*, 15–16, 92–95. For education, see Smith and Welch, "Race Differences in Earnings," and Smith, "Race and Human Capital."
11. For wage patterns in the 1940s, see Claudia Goldin and Robert A. Margo, "The Great Compression: The Wage Structure in the United States at Mid-Century," *Quarterly Journal of Economics* 107, no. 1 (1992): 1–34; see also Margo, "Explaining Black–White Wage Convergence." On wage patterns into the 1950s, see Maloney, "Wage Compression and Wage Inequality"; see also Goldin and Margo, "Great Compression," and Jeffrey G. Williamson and Peter H. Lindert, *American Inequality: A Macroeconomic History* (New York: Academic Press, 1980).
12. Margo, "Explaining Black–White Wage Convergence," 474–75.
13. On the importance of black migration, along with the movement of black workers out of service jobs, see Maloney, "Wage Compression and Wage Inequality"; Margo, "Explaining Black–White Wage Convergence"; and William J. Collins, "African-American Economic Mobility in the 1940s: A Portrait from the Palmer Survey," *Journal of Economic History* 60, no. 3 (2000): 756–81; the quote comes from Maloney, "Wage Compression and Wage Inequality," 365. On the strong gains by black women in service jobs, see Martha J. Bailey and William J. Collins, "The Wage Gains of African-American Women in the 1940s," *Journal of Economic History* 66, no. 3 (2006): 737–77.
14. Goldin and Margo, "Great Compression"; Robert A. Margo and T. Aldrich Finegan, "The Great Compression of the 1940s: The Public versus the Private Sector," *Explorations in Economic History* 39, no. 2 (2002): 183–203.
15. Sterling Denhard Spero, *Government as Employer* (New York: Remsen Press, 1948); Richard B. Freeman, "Spurts in Union Growth: Defining Moments and Social Processes," in *The Defining Moment: The Great Depression and the American Economy in the Twentieth Century*, ed. Michael D. Bordo, Claudia Goldin, and Eugene N. White (Chicago: University of Chicago Press, 1998), 265–95; and Margo and Finegan, "Great Compression of the 1940s."
16. Herbert Garfinkel, *When Negroes March: The March on Washington Movement in the Organizational Politics of FEPC* (Glencoe, IL: Free Press, 1959); Andrew Edmund Kerstein, *Race, Jobs, and the War: The FEPC in the Midwest, 1941–1946* (Urbana: University of Illinois Press, 2000); William J. Collins, "Race, Roosevelt, and Wartime Production: Fair Employment in World War II Labor Markets," *American Economic Review* 91, no. 1 (2001): 272–86.
17. On the implementation of FEPC, see Merl E. Reed, *Seedtime for the Modern Civil Rights Movement: The President's Committee on Fair Employment Practice, 1941–1946* (Baton Rouge: Louisiana State University Press, 1991), and Collins, "Race, Roosevelt and Wartime Production." For war-industry openings, see Maloney, "Wage Compression and Wage Inequality," and Margo and Finegan, "Great Compression of the 1940s."
18. For earlier assessments of FEPC, see Barton J. Bernstein, "America in War and Peace: A Test of Liberalism," in *Towards a New Past: Dissenting Essays in American History*, ed. Barton J. Bernstein (New York: Vintage, 1968), 289–321; and Stephan Thernstrom and Abigail Thernstrom, *America in Black and White: One Nation, Indivisible* (New York:

- Simon & Schuster, 1997), 72. For a statistical reappraisal, see Collins, "Race, Roosevelt, and Wartime Production."
19. William J. Collins, "The Labor Market Impact of State-Level Anti-Discrimination Laws, 1940–1960," *Industrial and Labor Relations Review* 56, no. 2 (2003): 244–72.
  20. For wartime union growth, see Nelson Lichtenstein, *State of the Union: A Century of American Labor* (Princeton, NJ: Princeton University Press, 2002), 54–59. On new wage standards, see Freeman, "Spurts in Union Growth"; Lichtenstein, *State of the Union*, 54–59, 76–85; and L. Frank Weyher and Maurice Zeitlin, "Questioning 'Supply and Demand': Unions, Labor Market Processes, and Interracial Inequality," *Labor History* 46, no. 1 (2005): 19–36.
  21. Margo and Finegan, "Great Compression of the 1940s"; and Philip F. Rubio, "'There's Always Work at the Post Office': African Americans Fight for Jobs, Justice, and Equality at the United States Post Office, 1940–1971" (PhD diss., Department of History, Duke University, 2006).
  22. Maloney, "Wage Compression and Wage Inequality"; Margo, "Explaining Black–White Wage Convergence."
  23. Whether or not the decade of the 1940s was truly an economic watershed for black workers becomes more complicated when the earnings data are disaggregated by gender. According to one study, a significant portion of the wage advances enjoyed by black women relative to white women during this decade were also sustained over the 1950s and the decades thereafter; see Bailey and Collins, "Wage Gains of African-American Women." However, for evidence of a different subsequent trajectory, see John Bound and Laura Dresser, "Losing Ground: The Erosion of the Relative Earnings of African American Women during the 1980s," in *Latinas and African American Women at Work*, ed. Irene Browne (New York: Russell Sage Foundation, 1999), 61–104; and Becky Pettit and Stephanie Ewert, "Employment Gains and Wage Declines: The Erosion of Black Women's Relative Wages Since 1980," *Demography* 46, no. 3 (2009): 469–92.
  24. These data come from Donohue and Heckman, "Continuous vs. Episodic Change," 1607; see also John Bound and Richard B. Freeman, "What Went Wrong? The Erosion of Relative Earnings and Employment among Young Black Men in the 1980s," *Quarterly Journal of Economics* 107, no. 1 (1992): 201–32.
  25. William J. Carrington, Kristin McCue, and Brooks Pierce, "Black/White Wage Convergence: The Role of Public Sector Wages and Employment," *Industrial and Labor Relations Review* 49, no. 3 (1996): 456–71; and Augustin Kwasi Fosu, "Occupational Gains of Black Women Since the 1964 Civil Rights Act: Long-Term or Episodic?" *American Economic Review* 87, no. 2 (1997): 311–14.
  26. Donohue and Heckman, "Continuous vs. Episodic Change," 1623.
  27. Richard B. Freeman, "Changes in the Labor Market for Black Americans, 1948–1972," *Brookings Papers on Economic Activity* 1 (1973): 67–131; Charles Brown, "Black–White Earnings Ratios Since the Civil Rights Act of 1964: The Importance of Labor Market Dropouts," *Quarterly Journal of Economics* 99, no. 1 (1984): 31–44; John Bound and Richard B. Freeman, "Black Economic Progress: Erosion of the Post-1960s Gains in the 1980s?" in *The Question of Discrimination: Racial Inequality in the U.S. Labor Market*,



- ed. Steven Shulman and William Darity, Jr. (Middletown, CT: Wesleyan University Press, 1989), 32–49.
28. For examples of this consensus, see Richard Freeman, “Black Economic Progress since 1964,” *Public Interest* 52 (1978): 52–68; Heckman, “Impact of Government”; Donohue and Heckman, “Continuous vs. Episodic Change”; Wayne Vroman, “Industrial Change and Black Men’s Relative Earnings,” *Research in Labor Economics* 12 (1991): 213–44; David Card and Alan B. Krueger, “Trends in Relative Black–White Earnings Revisited,” *American Economic Review* 83, no. 2 (1993): 85–91; and James J. Heckman, Thomas M. Lyons, and Petra E. Todd, “Understanding Black–White Wage Differentials, 1960–1990,” *American Economic Review* 90, no. 2 (2000): 344–49. For regional trend data, see Donohue and Heckman, “Continuous vs. Episodic Change”; Bound and Freeman, “Black Economic Progress”; and Leah Platt Boustan, “Competition in the Promised Land: Black Migration and Racial Wage Convergence in the North, 1940–1970,” *Journal of Economic History* 69, no. 3 (2009): 755–82. Boustan reports the black–white wage gap narrowing more in the South between 1960 and 1970 (a decrease of  $-0.089$  log points) than in any other region of the United States, including the Midwest (a decrease of  $-0.069$  log points); see her table on 758.
  29. James J. Heckman and Brook S. Payner, “Determining the Impact of Federal Antidiscrimination Policy on the Economic Status of Blacks: A Study of South Carolina,” *American Economic Review* 79, no. 1 (1989): 138–77; Timothy J. Minchin, *Hiring the Black Worker: The Racial Integration of the Southern Textile Industry, 1960–1980* (Chapel Hill: University of North Carolina Press, 1999); Gavin Wright, “The Civil Rights Revolution as Economic History,” *Journal of Economic History* 59, no. 2 (1999): 267–89.
  30. For an emphasis on manufacturing, see Donohue and Heckman, “Continuous vs. Episodic Change,” and Heckman and Payner, “Determining the Impact of Federal Antidiscrimination Policy.” On evidence related to other sectors, see Kenneth Y. Chay, “The Impact of Federal Civil Rights Policy on Black Economic Progress: Evidence from the Equal Employment Opportunity Act of 1972,” *Industrial and Labor Relations Review* 51, no. 4 (1998): 608–32.
  31. For a dissenting analysis, see William A. Darity, Jr. and Samuel L. Myers, Jr., *Persistent Disparity: Race and Economic Inequality in the United States since 1945* (Northampton, MA: Edward Elgar, 1998), 43–59; one of their criticisms of this consensus, related to the impacts of labor-force nonparticipation on earnings data, is addressed below.
  32. For a cohort analysis, see Card and Krueger, “Trends in Relative Black–White Earnings Revisited.” Economic studies that recognize social movement activity include Donohue and Heckman, “Continuous vs. Episodic Change,” and Wright, “The Civil Rights Revolution as Economic History.”
  33. For further evidence, see Vroman, “Industrial Change and Black Men’s Relative Earnings.”
  34. For early public-sector unionization, see Richard B. Freeman, “Unionism Comes to the Public Sector,” *Journal of Economic Literature* 24, no. 1 (1986): 41–86; for its impacts, see Richard B. Freeman and Robert G. Valletta, “The Effects of Public Sector Labor Laws on Labor Market Institutions and Outcomes,” in *When Public Sector Workers Unionize*,



- ed. Richard B. Freeman and Casey Ichniowski (Chicago: University of Chicago Press, 1988), 81–103.
35. See, e.g., Martin Carnoy, *Faded Dreams: The Politics and Economics of Race in America* (New York: Cambridge University Press, 1994); Michael K. Brown, *Race, Money, and the American Welfare State* (Ithaca, NY: Cornell University Press, 1999); and Ira Katznelson, *When Affirmative Action Was White: An Untold History of Racial Inequality in Twentieth-Century America* (New York: W. W. Norton, 2005).
  36. Wilson, *Declining Significance of Race*; Wilson, *Truly Disadvantaged*; Wilson, *When Work Disappears*; John D. Kasarda, “Entry-Level Jobs, Mobility, and Urban Minority Employment,” *Urban Affairs Quarterly* 19, no. 1 (1983): 21–40; John D. Kasarda, “Jobs, Migration, and Emerging Urban Mismatches,” in *Urban Change and Poverty*, ed. Michael G. H. McGeary and Laurence E. Lynn, Jr. (Washington, DC: National Academy Press, 1988), 148–98; and John D. Kasarda, “Cities as Places Where People Live and Work: Urban Change and Neighborhood Distress,” in *Interwoven Destinies: Cities and the Nation*, ed. Henry G. Cisneros (New York: W. W. Norton, 1993), 81–124.
  37. For attention to the early postwar period, see Wilson, *Declining Significance of Race*, 88–90, and Wilson, *Truly Disadvantaged*, 30, 65; for key post-1970s discussions, see Wilson, *When Work Disappears*, 8–9, 29–31, 33, 144–45, 212–13.
  38. Bound and Freeman, “What Went Wrong?”; John Bound and George Johnson, “Changes in the Structure of Wages in the 1980s: An Evaluation of Alternative Explanations,” *American Economic Review* 82, no. 3 (1992): 371–92; and Bound and Holzer, “Industrial Shifts, Skill Levels, and the Labor Market.”
  39. Card and Lemieux, “Changing Wage Structure and Black–White Wage Differentials”; Card and DiNardo, “Skill-Biased Technological Change and Rising Wage Inequality”; Lawrence Mishel and Jared Bernstein, “Wage Inequality and the New Economy in the U.S.: Does IT-Led Growth Generate Wage Inequality?” *Canadian Public Policy—Analyse de Politiques* 29 (2003): S203–S221; and Lemieux, “What Do We Really Know About Changes in Wage Inequality?”
  40. Card and Lemieux, “Changing Wage Structure and Black–White Wage Differentials”; Card and DiNardo, “Skill-Biased Technological Change and Rising Wage Inequality”; and Autor, Katz, and Kearney, “Trends in U.S. Wage Inequality.”
  41. Alan B. Krueger, “How Computers Have Changed the Wage Structure: Evidence from Microdata, 1984–1989,” *Quarterly Journal of Economics* 108, no. 1 (1993): 33–60; Lawrence F. Katz and David H. Autor, “Changes in the Wage Structure and Earnings Inequality,” in *Handbook of Labor Economics*, vol. 3, ed. Orley C. Ashenfelter and David Card (New York: Elsevier, 1999), 1463–555; David H. Autor, Frank Levy, and Richard J. Murnane, “The Skill Content of Recent Technological Change: An Empirical Exploration,” *Quarterly Journal of Economics* 118, no. 4 (2003): 1279–333; and Autor, Katz, and Kearney, “Trends in U.S. Wage Inequality.” See also the discussion by Leicht, “Broken Down by Race and Gender?”
  42. Card and DiNardo, “Skill-Biased Technological Change and Rising Wage Inequality”; and Mishel and Bernstein, “Wage Inequality and the New Economy”; see also Autor, Katz, and Kearney, “Trends in U.S. Wage Inequality.”

43. Morris and Western, "Inequality in Earnings at the Close of the Twentieth Century."
44. On wage penalties, see Bluestone and Harrison, *Deindustrialization of America*, and Henry S. Farber, "The Incidence and Costs of Job Loss: 1982–1991," special issue, *Brookings Papers on Economic Activity*, Special Issue 1 (1993): 73–132. For the evidence on sectoral shifts, see Bound and Johnson, "Changes in the Structure of Wages." See also Card and DiNardo, "Skill-Biased Technological Change and Rising Wage Inequality"; their term "outlier" is on 770.
45. Card and DiNardo, "Skill-Biased Technological Change and Rising Wage Inequality"; the term "mundane" appears on 774.
46. For evidence on the minimum wage, see John DiNardo, Nicole M. Fortin, and Thomas Lemieux, "Labor Market Institutions and the Distribution of Wages, 1973–1992: A Semi-Parametric Approach," *Econometrica* 64, no. 5 (1996): 1001–44; David S. Lee, "Wage Inequality in the United States during the 1980s: Rising Dispersion or Falling Minimum Wage?" *Quarterly Journal of Economics* 114, no. 3 (1999): 977–1023; Morris and Western, "Inequality in Earnings at the Close of the Twentieth Century"; Card and DiNardo, "Skill-Biased Technological Change and Rising Wage Inequality"; and Lemieux, "What Do We Really Know About Changes in Wage Inequality?"
47. On union densities, see Richard B. Freeman, "How Much Has De-Unionization Contributed to the Rise in Male Earnings Inequality?" in *Uneven Tides: Rising Inequality in America*, ed. Sheldon Danziger and Peter Gottschalk (New York: Russell Sage Foundation, 1993), 133–63; DiNardo, Fortin, and Lemieux, "Labor Market Institutions and the Distribution of Wages"; and David Card, "The Effect of Unions on Wage Inequality in the U.S. Labor Market," *Industrial and Labor Relations Review* 54, no. 2 (2001): 296–315. See also Morris and Western, "Inequality in Earnings at the Close of the Twentieth Century"; and James S. Mosher, "U.S. Wage Inequality, Technological Change, and Decline in Union Power," *Politics & Society* 35, no. 2 (2007): 225–64.
48. Card, "The Effect of Unions on Wage Inequality." See also Henry S. Farber, "The Decline of Unionization in the United States: What Can Be Learned from Recent Experience?" *Journal of Labor Economics* 8, no. 1, pt. 2 (1990): S75–S105; and Lemieux, "What Do We Really Know About Wage Inequality?"
49. For the enduring influence of sectoral and skills-centered explanations within sociology, see Cotter, Hermsen, and Vanneman, "Systems of Gender, Race, and Class Inequality"; Chevan and Stokes, "Growth in Family Income Inequality"; and Reid, Adelman, and Jaret, "Women, Race, and Ethnicity."
50. See for example, Chinhui Juhn, Kevin M. Murphy, and Brooks Pierce, "Accounting for the Slowdown in Black–White Wage Convergence," in *Workers and Their Wages: Changing Patterns in the United States*, ed. Marvin H. Koster (Lanham, MD: AEI Press, 1991), 107–43; Bound and Freeman, "What Went Wrong?"; and James P. Smith, "Affirmative Action and the Racial Wage Gap," *American Economic Review* 83, no. 2 (1993): 79–84.
51. Smith, "Affirmative Action and the Racial Wage Gap"; and Bound and Freeman, "What Went Wrong?" The latter study focuses on trends for young men, and does not systematically compare these trends to general trends in black–white wage differentials; it is also worth noting that the study shows significant differences in the racial wage gap from the

- late 1970s and early 1980s depending on which samples are used, e.g., full- or part-time workers, all workers, or only younger workers.
52. The most systematic treatment is Card and DiNardo, "Skill-Biased Technological Change and Rising Wage Inequality."
  53. Card and Lemieux, "Changing Wage Structure and Black–White Wage Differentials."
  54. Card and DiNardo, "Skill-Biased Technological Change and Rising Wage Inequality." A recent paper by James Heckman and Paul LaFontaine indicates that past rates of high-school graduation were lower than typically reported in institutional data, pointing to a more significant decline in schooling than had been recognized. Although this new finding may seem to bolster the skills-mismatch argument, it does not contradict the evidence against skills mismatch presented in the studies discussed here. Because these studies (like Heckman and LaFontaine's paper) rely on Current Population Survey and Decennial Census data, the actual graduation rates were already accounted for in calculations of the effect of lower educational attainment among African Americans (i.e., skills mismatch) on the racial unemployment gap. See James J. Heckman and Paul A. LaFontaine, "The American High School Graduation Rate: Trends and Levels," National Bureau of Economic Research, Working Paper 13670, December 2007.
  55. See Kasarda, "Entry-Level Jobs, Mobility, and Urban Minority Employment," and Kasarda, "Cities as Places Where People Live and Work." The quote about "centers of information processing" is from Wilson, *Truly Disadvantaged*, 39.
  56. The so-called spatial mismatch emphasized by Wilson and others has given rise to a very large literature. For an initial formulation, see John F. Kain, "Housing Segregation, Negro Employment, and Metropolitan Decentralization," *Quarterly Journal of Economics* 82, no. 2 (1968): 175–97. For an early review of the field, see Harry J. Holzer, "The Spatial Mismatch Hypothesis: What Has the Evidence Shown?" *Urban Studies* 28, no. 1 (1991): 105–22; for a more recent example of work in this area, see Ted Mouw, "Job Relocation and the Racial Gap in Unemployment in Detroit and Chicago, 1980 to 1990," *American Sociological Review* 65, no. 5 (2000): 730–53. We do not address this literature here as our primary concern is with the skills-mismatch component of Wilson's argument.
  57. Roger Waldinger, *Still the Promised City? African-Americans and New Immigrants in Postindustrial New York* (Cambridge, MA: Harvard University Press, 1996), 106–18. See also Suzanne Model, "The Ethnic Niche and the Structure of Opportunity," in *The Underclass Debate*, ed. Michael Katz (Princeton, NJ: Princeton University Press, 1993), 161–93; and Norman Fainstein and Susan Nesbitt, "Did the Black Ghetto Have a Golden Age? Class Structure and Class Segregation in New York City, 1949–1970, with Initial Evidence for 1990," *Journal of Urban History* 23, no. 1 (1996): 3–28.
  58. Vroman, "Industrial Change and Black Men's Relative Earnings."
  59. Lim, "On the Back of Blacks?"
  60. On the historical importance of manufacturing for black employment in Chicago, see "Appendix: Black Metropolis, 1961," in St. Clair Drake and Horace R. Cayton, *Black Metropolis: A Study of Negro Life in a Northern City* (Chicago: University of Chicago Press, [1962] 1993); and Herbert R. Northrup, *Negro Employment in Basic Industry: A Study of Racial Policies in Six Industries*, vol. 1: *Studies of Negro Employment* (Philadelphia: Wharton

- School of Finance and Commerce, University of Pennsylvania, 1970). For sociological work on Chicago's post-1970s job losses in this sector, see Wilson, *When Work Disappears*, and Janet L. Abu-Lughod, *New York, Chicago, Los Angeles: America's Global Cities* (Minneapolis: University of Minnesota Press, 1999), 321–27.
61. Virginia Parks, "Revisiting Shibboleths of Race and Urban Economy: Black Employment in Manufacturing and the Public Sector Compared, Chicago 1950–2000," *International Journal of Urban and Regional Research* 35, no. 1 (2011): 110–1290. This study used data from the Integrated Public Use Microdata Series (IPUMS) to measure the relative dependence of blacks and whites on manufacturing and public sector employment between 1950 and 2000. Relative dependence was calculated using an index of representation, a ratio of a group's share of employment in an industry relative to the group's share of total employment. Manufacturing employment was classified using the 1950 industrial codes. The census classification for workers employed in local, state, and federal government was used to measure public employment.
  62. Peter K. Eisinger, "The Economic Conditions of Black Employment in Municipal Bureaucracies," *American Journal of Political Science* 26, no. 4 (1982): 754–71; and Peter Eisinger, "Local Civil Service Employment and Black Socioeconomic Mobility," *Social Science Quarterly* 67, no. 1 (1986): 169–75. For recent work on black earnings in the public sector, see Moshe Semyonov and Noah Lewin-Epstein, "The Declining Racial Earnings' Gap in the United States: Multi-level Analysis of Males' Earnings, 1960–2000," *Social Science Research* 38 (2009): 296–311.
  63. Roger Waldinger, "Did Manufacturing Matter? The Experience of Yesterday's Second Generation: A Reassessment," *International Migration Review* 41, no. 1 (2007): 3–39.
  64. Wilson, *Truly Disadvantaged*; Wilson, *When Work Disappears*; and Wacquant, *Urban Outcasts*.
  65. William A. Sundstrom, "Explaining the Racial Unemployment Gap: Race, Region, and the Employment Status of Men, 1940," *Industrial and Labor Relations Review* 50, no. 3 (1997): 460–77; the quote comes from 475. See also Robert W. Fairlie and William A. Sundstrom, "The Emergence, Persistence, and Recent Widening of the Racial Unemployment Gap," *Industrial and Labor Relations Review* 52, no. 2 (1999): 252–70; Bound and Freeman, "Black Economic Progress"; Nanda R. Shrestha, Wilbur I. Smith, and Charles L. Evans, "Black Migration at the Margin of Freedom," *International Journal of Population Geography* 9 (2003): 113–39; and William E. Spriggs and Rhonda M. Williams, "What Do We Need to Explain about African American Unemployment?" in *Prosperity for All? The Economic Boom and African Americans*, ed. Robert Cherry and William M. Rodgers III (New York: Russell Sage Foundation, 2000), 188–207.
  66. Margo, "Explaining Black–White Wage Convergence"; and Katz, Stern, and Fader, "The New African American Inequality."
  67. Bound and Freeman, "What Went Wrong?"; Robert W. Fairlie and William A. Sundstrom, "The Racial Unemployment Gap in Long-Run Perspective," *American Economic Review* 87, no. 2 (1997): 306–10; and Fairlie and Sundstrom, "The Emergence, Persistence, and Recent Widening of the Racial Unemployment Gap."
  68. M. V. Lee Badgett, "Rising Black Unemployment: Changes in Job Stability or in Employability?" *Review of Black Political Economy* 22, no. 3 (1994): 55–75.

69. Fairlie and Sundstrom, "The Racial Unemployment Gap in Long-Run Perspective," 309; emphasis in original.
70. Bruce Western and Katherine Beckett, "How Unregulated in the U.S. Labor Market? The Penal System as a Labor Market Institution," *American Journal of Sociology* 104, no. 4 (1999): 1030–60.
71. See, for example, Brown, "Black–White Earnings Ratios Since the Civil Rights Act"; Heckman, "Impact of Government"; Wayne Vroman, "Black Men's Relative Earnings: Are the Gains Illusory?" *Industrial and Labor Relations Review* 44, no. 1 (1990): 83–98; Card and Krueger, "Trends in Relative Black–White Earnings Revisited"; Margo, "Explaining the Black–White Wage Convergence"; Darity and Myers, *Persistent Disparity*, 43–59; and Heckman, Lyons, and Todd, "Understanding Black–White Wage Differentials."
72. Western and Pettit, "Black–White Wage Inequality, Employment Rates, and Incarceration," 573; see also Bruce Western, "The Impact of Incarceration on Wage Mobility and Inequality," *American Sociological Review* 67, no. 4 (2002): 526–46; and Amitabh Chandra, "Is the Convergence in the Racial Wage Gap Illusory?" National Bureau of Economic Research, Working Paper 9476, January 2003.
73. Katz, Stern, and Fader, "The New African American Inequality," 84–85; see also Michael B. Katz and Mark J. Stern, *One Nation Divisible: What America Was and What It Is Becoming* (New York: Russell Sage Foundation, 2006).
74. Philip Moss and Chris Tilly, "'Soft' Skills and Race: An Investigation of Black Men's Employment Problems," *Work and Occupations* 23, no. 3 (1996): 252–76; and Kathryn M. Neckerman and Joleen Kirschenman, "Hiring Strategies, Racial Bias, and Inner-City Workers," *Social Problems* 38, no. 4 (1991): 433–47.
75. See, e.g., Leslie McCall, "Sources of Racial Wage Inequality in Metropolitan Labor Markets: Racial, Ethnic, and Gender Differences," *American Sociological Review* 66, no. 4 (2001): 520–41. See also, however, the more recent findings on this question in Reid, Adelman, and Jaret, "Women, Race, and Ethnicity."
76. For the postwar period, see Margo, "Explaining the Black–White Wage Convergence," and Heckman, Lyons, and Todd, "Understanding Black–White Wage Differentials." For more recent decades, see Western and Pettit, "Black–White Wage Inequality, Employment Rates, and Incarceration," and Pettit and Ewert, "Employment Gains and Wage Declines."

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