# The New York Times on race and class: What determines social mobility in America?

### Part one

## Eric London 5 April 2018

This is the first part of a two-part article.

In recent weeks, the *New York Times* has promoted a new study by researchers from the US Census Bureau, Harvard and Stanford that examines the impact of race and income inequality in the United States over the course of an entire generation. The March 2018 working paper, published by the Equality of Opportunity Project, is titled "Race and Economic Opportunity in the United States: An intergenerational perspective."

The *Times*, which has never dedicated such attention to prior studies on social inequality, has seized on the new study as proof that race, and not class, is the primary dividing line in society. The March 19 edition of the newspaper carried a feature article headlined "Extensive Data Shows Punishing Reach of Racism for Black Boys," which used the study to promote its racialist narrative, focusing in particular on the study's finding that black men have the lowest level of social mobility of all racial and gender subgroups.

The *Times* followed up this article with a "Q and A" piece and a third article with interactive flowcharts and further explanation.

The initial *Times* article approvingly quotes American University Professor Ibran Kendi as saying, "One of the most popular liberal post-racial ideas is the idea that the fundamental problem is class and not race, and clearly this study explodes that idea."

*New York Times* writer Nikole Hanna-Jones cited the study on Twitter and wrote: "In other words: Please don't ever come in my timeline again bringing up Appalachia when I am discussing the particular perils and injustice that black children face. And please don't ever come with that tired 'It's class, not race' mess again."

Professor Kendi to the contrary, the position that "the fundamental problem is class and not race" is hardly popular in the upper-middle class "liberal" milieu to which the *Times* is oriented, nor so prevalent that Ms. Hanna-Jones is entitled to regard it as "tired."

The *Times* in particular cranks out an endless stream of articles and commentaries aimed at elevating race, gender and sexual orientation as the basic social categories, rather than income, wealth and other derivatives of class status. Its articles on the Census/Harvard/Stanford study are no different. The newspaper counts on its readers not carefully studying the report and its underlying data, which, in reality, confirm that the fundamental cause of inequality and social immobility is class and not race.

#### The study's use of income quintiles to measure social mobility

The study tracks the change in relative economic mobility of children born from 1978 to 1983 compared to their parents' generation. Using tax and census data, it takes the income percentile of parents and compares it to the current income percentile of their children, who are now adults in their 30s.

The study places all individuals from both the "parent" and "children" category in five income quintiles and measures the likelihood that a child born to parents in a particular quintile will move into a higher or lower quintile. This measurement is then broken down by race and gender.

Here is how the overall social mobility figures break down for those with parents in the Q1 (wealthiest), Q3 and Q5 (poorest) quintiles. The study shows that mobility does vary by race:

This data shows that across all races, it is the parents' income level that is the most important factor in determining the income level of their children. While white people born in Q5 are nearly four times more likely than similarly situated black people to reach the top quintile, black people born to parents in Q1 are 8.7 times more likely than black people born in Q5 to reach the top quintile. Black people born to parents in Q1 are also more than twice as likely to stay in Q1 than white people born to parents in Q5 are to join the top quintile. This data shows that mobility is worst for poorer people and better for wealthier people. The poorest African-Americans have the lowest mobility.

Before breaking down these figures further, it is important to note what the use of quintiles conceals.

#### Inequality between quintiles

By tracking relative mobility based on parent-to-child quintile change, the study ignores absolute changes in income distribution. Since 20 percent of the population will always fall into each quintile, regardless of the level of overall inequality, the study masks (a) the growth of inequality overall from the parents' generation to the children's generation and (b) the growth of

inequality within racial categories. Related to both (a) and (b), the use of quintiles ignores the vast difference between the top 10 percent and the next 10 percent, as well as between the 80th percentile and the 90th percentile, who live vastly different lives and do not really belong to the same social group.

For example, a child born to a parent in the fourth quintile who has risen to the third quintile today may have actually experienced a decline in income if the wealthiest layer has monopolized enough of the national wealth and income during the period under study. The child may have either gained income in absolute terms but lost it in terms of share of national income, or he or she may have become poorer, but at a slower rate than the people he or she "overtook" while moving "up" from Q4 to Q3.

The following charts (not included in the Equality of Opportunity study but compiled by the WSWS from Census data) show that a tremendous growth of inequality between quintiles has taken place over the course of the life of the study.

The following chart shows the share of aggregate household income by quintile and includes the aggregate household income of the top 5 percent. It shows both 1980 and 2016 and the change in share over this period as a proportion of the 1980 income share.

The increase in the top 5 percent income share accounts for 82.4 percent of Q1's total increase, indicating that the bottom half of Q1 (the 80 to 90 percentile range overall) likely saw a decline of income share. This data also shows that an intergenerational increase from Q4 to Q3, for example, might mask an actual decline in income due to the increase by the top 10 percent at the expense of the bottom 90.

#### Inequality between quintiles and within races

Figure C breaks down the total income share from Figure B to show the distribution of income within the three largest racial groups.

As in figure B, the Q1 increase is misleading because nearly the entire share of the increase comes from the top 5 percent. Among African-Americans, the increase for the top 5 percent accounts for 112.7 percent of the gains of Q1, while the top 5 percent of Hispanics accounts for 103.2 percent of all income gains. This shows that the bottom 95 percent of the black and Hispanic populations lost income share to the top 5 percent over this period. It also indicates extreme inequality even among top 10 percent of black and Hispanic people.

#### Wealth distribution between quintiles and within races

The inequality between quintiles and within racial groups is even greater when measured by wealth. Data from People's Policy Project analyst Matt Bruenig's study of the 2016 Survey of Consumer Finances report reveals the following wealth divisions:

The poorest 60 percent of the African-American population has negative wealth (25.2 million people). The poorest 60 percent of Hispanics and whites have practically no wealth. The wealth of the top 1 percent in each racial group is nearly double the wealth of the bottom 80 percent.

The *Times* refers to those in the top quintile (for income, not wealth) as "rich," those in the second quintile as "upper-middle class," the third quintile as "middle class," the fourth as "lower-middle class," and the fifth as "poor." It would be more accurate to say that the bottom four-and-a-half quintiles are working class and the top 10 percent (within which there is also a high degree of inequality) includes different shades of "rich" and "upper-middle class."

It is an indisputable fact that an individual who moves from Q5 to Q2 has not escaped the immense economic strain facing almost all workers. For each race, the poorest three quintiles combined possess essentially no wealth (see Figure E). According to *Forbes*, in January 2016, 63 percent of Americans had less than \$1,000 in their bank accounts.

The above data shows that inequality is highest among African-Americans, but that inequality has increased the most dramatically among whites since 1980. In other words, the working class of all races is becoming more economically homogenous. This is not due to a decline in inequality among any race, but due to a faster increase in inequality among whites. And although a breakdown of within-race income quintiles shows that whites still have significantly higher incomes than blacks, this division is narrowing among workers as a result of attacks on living conditions against all workers.

None of this is shown in the "relative mobility" data presented in the study cited by the *Times*.

To be continued



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