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HEADLINE: GUN DEATHS OF CHILDREN RISE;

VIOLENCE: ALTHOUGH STATISTICS ARE DOWN OVERALL, THERE WERE 10 VICTIMS UNDER AGE 10 IN 1997, TWICE AS MANY AS IN 1996, ACCORDING TO A GROUP THAT BACKS STRINGENT FIREARM CONTROLS.

BYLINE: HUGO MARTIN, TIMES STAFF WRITER

BODY:

While gun-related deaths in Los Angeles County dropped 14% in 1997, the number of children under the age of 10 who died by gunfire doubled to 10, according to a detailed survey of gun violence released Wednesday by a pro-gun-control organization.

The survey, compiled by the Los Angeles-based Women Against Gun Violence, found that six of those children were caught in gang cross-fire as they went about innocent pursuits: playing at home, joining youth sports programs, riding on their father's shoulders.

The other four were killed by their own fathers who then committed suicide, the report found.

"Although gun deaths are down, for children, particularly, the numbers are still staggering," said the group's chairwoman, Ann Reiss Lane, a former commissioner for the Los Angeles police and fire departments. "It's outrageous the number of children who are killed."

A total of 864 Los Angeles County residents were killed by guns in 1997, and 334 more shot themselves to death--in all, more than three gun-related deaths per day, according to the report. Five of the deaths were accidental.

Women Against Gun Violence issued the report--a repeat of a study it first made last year--as part of its campaign in favor of legislation to ban the sale of inexpensive handguns and assault rifles and to require trigger locks on every gun.

The study, compiled from various public records, including death certificates filed with the county Department of Health Services, came out the same day that key legislative committees in Sacramento endorsed a bill to ban the sale and manufacture of inexpensive guns, known as Saturday night specials, and legislation to strengthen a ban on the sale of assault rifles.

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Lane noted that two of the slain children under 10 were killed by a 9-millimeter Bryco 59--a Saturday night special--and one was killed with an assault rifle, a MAC 90.

Other findings from 1997:

- * One of every six gunshot victims in the county--187 in all--was 18 years or younger. The report listed each victim by name.

- * Each of the county's 236 ZIP Codes lost at least one resident to a gun-related homicide, suicide or accidental shooting.

- * A disproportionate number of victims of homicides were concentrated in a small number of southern Los Angeles ZIP Codes. Twenty ZIP Codes--fewer than 10% of the total--accounted for 35% of the deaths by homicides.

- * The greatest number of deaths were among Latinos, but African American residents died in gun violence at more than twice their rate of the population. Latinos, who represent 42% of the county's population, accounted for 44% of the gun deaths. African Americans, who represent about 10% of the county's population, accounted for 25% of the gun deaths.

- * The rate of gun homicides among African American males ages 20 to 24 was more than 10 times that of whites and more than twice that of Latinos.

- * Nearly 91% of all the county's gunshot victims were men.

- * Los Angeles County males under the age of 19 died in firearm homicides at nearly 3 1/2 times the rate of the county's overall population.

- * More than twice as many white residents committed suicide with guns than were killed in gun-related homicides.

In recent years, experts have charted a decrease in violent crime, attributing it to causes ranging from an aging population to tougher sentencing laws and improving economic conditions. Lane and other leaders of Women Against Gun Violence attribute the drop in part to new local restrictions on ammunition sales and tougher record-keeping requirements for gun dealers. But they say the increase in shooting deaths among children under 10 shows that more restrictions are needed.

Susan Shaw, the group's executive director, said the report was intended to portray the human toll of gun violence and pressure lawmakers to favor the group's causes.

"We are putting a human face on gun deaths in Los Angeles County," she said. "We are saying these are our neighbors."

Luis Tolley, western director of Handgun Control Inc., a national group led by former presidential press secretary James Brady and his wife, Sarah, lauded the effort. But a spokesman for the most influential gun owners group in the nation dismissed the significance of the report.

Paul Blackman, research coordinator for the National Rifle Assn., said Women Against Gun Violence should concentrate on eliminating the causes of

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crime--such as poverty and unemployment--instead of trying to make an emotional appeal to impose new restrictions on gun ownership.

"Putting a face on something, you can do that with any unpleasantness in society but it doesn't solve it," he said. "You can put a human face on AIDS victims, but it doesn't solve it."

He said the drop in gun deaths was the result of the national drop in crime and an increase in gun safety training.

Shaw countered that the report draws attention by demonstrating the broad reach of gun violence. Of the 10 slain children under the age of 10, two were African American, two were white and six were Latino, she said.

"Gun violence in Los Angeles County has no boundaries," Shaw said. "It's all ages; it's all genders."

(BEGIN TEXT OF INFOBOX / INFOGRAPHIC)

The Deadliest Addresses

Shows below are Los Angeles County ZIP codes with the highest number of residents killed by gunfire in 1997. Here are the 20 worst ZIP codes--fewer than 10% of the county's 236 ZIP codes--accounted for 35% of the gun-related homicides.

Rank	ZIP code	Community	Deaths
1.	90044	South-Central L.A.-Athens	24
2.	90220	South Compton and Rancho Dominguez	24
3.	90221	East Compton and Southeast Rancho Dominguez	24
4.	90262	Lynwood	21
5.	90011	South-Central*	20
6.	90059	South-Central L.A., Watts and Willowbrook	20
7.	90201	Bell, Bell Gardens and Cudahy	19
8.	91766	South Pomona	17
9.	90047	South-Central*	15
10.	90250	Hawthorne	14
11.	90222	North Compton and Willowbrook	12
12.	90813	South Long Beach	12
13.	90660	Pico Rivera	11
14.	90805	North Long Beach	11
15.	90255	Huntington Park	11
16.	90019	Mid-City L.A.	11
17.	90062	Southeast L.A.*	11
18.	90063	East L.A., City Terrace	10
19.	90001	Florence-Firestone	10
20.	90061	South L.A.*	10

*5. Bound by Washington Boulevard, Slauson and Long Beach avenues and Main Street; 9. Bound by Slauson, Normandie and Van Ness avenues and El Segundo Boulevard; 17. Bound by Normandie, Slauson and Van Ness avenues and Exposition Boulevard; 20. Bound by Rosecrans Avenue, Avalon Boulevard, Figueroa and 108th streets.

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Source: Women Against Gun Violence

10 Under 10

The youngest victims of gun violence in Los Angeles County in 1997.

Jesse Velasquez, 6, and his sister Vanessa, 2, were both killed by their father Jan. 10 in Northeast Los Angeles before he committed suicide. He used a 9-millimeter semiautomatic Bryco 59.

Alexandra and Daniel Brand Billick, 18-month-old twins, were killed by their father Feb. 23 in West Los Angeles before he committed suicide. He used a 9-millimeter semiautomatic Browning.

Priscilla Monique Gutierrez, 3, was killed March 14 in gang cross-fire as she sat in her family's car between Carson and Gardena. The type of handgun used is unknown.

Celeste Elizabeth Reyes, 3, was killed May 9 in gang cross-fire as she played in her living room in Rancho Dominguez. She was killed with a 45-caliber rifle.

Erick Rodolfo Jimenez, 2, was killed July 26 in gang cross-fire as he rode on his father's shoulders in Inglewood. He was killed with a 9-millimeter semiautomatic Browning.

Selwyn Bernard Leflore Jr., 9, was killed Oct. 6 in gang cross-fire as he waited to catch a bus in Compton. He was shot with a .357 Magnum revolver.

Evan Leigh Foster, 7, was killed Dec. 8 in gang cross-fire after signing up for youth basketball in Inglewood. He was killed by a Mac 90.

Karina Gomez, 6, was killed Dec. 30 in gang cross-fire as she sat in her father's car in Hollywood. The type of handgun used is unknown.

GRAPHIC: PHOTO: Celeste Reyes PHOTO: Selwyn Leflore Jr. PHOTO: Evan Foster
PHOTO: Karina Gomez GRAPHIC: The Deadliest Addresses, VICTOR KOTOWITZ / Los Angeles Times

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LEVEL 1 - 31 OF 318 STORIES

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HEADLINE: SUNDAY REPORT;
THE REAL WINNERS;
WITH WORKERS HARD TO FIND, EVEN THE UNSKILLED AND THE HARD-CORE UNEMPLOYED ARE
FINDING JOBS THESE DAYS. BUT WILL THE PROSPERITY LAST THIS TIME?

BYLINE: DON LEE, TIMES STAFF WRITER

BODY:

After a long period of rejections from employers and dependence on welfare, Adelicia Bermudez, a 23-year-old high-school dropout and single mother of two, recently dipped her toes back into the job market. She found it very warm.

The day after she interviewed with a Fountain Valley insurance business, the employer not only called but asked if she could start right away. "Yeah, of course," Bermudez answered. The next morning she was working alongside college graduates and earning \$ 9 an hour entering customer data into a computer.

"I did it, I got it, and I'm still here," she says, now two months into her full-time job.

As the booming economy makes workers harder to come by, the once hard-core jobless typified by Bermudez are going to work in astonishing numbers.

Indeed, groups with historically high unemployment--minorities, single mothers, teenagers and the unskilled--have seen the strongest job gains over the last couple of years.

Already the jobless rates for African Americans and Latinos have fallen to their lowest since the government began collecting data on them in the early 1970s: 8.1% for blacks and 5.8% for Latinos in March, compared with the overall jobless rate of 4.2%. The rate for high school dropouts, 6.1%, is half what it was in 1992.

"It's very hopeful," says Dave McDonough, executive director of Chrysalis Labor Connection in Los Angeles. The nonprofit group helped 1,400 mostly homeless people find jobs last year--more than double the number three years earlier. They're getting jobs much faster now, he adds, at an average pay of about \$ 7 an hour.

One of Chrysalis' success stories is Carlos Radillo, 30.

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He still sleeps in a bunk at St. Vincent's Cardinal Manning Center in downtown Los Angeles. But now he rises at 4 a.m., gropes downstairs for a shower, puts on one of his two pairs of boots and catches the first bus leaving Fourth and Main. His destination: New Roads School near Baldwin Hills, where he mops the floors and keeps an eye on students at the private school.

Radillo, who spent part of his youth on a Navajo reservation, says he finished high school but never had any luck in the working world. For years, he admits, he mooched off girlfriends and moved in and out of the informal economy.

But these days, Radillo lives for his new job. His wallet has a new ATM card in it, and he has given up drinking.

"I couldn't believe it," he says, recalling the January afternoon when he got word that he had been hired. He taps his chest, then chokes up, near tears. "A \$ 10 an hour job. Oh, my God! To me, it felt like a million dollars."

Meaningful Gains for Workers at the Bottom

How long can these successes last? Does today's economy present a real opportunity for the nation to elevate masses of people like Radillo permanently out of the underclass?

The experiences of the last two decades are sobering. Optimism born during the booming Vietnam War economy and other periods of growth vanished once the economy retreated. Oil price shocks, double-digit inflation and massive industrial restructurings in the 1970s and '80s depressed opportunities, especially for workers with little education and those in the inner cities.

Labor Secretary Alexis M. Herman argues that it's different this time.

She thinks the unemployment rates for blacks and Latinos can come down even further in this more productive, technology-driven economy. In contrast to the economic growth of the '80s, she notes, the last two years have seen meaningful wage gains for workers at the bottom of the economic ladder.

And they have another advantage today, Herman says. Because the 8-year-old economic expansion is the longest ever in peacetime, she contends that many of those workers already have acquired substantial work experience and skills, making them more reemployable.

"They are more solidly rooted in this economy," she says.

In part that is because the worker shortage has pushed companies to be more aggressive about training their new, younger and less-skilled employees. Business is spending 50% more on building workers' skills than it did two years ago, experts say.

Businesses have found that young workers without much education are often adept at picking up computer and other technical skills. That's what Gina Sosa, who hired Bermudez, says of her new employee.

Sosa, president of Valley West Financial Insurance Services, says Bermudez needs to work on her reading and writing. "She's quick, fast and can type pretty well," Sosa says. "But if she wants to progress, she needs to learn the

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basics."

Herman's predecessor, Brandeis University economist Robert B. Reich, is decidedly less optimistic about whether these gains can be sustained.

He says the real problems remain structural: education and training, public transportation, and access to things like child care and health insurance.

"If unemployment starts moving upward again, then you can kiss those gains goodbye," Reich says, adding that the latest earnings gain still leaves the working poor behind.

But there is another key factor that should tend to keep the current momentum going: the aging of the baby boomers.

Experts say the number of young workers is already beginning to shrink. That shrinkage has been a boon to people like Dave Vasquez.

The 27-year-old resident of Lansing, Mich., says he has worked off and on since age 15. But he has never had anything more than a minimum-wage job, and almost all of them were part time. Some employers turned him away because he has a learning disability.

But unemployment in the Lansing area has been a mere 3% for the last year, and some fast-food shops have shut down their dining areas for lack of workers. Six months ago, Vasquez, a high-school graduate, filled out an application for a custodial job offering \$ 8 an hour, plus medical benefits. Three days later, he got the call. Nobody cared about his disability, he says.

"I sure was surprised," says Vasquez, who plans to get married in August. "Oh, yeah, if I didn't have this job, I would postpone my marriage. It would be hard to do."

Even as more people than ever are working, the biggest overlooked group is urban youth.

Nationally, the black teenage unemployment rate still hovers at 30%. That doesn't count those who have quit looking for work.

Bennie Swans, who works with inner-city youth in West Philadelphia, gauges unemployment in his area by counting teens shuffling on the tough street corners. "We've had some success, but when you look at the overall numbers, I think it's like spitting in the wind."

Businesses Recruit in Inner Cities

Then there's the issue of the pay and quality of the jobs. Even as they welcome the greater number of jobs, many in low-income communities don't think that the type of work they're getting, largely retail and services, provides real opportunities to build skills and careers.

Tim Merrill, a pastor and founder of Teenworks Ministries in Camden, N.J., one of the poorest areas in the nation, finds irony in the current situation.

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He says he sees a lot of young people forgoing more schooling to take dead-end jobs that require low skills. And for what? Too often, he says, the money goes for fashionable clothes and sneakers. "By the end of the day, they have nothing left to show for it."

For others in the urban core, despite all the changes in the economy over the last two decades, the mundane matter of getting to work remains a big hurdle. That's because most of the growth in metro areas, including the Los Angeles region, still occurs in the suburbs.

But even that might be changing. In metro areas where the unemployment rate is relatively high, as in Los Angeles County, where it is 6.3%, job counselors say companies like Pacific Bell have started to come into the center to recruit, whereas in the past, inner-city residents had to travel many miles just to apply.

"Now they come out here and hire right on the spot," says Val Bush, head of the Maxine Waters Employment Preparation Center in Watts. "Our placement rate is around 75%. It used to be 50%, if that high."

In America's tightest labor markets, some businesses are actually bringing the jobs to the central city.

That's what long-distance phone company Sprint, headquartered in a suburb of Kansas City, Mo., did in late 1997. The company had good reason for setting up a call-processing center at 18th and Vine, the historic jazz corner in the heart of the city.

Sprint operated two other centers in the suburbs of Kansas City, but with the region's unemployment rate hovering at 3%, the company was struggling to keep those offices staffed. Even at a starting pay of \$ 8.25 an hour, spokeswoman Laura Meyer said, 85% of the new hires were quitting within three months, some presumably to take better jobs.

Turnover has not been a headache for Sprint at its 18th and Vine operations. And if employees like Carla Williams have their way, they would work there forever.

Williams, 39, a dropout from 11th grade, says she spent 17 years on welfare. Now, after barely a year on the job, Williams has a lot to show for it: She got married. She bought her first car, a '95 Chevy Lumina, and is arranging to buy a \$ 33,000 house. She is socking away \$ 20 a week in Sprint's 401(k) plan. And she is signing up for computer training, fully paid by the company.

Like the other 45 workers, Williams sits in front of a computer, taking an average of 500 calls a day from customers, including rude ones. "I used to have a temper," Williams says. But no more. "Only in my face was I mad. To me, every customer is 'Yes, sir,' or 'No, ma'am,' no matter what their age."

California Poses Special Challenges

Ted Gibson, chief economist at California's Department of Finance, says there is no question that the state and the country have a golden opportunity to "bring folks into the mainstream economy that have given up and been denied before. If there was ever a time to do this, it's now."

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But the challenges for California are greater.

Its labor force is growing at roughly double the national pace because of the influx of immigrants and migrants from other states and a higher birthrate. Many of the new labor entrants are young and less educated.

The bulging labor force partly explains California's higher unemployment rates for all groups of workers.

And yet California's labor shortage is more pronounced because many of the people without jobs are unequipped to fill the jobs most in demand--in computer services, engineering and other high-skill industries.

As long as the state's economy is creating a raft of entry-level service and construction jobs, the least educated and least skilled in California have a shot--but not a good one.

Even for seemingly easy jobs, economists say, the skill requirements are becoming more demanding, and people in the state can't count on public training funds, which haven't increased much in California or elsewhere.

The best hope for the low-skilled may be to follow the path of Shanna Wicks.

Four years ago, Wicks, 32, was one of 780 people on welfare hired by Packard Bell for its new computer assembly plant in Sacramento. She started out on the assembly floor wearing hard-toed shoes and a white smock. The high school graduate and single mother of three, she came in at \$ 5.25 an hour.

Four months later, Wicks moved to another section, where she put diskettes into computers and noted whether a component was ready to be moved along the assembly line. It was unskilled work, but she took the opportunity to learn that software, as well as Microsoft Word and Excel, two popular office programs.

Six months later, Wicks saw a job posting on the factory floor and moved up to office technician in the document control department. Since then she has been promoted three more times, rarely missing an opportunity to attend training, even though that has meant a rigorous schedule in which she wakes up at 4:30 a.m., readies her children's school clothes and lunches, and arrives at Packard Bell by 6.

But it has all paid off. As she was climbing the ladder over the last year, Packard Bell initiated a massive layoff to deal with the industry downturn, a result of Asia's economic troubles. Three out of every four former welfare recipients were let go, compared with less than half of the remaining work force.

But Wicks escaped the cutback and now earns more than \$ 12.50 an hour at the plant. She has her sights set on becoming an analyst, which would put her on salary. That would help her draw closer to her goal of buying a home. Two months ago, through an employee discount plan, she brought home the family's first computer.

"I have no fears if I left here," she said. "I can definitely find employment elsewhere."

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GRAPHIC: PHOTO: Adelicia Bermudez, 23, has worked in data entry and customer service at a Fountain Valley insurance firm since February. PHOTOGRAPHER: AL SCHABEN / Los Angeles Times PHOTO: Carlos Radillo, 30, still sleeps at a downtown shelter. But he is now a janitor at a private school near Baldwin Hills, where he earns \$10 an hour. PHOTOGRAPHER: WALLY SKALIJ / Los Angeles Times PHOTO: Carla Williams, 39, has now been employed for a year in customer service at Sprint in Kansas City, Mo., after 17 years on welfare. PHOTOGRAPHER: DON IPOCK / For The Times PHOTO: Carlos Radillo, who has lived on a reservation, now has an ATM card and a way out of the shelter. PHOTOGRAPHER: WALLY SKALIJ / Los Angeles Times

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54. *Ibid.*, p. 306.

55. *Ibid.*

56. A.T. Lane, "American Trade Unions, Mass Immigration, and the Literacy Test, 1917," *Labor History* (Winter 1984), pp. 5-25.

57. Taft, *Organized Labor in American History*, p. 306.

58. *Ibid.*, p. 308.

59. Harry A. Millis and Royal E. Montgomery, *Labor's Progress and Some Basic Labor Problems* (New York: McGraw-Hill, 1938), p. 31. See also Jefferey G. Williamson, *The Impact of Immigration on American Labor Markets Prior to the Quotas*, NBER Working Paper Series 5185 (Cambridge, MA: National Bureau of Economic Research, 1995).

60. Millis and Montgomery, *Labor's Progress*, p. 211.

61. *Ibid.*, p. 32.

62. "Resolution 172 Immigration Reform," *Proceedings of the Fifth Constitutional Convention of the AFL-CIO*, Vol. 1 (Washington: AFL-CIO, 1963), p. 353.

63. *Proceedings of the Sixteenth Constitutional Convention of the AFL-CIO*, Vol. 2 (Washington: AFL-CIO, 1983), pp. 173-175.

64. *Proceedings of the Eighteenth Constitutional Convention of the AFL-CIO* (Washington: AFL-CIO, 1989), pp. 278-279.

65. "Legislative Alert," open letter from Peggy Taylor, Department of Legislation, AFL-CIO to Senator Orrin Hatch, U.S. Senate Committee on the Judiciary, March 26, 1996, pp. 5-6. See also "Policy Resolutions Adopted October 1995 by the AFL-CIO Convention," *Proceedings of the Nineteenth Constitutional Convention of the AFL-CIO* (1995), pp. 68-70.

66. For example, see Richard Mines and Jeffrey Avina, "Immigrants and Labor Standards: The Case of California Janitors," in *U.S.-Mexico Relations: Labor Market Interdependence*, Jorge A. Bustamante et al. (Stanford: Stanford University Press, 1992), pp. 429-448.

67. See Briggs, *Mass Immigration*, Chap. 9, for a more complete discussion of needed reforms.

68. Commission on the Skills of the American Workforce, *America's Choice: High Skills and High Wages* (Rochester, NY: National Center on Education and the Economy, 1990).

69. John Higham, "The Purpose of Legal Immigration in the 1990s and Beyond," *The Social Contract* (Winter 1990-91), p. 64.

70. *Ibid.*

71. For details, see Briggs, *Mass Immigration*, pp. 86-89.

72. Theodore Hesburgh, "Nothing Totalitarian About a Worker's ID Card," *New York Times*, September 24, 1982, p. A-26.

CHAPTER FROM:

Auerbach, James A. and Belous, Richard S. *The Inequality Paradox: Growth of Income Disparity*. Washington, D.C.: National Policy Association. 1998.

Growing Income Inequality in American Society: A Political Economy Perspective

by James H. Johnson, Jr., and Walter C. Farrell, Jr.

THE GROWING SCHISM between the haves and the have-nots in American society reflects policies implemented at the federal, state, and local levels of government in the post-1980 period to foster the competitiveness of U.S. businesses and communities in the global marketplace.¹ This chapter presents snapshots of contemporary inequality in American society and analyzes the determinants of the observed disparities, using data from Los Angeles, California, a bellwether city in the emerging social and demographic trends of the 21st century. To set the context for the empirical analyses that follow, we begin by providing a general overview of the role of policies in selected domains in generating income inequality.

POLITICAL BACKGROUND

In an effort to shed light on the causes and consequences of growing income inequality in American society, we employ a political economy perspective, focusing specifically on the impact of policies enacted in four domains: (1) business and local economic development; (2) employment and training; (3) education; and (4) crime and criminal justice.

Business Policy and Local Economic Development

It is generally agreed that policy-driven changes on both the demand side and the supply side of the U.S. labor market have contributed to growing income inequality in American society over the past two decades.² Specific policies undergird recent structural changes in the American economy.

One of the key contributing factors on the demand side, according to Grant and Johnson, was the Reagan administration's efforts during the 1980s to "create a deregulated business environment in order to facilitate the competitiveness of U.S. firms in the global marketplace."³ Grant and Johnson note that these business policy developments altered the structure of economic opportunity in several ways. First, they accelerated the decline of highly unionized, high wage, central city manufacturing employment, a process referred to as deindustrialization.⁴ More than 1.1

million manufacturing jobs disappeared from the U.S. economy in the 1980s, predominantly from large cities.⁵ Second, these policies fostered organizational changes in production methods in the rapidly growing sectors of the economy—high technology manufacturing and craft specialty industries.⁶ Firms in these high growth sectors, as well as in some of the traditional manufacturing industries (e.g., auto manufacturing), shifted from the so-called Fordist mode of production (i.e., the assembly line) to more flexible modes of production. This shift has been described as follows:

Unlike mass production activities which are typically rigid in structure, the new forms of production are generally characterized by the ability to change process and product configurations with great rapidity—an ability that is frequently much enhanced by the use of computerized technologies. They are also typically situated in networks of extremely malleable external linkages and labor market relations. By the same token, they tend so far as possible to externalize production processes by buying in services and products that might otherwise be supplied internally, and this sometimes leads in turn to concomitant downsizing of individual establishments.⁷

Grant and Johnson suggest that two features of this shift are key to understanding how it has contributed to growing income inequality in American society.⁸ The first is that firms shifting to more flexible modes of production have consciously sought "alternative locational environments uncontaminated by previous historical experience of large-scale manufacturing activity and Fordist employment relations (i.e., unionization)."⁹ Grant and Johnson also argue that this "has resulted in the emergence of new industrial spaces on the U.S. landscape—most often in places where there are few blacks in the local labor market and within reasonable commuting distance."¹⁰ Some of these new industrial spaces are in large metropolitan areas in older metropolitan regions such as inner-city enclaves of craft specialty industries in New York and the suburban high technology complexes in the western suburbs of Boston. Others have emerged in communities that historically were at the geographic margins of the U.S. manufacturing core. They include the high technology centers in the Sun Belt cities of Albuquerque, Austin, Boulder, and Colorado Springs and the suburban complexes in Orange County and Silicon Valley, California.¹¹

According to Grant and Johnson, "To the extent that suburban, urban, and nonmetropolitan communities with significant black populations have inherited new economic activities, they typically have inherited noxious industries that pose a threat to public health and safety. For example, they cite Cancer Alley—a 90-mile stretch between New Orleans and Baton Rouge, Louisiana, where blacks share residential space with one of the highest concentrations of petrochemical plants

in the United States, and possibly the world. Describing this area, Grant and Johnson assert that:

Blacks in this region reap few of the benefits—for example, few are employed in full time, well paying jobs in the industry—and incur most of the risks—that is, they are burdened by high incidences of cancer-related deaths and illnesses as a consequence of exposure to deadly toxic releases from the petrochemical plants. The enormous inequality inherent in this type of situation is yet another manifestation of the federal government's failure during the 1980s to enforce workplace standards and environmental regulations—all under the guise of fostering our economic competitiveness in the global marketplace—which has been dubbed "environmental racism."¹²

The second factor, in their view, pertains to the way in which these flexible production facilities meet the demand for low skilled labor:

U.S. firms shifting to more flexible modes of production contend that their survival in the marketplace hinges on the extent to which their prices remain competitive vis a vis national and international firms. Thus, in an attempt to keep labor costs down, this type of work is either farmed out to subcontractors or the demand is met by preferential hiring practices. Owing to the federal government's lax enforcement of workplace wage and safety laws, such firms, especially those in the craft specialty sector, typically offer very low wages, have unattractive working conditions, and structure their workforces illegally—usually by hiring foreign and undocumented labor or women.¹⁴

At the same time that employers have been carving out new industrial spaces on the U.S. landscape, the evidence indicates that, in an effort to lure international capital to cities, local officials have been pursuing, consciously and aggressively, a strategy of downtown redevelopment at the expense of the poorer residential neighborhoods nearby. As a consequence of this redevelopment strategy, many large U.S. cities have become transactional centers that now house the headquarters of multinational corporations and other advanced service sector employers.¹⁵

Jobs in these revitalized downtown areas typically require high levels of education and technical training—the ability to do "head work" as opposed to "hand work." The primary low skill employment opportunities that exist in these downtown redevelopment zones are low level service and custodial jobs that typically are filled by newly arrived immigrants and that pay, at best, the minimum wage.¹⁶ Thus, these downtown redevelopment policies are partly responsible for the polarization of urban labor markets into high wage and low wage sectors and, in extension, growing income inequality in U.S. society.

With respect to changes on the supply side of the U.S. labor market, growing income inequality reflects the growing presence of women in the U.S. labor market and the failure of U.S. businesses to develop family-friendly policies to accommodate them.¹⁷ The dramatic increase in female labor force participation since World War II is attributable to the women's rights movement, which in turn led to the enactment of equal opportunity laws designed to protect and enhance their status in the employment arena. In terms of broadening understanding of growing income inequality, it is useful to divide those women who were born after World War II and who have entered the civilian labor market into three groups.

The first group, the baby boomers, were raised by parents whose "ability to finance a college education for their sons and daughters was unprecedented."¹⁸ Many of the women in this group earned graduate degrees and then joined the professional and managerial ranks in both the public and the private sectors. According to Bianchi:

They inundated executive offices, law firms, hospitals, and finally the armed forces, voicing great skepticism as to whether they would be the exception rather than the rule. If they worked assertively, diligently, and continuously, the inherently sexist, unfair system would somehow recognize their individual talent and would promote them as readily as their equally well trained male counterparts. . . . The gamble that unfairness and discrimination would not impede their progress—or at least would deter them much less than it had in the past—ultimately paid off.¹⁹

Bianchi notes that, during the 1980s, "there was a narrowing of the gender wage gap partly as a function of this baby boom generation of young women moving into mid-career and partly as a result of their mothers', who were paid much less than their daughters, retirement from the labor market."²⁰

In contrast to the baby boomers, for the second group of women—working women with a high school education or less—life did not seem so fair during the 1980s. These women were concentrated principally in the expanding service sector of the economy (particularly in health care). Working long hours (much longer than their male counterparts) in mainly part-time and temporary jobs, these women and their families have become members of the working poor in America, that growing class of individuals and families whose earnings are insufficient to lift them above the official poverty line.²¹

Single mothers with dependent children, who are disconnected from the labor market and who rely primarily on welfare for survival, constitute the third group of women. Findings from recent studies show that most of these women possess neither the "hard" human capital skills nor the "soft" cultural capital skills to compete for jobs in the contemporary labor market.²² Nevertheless, they are the target of the recently

enacted welfare reform legislation that seeks to change welfare as we know it by transitioning these women into the world of work. It should be noted here that by removing these individuals from the welfare rolls and pushing them into the labor market without adequate skills to compete in the advanced industrial economy, the federal government is, in essence, flooding the labor market with additional low skilled job seekers, which in turn will further exacerbate existing income disparities.

Some of the difficulties that women face in the U.S. labor market stem from the fact that, despite recent changes in social norms, they remain either principally (two-parent families) or solely (single-parent families) responsible for child care in their households. As Apter points out in her provocatively titled book *Working Women Don't Have Wives*, this reality represents a major barrier to female labor force participation and to the occupational mobility of women when they manage to secure employment because of the failure of both public and private sector employers to adjust workplace rules to accommodate women's primary roles as homemakers and caretakers of children.²³

Previous research indicates that lack of access to affordable child care is one of the reasons women are more likely to work part time or to drop out of the labor force from time to time. Further, studies show that such family-related breaks in employment adversely affect wages, other types of compensation, and occupational advancement.²⁴

Recent reforms of U.S. immigration laws also have played a major role in the growing income disparities in the American society. It is well documented that the origin, size, and composition of the legal immigration stream changed dramatically as a consequence of the Hart-Cellar Act of 1965 and more recent amendments to it (especially the Immigration Reform and Control Act of 1986 [IRCA] and the Immigration Act of 1990). Between 1961 and 1992, legal immigration to the United States averaged 561,000 people per year, compared with an average of 206,000 per year between 1921 and 1960.²⁵

Along with those entering by means of the hemispheric quota and family/occupation preference provisions established in the Hart-Cellar Act of 1965, the new arrivals over the past 30 years have also included a significant number of refugees, parolees, and asylum seekers fleeing political persecution in their home countries and a substantial number of illegal immigrants searching for jobs and an improved quality of life. Between 1961 and 1993, according to the Immigration and Naturalization Service (INS), 2,149,369 refugees, parolees, and asylees were allowed to settle in the United States (roughly 65,000 annually). It has been estimated that between 300,000 and 400,000 unauthorized immigrants have entered the United States each year over the past two decades. However, the actual number of undocumented immigrants who have settled permanently in the United States remains unknown, partly because their illegal status makes it difficult to enumerate them and partly because an under-terminated proportion enter and exit the country on a daily (e.g., Mexican day laborers) or seasonal (e.g., migrant farm workers) basis.²⁶

In terms of the impact of illegal immigration on the U.S. civilian labor pool, the number of unauthorized aliens granted amnesty under the IRCA of 1986 is probably the best indicator. Any illegal immigrant who could demonstrate that he or she had lived in the United States before 1982 was eligible to apply for citizenship under this act. Three million undocumented immigrants took advantage of this opportunity to become U.S. citizens.²⁷

The view was that if amnesty was granted to such a large number of people who were residing in the United States illegally, these new legal workers would saturate domestic labor demand and thereby stem the illegal flow. In an effort to further stem the tide, the IRCA of 1986 also introduced sanctions designed to prohibit employers from hiring undocumented or unauthorized workers and allocated additional resources to beef up control of the U.S.-Mexico border.²⁸

These reforms have been largely ineffective and have contributed to growing income inequality in American society. Their ineffectiveness is partially rooted in the initial framing of the legislation, which involved a strange ideological convergence of two otherwise politically opposite groups: market-oriented expansionists, comprising mainly business people on the political right, and rights-oriented expansionists, comprising primarily human rights advocates and members of ethnic minority groups on the political left.²⁹ In the debate over the illegal immigrant problem and U.S. immigration policy that led up to the enactment of the 1986 IRCA, both of these groups advocated expanded immigration, but for radically different reasons.

Reflecting the resurgence of free market economics in American politics during the 1980s, the market-oriented expansionists advocated the "free flow of goods, technology, capital, and people across international borders."³⁰ In support of a robust immigration policy, they praised immigrants for their propensity to start new businesses and for keeping U.S. businesses competitive in the international marketplace. Using this argument, they were able to secure, through the 1986 IRCA, "sharp increases in employer-sponsored and skilled-worker visas, as well as cheap labor for the agricultural, garment, and hotel sectors."³¹

Building on the legacy of the civil rights movement in American politics, rights-oriented expansionists sought to gain entry and protection for powerless immigrant groups, especially nonwhite illegal immigrants and refugees. Through the 1986 reform legislation, they were able to "secure a generous amnesty program for illegal aliens, a new civil rights agency charged with combating job discrimination against aliens, a new protection for temporary farm workers, generous allocation of family reunification visas, and the removal of many ideological and sexual-orientation restrictions."³²

Largely because of the political coalition between these otherwise strange bedfellows, the 1986 reforms have been counterproductive. First, as Andreas notes, above and beyond the Mexican immigrants who were living in the United States illegally, many of their counterparts who

had returned to Mexico actually came back to the United States to claim their legalization papers after the 1986 law was enacted.³³ It is noteworthy that these immigrants were able to reenter the United States illegally even though the federal government, pursuant to the reform legislation, nearly doubled the number of border control agents—from 2,500 to 4,800 in 1986—in an effort to significantly tighten control of the border. It was assumed that beefed up control would increase the number of apprehensions, which in turn would serve as a deterrent to continued illegal immigration.

But, as Andreas points out, this has been an ineffective strategy: "Many illegal immigrants make regular trips between the United States and Mexico, but often stay in the U.S. only long enough to earn a fixed amount of money. Stricter border control, however, induces them to stay longer; the more difficult it is to cross the border, the more expensive the journey becomes. As border controls are tightened, illegal immigrants rely on 'coyote' professional smugglers to take them across the U.S. for a fee."³⁴

Andreas states further that, "in effect, tighter border controls may reduce the number of trips made by illegal immigrants, but they increase the incentive to cross the border and, once across, to stay longer. Moreover, by forcing illegal immigrants to depend more on smugglers, border enforcement has helped to create a profitable and increasingly sophisticated business in 'human trafficking'."³⁵

In addition, research shows that when surveillance is tightened in one area, new ports of illegal entry are established elsewhere along the border. As one INS official said: "We call it the balloon effect. You squeeze it here, it goes over there."³⁶

Similarly, the employer sanctions component of the IRCA of 1986 has been largely ineffective. In deliberations surrounding this act, neither the market-oriented expansionists on the right nor the civil rights-oriented expansionists on the left supported the creation of a new counterfeit- and tamper-resistant employer identification card that would have made it easier for the federal government to monitor workplace hiring practices. In the absence of support for the use of such a card, the IRCA of 1986 permitted undocumented immigrants to use a wide range of documents to demonstrate that they had lived in the United States before 1982. Moreover, because of the political left's concerns about violations of civil liberties and the potential for discrimination in hiring decisions and because of the political right's concerns about the undue burden that the document requirements would place on businesses from the political right, small businesses were exempt from the document requirements altogether. Other employers were required only to attest to the face validity of the documents and to their authenticity. Further, the enforcement of these sanctions has been very lax.³⁷

Andreas concludes that fewer than 5 percent of U.S. workplaces have been inspected since sanctions were initiated.³⁸ In addition, field research suggests that since the implementation of IRCA, the "use of

fraudulent documents by unauthorized workers is widespread."³⁹ It has been estimated that "at least one-half, and perhaps substantially more, of the unauthorized hires made after the passage of the IRCA may have involved fraudulent documents."⁴⁰

Thus, partly because of the aforementioned flaws or unanticipated effects and partly because of the state of the U.S. economy when it was enacted, the 1986 law may have contributed to the increased flow of illegal immigrants into the U.S. labor market instead of stemming the tide as originally intended. When the law was implemented, the U.S. economy was booming, and the demand for cheap unskilled and semi-skilled labor, especially in the craft specialty and hospitality service industries, served as a strong magnet for continued illegal immigration into the United States. Further, the flow was facilitated and enhanced by the unanticipated effects of beefed up border controls, lax enforcement of employer sanctions, and, most important, the granting of legal status to 3 million formerly undocumented and mostly Mexican immigrants. Commenting on the unanticipated impact of the amnesty provision of the 1986 law, Andreas notes that "those who were granted legal status and thus allowed to work provided a more permanent base for the social networks that facilitate the arrival of new [illegal and legal] immigrants."⁴¹

Not unlike what happened with the IRCA of 1986, the reforms implemented by the Immigration Act of 1990 have been similarly counterproductive, and basically for the same reason: the invisible hands of the rights-oriented expansionists on the political left and the market-oriented expansionists on the political right. In the 1990 act, the former were successful in winning stays of deportation for family members of immigrants legalized under the IRCA of 1986, which heightened the flow of legal immigrants to the United States under the family preference provision. The latter succeeded in getting the cap raised on legal immigration by securing increases in employer-sponsored and skilled worker visas.⁴²

That these reforms have been counterproductive and have contributed to growing income inequality is directly related to the timing of the law's enactment. These reforms were implemented precisely when the U.S. economy was experiencing a major downturn, characterized by massive layoffs, increasing job insecurity, and sharply declining wages, all of which figure heavily in the growing opposition among native-born Americans to U.S. immigration policy.⁴³ As a consequence, the large-scale influx of immigrants—legal and illegal—over the past three decades has created labor surplus environments, that is, labor market conditions in which there are far more job seekers than available jobs.⁴⁴ In the low wage sectors of the economy, this situation not only tends to depress wages, but it also affords employers maximum flexibility to pick and choose workers.

Studies by Kirschenman and Neckerman, among others, indicate that in such environments, employers display a strong preference for immi-

grant workers over native workers in general and over black job seekers in particular.⁴⁵ Black workers are perceived to be lazy, inarticulate, untrainable, and, most important, dangerous. Immigrant workers, especially those who are undocumented, are perceived to be more compliant and industrious and thus are highly preferred in the workplace.⁴⁶ Employers in rapidly growing industries such as garment manufacturing and hospitality services (e.g., hotels, motels, restaurants, fast food outlets, and taxicab companies) satisfy their labor demands either by tapping into informal networks of immigrant workers directly or by contracting with firms that have access to such networks.⁴⁷

Although there is considerable disagreement in the literature on the actual labor market impacts of immigrants, there is growing evidence that displacement is occurring.⁴⁸ Mines reports how employers in the high rise office district of Los Angeles contracted with firms that tapped into networks of recent immigrants to hire janitors. Mines shows not only that the recently arrived immigrant workers displaced black janitors, but also that wage rates declined from \$13 per hour to just over the minimum wage.⁴⁹

Other research suggests that a similar displacement of veteran workers is occurring in industries such as garment manufacturing, frozen foods, construction and construction clean-up, and hospitality services, all of which previously had large numbers of black workers. In the Los Angeles garment industry, for example, an estimated 90 percent of the workforce is foreign born, mainly undocumented immigrants from Mexico.⁵⁰ At the upper end of the labor market, employers use temporary work visas and employment-based provisions of the immigration law to bring in foreign workers for professional-level jobs that might otherwise go to native-born Americans. This is thought to be a common practice in the United States in multinational corporations, universities, and computer and movie companies.⁵¹

Current immigration law permits foreigners with specialized skills to work in the United States for six years. "The law even permits U.S. companies to fire American professionals and replace them with foreigners as long as the foreigners are paid 'comparable' wages to the departing Americans."⁵² However, enforcement is difficult because the federal government acts only when foreigners complain, which they rarely do. Thus, it is not known how many companies pay foreigners below-market wages.

One recent case handled by the U.S. Department of Labor illustrates how employers have used the law to the detriment of American workers and how it has contributed to growing income inequality in American society.⁵³ A large insurance firm laid off its entire management information services department staff of 250 programmers and replaced them with foreign programmers brought from India on H-1B visas. The firm that the insurance company contracted with to provide the computing services was accused of paying the 40 programmers from India below-market wages.⁵⁴ To settle the case, the contractor was forced to pay \$77,000 in back wages to the

40 foreign programmers, to hire 40 American programmers in the next year, and to spend \$1 million to train U.S. workers in the latest software techniques. The company also agreed not to bring any more foreign programmers into the United States for 90 days.⁵⁵

Complaints about these kinds of practices have led a group of Austin, Texas, programmers to form a political action committee to protect their jobs.⁵⁶ These and other concerned groups have encouraged members of Congress to press for cuts in the number of foreign workers allowed into the United States under this provision of the immigration law from 65,000 to 30,000 annually. Moreover, a bill was introduced in Congress that sought to discourage the practice by requiring foreigners to be paid 10 percent more than their American predecessors.⁵⁷

Employment and Training Policy

Over the past 15 years, some individuals and groups have been constrained by the employment and job training assistance policies enacted in the 1980s from gaining the skills that would qualify them for well-paying jobs in the high growth sectors of the U.S. economy. The Job Training and Partnership Act of 1981 (JTPA), which replaced the Comprehensive Employment and Training Act of 1973 (CETA), represented the Reagan administration's programmatic response to the growing mismatch between skills and jobs in the U.S. economy. Fitzgerald and McGregor summarize how the JTPA program contributed to growing income inequality in American society during the 1980s:

The limited effectiveness of JTPA is related to the need to meet federal regulations. The goal is to place applicants as quickly as possible, without respect to quality of employment. Job placement assistance is preferred over training, because it is the shortest, and thus the cheapest, service. Fifty percent of enrollees receive placement assistance only. Evidence suggests that the JTPA program creams off the most employable individuals for the most effective types of training in order to meet placement criteria. Specifically, white males seem to be channeled into on-the-job training programs, which provide the highest reemployment opportunities, while women, minorities, the long-term unemployed, and public assistance recipients are more likely to receive classroom than on-the-job training [with little or no guarantee of employment upon completion].⁵⁸

More specifically, the latter groups were more likely to be directed into general equivalency diploma (GED) programs. Commenting on the labor market experiences of these individuals, Fitzgerald and McGregor "frequently find that there is no demand for their newly acquired skill in the local labor market," a finding supported by other research that documents the modest economic returns to securing a GED.⁵⁹

In addition to the discrimination inherent in program implementation, Grant and Johnson point out that the Reagan administration substantially cut the federal budget for job training and employment assistance.⁶⁰ Fitzgerald and McGregor estimate that "real per capita funding for federal employment and job training programs declined by nearly 80% between 1979 and 1986."⁶¹

Education Policy

Several studies point out that the growing income inequality in American society is partly related to recently implemented policies designed to remedy what is increasingly being perceived as a failing public education system. In dissecting and challenging the "crisis" in American public education, researchers contend that analysts and policymakers have instituted a series of "get-tough" education policies—such as tracking by ability, grade retention, increasing reliance on standardized tests as the ultimate arbiter of educational success, and extreme disciplinary sanctions—that have disenfranchised large numbers of black and other minority youth.⁶²

With respect to tracking, Oliver and Johnson cite data indicating that black youth are underrepresented in the gifted and talented or college-bound tracks and overrepresented in the vocational, general education, and special education or noncollege-bound tracks. Moreover, they note that individuals who have little or no training in child development often do this tracking. Pursuant to the adverse effects of tracking, they also show how school officials have tightened requirements for both high school graduation and college admission without paying proper attention to whether qualified teachers and the necessary facilities are available at the primary and secondary school levels. These developments, they contend, have been especially problematic for urban blacks from impoverished backgrounds who attend economically and educationally inferior schools.⁶³

Oliver and Johnson also cite the increased reliance on standardized general and subject-specific tests as yet another barrier—consistent with well-established biases that characterize these tests in predicting black (and other minority) student academic success in higher education. Finally, they draw attention to research showing that blacks generally, and black males specifically, are more likely than their white counterparts to be subjected to extreme disciplinary sanctions, including permanent expulsion from school.⁶⁴ A number of studies confirm that these and related get-tough education policies are directly responsible for the recent rise in the dropout rate and the decrease in the college-attendance rate of black youth, especially black males. Johnson and Oliver argue that because many of those who drop out of high school or fail to qualify for admission to a college or university do not possess the skills to compete for jobs in the rapidly growing high wage sectors of the U.S.

economy, these policies have further exacerbated joblessness and eroded the earning power of young black males.⁶⁵

Crime Policy and Criminal Justice

State governments' anticrime policies also have contributed to growing income inequality in American society. According to Petersilia and others, for nearly three decades, states have pursued a policy of resolving the problems of the inner city through the criminal justice system.⁶⁶ California, once a leader in the rehabilitation of criminals, epitomizes this shift in anticrime policy. Describing this shift, Petersilia states that "In 1977 the California legislature enacted the Determinant Sentence Law, which, among other things, embraced punishment (and, explicitly, not rehabilitation) as the purpose of prison, required mandatory prison sentences for many offenses formerly eligible for probation, and dramatically increased the rate at which probation and parole violators were returned to prison."⁶⁷ As a consequence of this law, "the California prison population skyrocketed from 22,000 to 106,000 between 1980 and 1992, an increase of more than 400%."⁶⁸

Following California's lead, a number of other states have enacted determinant sentence laws and also have gone on a prison construction binge to accommodate the resulting increase in their prison populations. Freeman notes that, as a consequence of this "lock-them-up-and-throw-away-the-key" approach to the crime problem, state spending on criminal justice has far outstripped total spending and spending on education.⁶⁹ According to Petersilia, over a five-year period, spending on the criminal justice system increased by 70 percent in California, approximately four times greater than total state spending, whereas state spending on education increased by only 10 percent.⁷⁰ Minorities, especially black males, have been affected disproportionately by these get-tough-on-crime policies.⁷¹ In California, for example, two-thirds of the prison population is black or Hispanic, with blacks constituting 35 percent of the total.⁷² Freeman estimates that nationally "In 1993, about 7 percent of black men over 18 were incarcerated. One black man was in prison for every 11 black men in the workforce; and approximately one was under the supervision of the criminal justice system for every three to four black men in the workforce. Combine race and age and you find that 12 percent of black men age 25-34 were incarcerated."⁷³

What are the prospects of landing a job in general, and a good job in particular, if you have a criminal record? As Johnson and Oliver note for the African American male, "incarceration breeds despair, and hopelessness, and in the employment arena, it is the 'Scarlet Letter' of unemployability."⁷⁴ Thus, interracial disparities in income are related, at least in part, to state-level anticrime policies that have been implemented over the past three decades.

THE RESEARCH CONTEXT

Nowhere in the United States have the effects of recent policy changes in the aforementioned domains been more evident than in metropolitan Los Angeles.⁷⁵ To set the context for the snapshots of income inequality presented here, we highlight the nature and magnitude of changes in the Los Angeles community that were wrought by conservative policy-making at the federal, state, and local levels of government.⁷⁶ It must be noted, however, that there are rapidly increasing manifestations of unequal economic and social circumstances between and within racial/ethnic, gender, and immigrant groups across America.⁷⁷

It is well documented that to lure international capital to Los Angeles and to enhance the competitiveness of locally-based firms, city officials have pursued, consciously and aggressively over the past quarter century, a strategy of downtown and Westside redevelopment at the expense of the neighborhoods and communities that make up south central Los Angeles.⁷⁸ This policy paid off handsomely in terms of job creation, at least during the 1980s, when more than 732,000 jobs were added to the Los Angeles economy. But undergirding this massive job growth were sectoral, organizational, and locational changes in economic activities that dramatically altered the structure of employment opportunities and the socioeconomic well-being of the population.

First, as Table 1 shows, most of the job growth was highly concentrated in two economic sectors—producer services (high wage jobs) and personal services (mainly low wage jobs). Second, most of the high wage job growth was concentrated in the downtown area, where city officials used tax increment financing and other financial incentives to encourage multinational corporations to establish their headquarters, and in new high technology manufacturing employment growth nodes, or "technopoles," that were established in the San Fernando Valley, in the San Gabriel Valley, in El Segundo near the airport in Los Angeles County, and in nearby Orange County, communities where the black and Hispanic populations were small or nonexistent.⁷⁹

Third, between 1978 and 1989, in part as a function of the city's wholesale disinvestment in south central Los Angeles—the traditional industrial hub of the region—approximately 200,000 "good paying," unionized manufacturing jobs disappeared from the Los Angeles economy—a process known as deindustrialization—because of plant closings and capital flight to the U.S.-Mexico border region. During this period, an estimated 215 Los Angeles-based employers, including Hughes Aircraft, Northrop, Rockwell, and many smaller firms, established manufacturing facilities in the Mexican border towns of Tijuana, Ensenada, and Tecate, where labor is much cheaper than in Los Angeles. As noted elsewhere, this capital flight, in conjunction with the plant closings, "essentially denied the predominantly black and Hispanic residents of south central Los Angeles access to formerly well-paying, unionized jobs."⁸⁰

TABLE 1

EMPLOYMENT CHANGE BY INDUSTRY, 1980-90

	Industry					
	Total Employment	Transfor- mative	Distributive	Producer Services	Personal Services	Social Services
Los Angeles County						
1980	3,471,764	1,038,751	948,524	492,278	254,320	694,150
1990	4,203,792	1,107,917	1,150,053	709,066	365,534	810,098
Change '80-'90	732,028	69,166	201,529	216,788	111,214	115,946
%	21.0	16.6	21.0	44.0	44.0	16.7
Los Angeles City						
1980	1,394,855	376,656	365,858	229,350	129,901	275,730
1990	1,670,488	405,447	437,548	315,409	184,850	302,367
Change '80-'90	275,633	28,791	71,690	86,059	54,949	26,634
%	19.7	7.6	19.6	37.5	42.3	9.7
Balance of County						
1980	2,076,909	662,095	582,666	262,928	124,419	418,417
1990	2,533,304	702,470	712,505	393,657	180,684	507,729
Change '80-'90	456,395	40,375	129,839	130,729	56,265	89,312
%	21.9	6.1	22.3	49.7	45.2	21.3

Source: Compiled by authors from the LASUI.

However, new employment opportunities have emerged within or near the traditional industrial core in south central Los Angeles,⁸¹ but they are radically different from the manufacturing jobs that disappeared from the area. The new jobs are in the competitive sector of the economy, including the hospitality service industry and craft specialty industries such as clothing, jewelry, and furniture manufacturing, in which employers survive only to the extent that their prices remain nationally and internationally competitive. To remain competitive, they "often hire undocumented workers, offer unattractive working conditions, and pay, at best, the minimum wage."⁸² The growth of the competitive sector of the Los Angeles economy has been fostered by the federal government's failure to control the flow of illegal immigrants into the Los Angeles region and to enforce laws governing employee recruitment, hiring, and compensation of undocumented workers.⁸³

A number of studies have demonstrated how the foregoing developments helped widen the divide between the haves and the have-nots in

Los Angeles during the 1980s. Making matters worse, since 1990, the demand for labor in all sectors of the Los Angeles economy has been on a downward trajectory. This is generally a result of major federal cuts in defense spending and a growing trend in corporate America toward downsizing, reengineering, and capital flight, especially from California, in an effort to facilitate efficiency and competitiveness in the global marketplace.⁸⁴ Mainly as a consequence of these forces, it has been estimated that California lost 700,000 jobs at the onset of this decade. Much of this loss is attributable to business failures and capital flight from the Los Angeles metropolitan area. Unfortunately, these demand-side changes in the labor market did not stem the tide of job seekers arriving in Los Angeles, primarily from abroad. Between 1990 and 1995, the population of Los Angeles increased by nearly 25 percent because of a steady stream of legal and illegal immigrants into the area.⁸⁵

Partly as a function of the city's wholesale economic disinvestment in south central Los Angeles, the area has become host to a disproportionate number of alcohol outlets and other locally unwanted land uses, which makes it an unattractive place for business development. Moreover, city officials' neglect of south central Los Angeles coincided with massive cuts in federal aid to cities.⁸⁶ Both of these developments occurred when the primary institutions in south central Los Angeles—families, schools, churches, and others—were being swamped with huge increases in the juvenile population. Partly as a function of these cuts in local and federal government assistance, the community's primary institutions started "to crumble at the very moment when they were needed to be towers of strength."⁸⁷

At the state level during this same period, there was a dramatic reallocation of resources from the public education system to the criminal justice system. This reallocation process has been a double-edged sword for African American males in particular.⁸⁸ Cuts in education have contributed to their school failure, and the increased spending on "lock-them-up-and-throw-away-the-key" crime control policies has been used to brand them with the scarlet letter of unemployment.⁸⁹ It is emblematic of the state and national changes in crime control policy that both the Los Angeles Police Department and the Los Angeles Sheriff's Department have strategically targeted south central Los Angeles, the heart of Los Angeles's black community, and young African American males within this community in their war on gangs and drugs.⁹⁰

THE DATA

In 1992, we undertook a primary data-gathering initiative, the Los Angeles Survey of Urban Inequality (LASUI), in an effort to gauge the impact of these and other developments on the social and economic well-being of the residents of metropolitan Los Angeles. The LASUI is part of a larger interdisciplinary research initiative, the Multi-City Survey of Urban Inequality (MCSUI). Through surveys of large samples of

households (8,600) and employers (4,000) in Atlanta, Boston, Detroit, and Los Angeles, the MCSUI sought to gather data that would enable researchers to determine the extent to which three sets of forces—changing labor market dynamics, racial attitudes and polarization, and residential segregation—contributed, singularly and in concert, to the growing gap between the haves and the have-nots that has been observed in urban America over the past two decades.

In the remainder of this chapter, we use data from the LASUI to illustrate the nature and magnitude of income inequality in Los Angeles and to identify some of the factors contributing to the growing disparities in income that emanate from the policy choices and options adopted at the federal, state, and local levels of government. The LASUI sample is large and highly representative not only of the dominant ethnic groups—Asians, African Americans, Hispanics, and non-Hispanic whites—in the local labor market, but also of the population residing in both poor and nonpoor neighborhoods in Los Angeles (see Table 2).

For the purpose of this research, we relied on self-reports of 1992 pretax income from all sources for individuals captured in the LASUI who were employed either part time or full time, temporarily laid off, on maternity leave, on sick leave, or unemployed. To facilitate our efforts to develop a profile or portrait of income inequality in Los Angeles, we grouped these individuals by race/ethnic identity (white, black, or Hispanic), gender, and immigrant status (undocumented immigrant or green card holder). Because of problems in coding and verifying the data for Asians, a process still under way, they are excluded from this analysis. We selected four sets of variables from the LASUI that we believe capture the effects of conservative policymaking during the past 20 years on income distribution in Los Angeles.

The first set of variables seeks to document changes in the structure of employment opportunities that have accompanied the government's efforts to create a deregulated business environment to foster the competitiveness of U.S. firms (see business policy variables in Table 3). It includes indicators of the type (full-time versus part-time), quantity (hours worked per week, weeks worked per year), and quality (e.g., whether the job is covered by a union contract or a collective bargaining agreement) of work that is available to workers and job seekers in Los Angeles. One school of thought posits that growing income inequality reflects the fact that an increasing number of jobs are concentrated in the contingent economy, characterized by part-time and temporary work, jobs with no benefits, and few, if any, prospects for upward mobility.⁹¹ The data reveal how prevalent these kinds of jobs are in the Los Angeles economy and how they affect the income distribution.

The second set of variables seeks to assess the effects of policies implemented to improve the human capital skills of workers and job seekers (see employment and training variables in Table 3). It also seeks to elucidate the consequences of policies designed to improve the competitiveness of urban communities in the global marketplace, including

TABLE 2
COMPARISON OF LASUI DATA WITH 1990 CENSUS OF POPULATION
AND HOUSING DATA

Neighborhood Poverty Status				
Neighborhood Poverty Level	LASUI RAW Sample	LASUI Weighted Sample	L.A. County Eligibles*	L.A. County Total
<20%	52.7	75.2	72.6	70
20-40%	31.5	22.2	24.7	27
>40%	15.8	2.6	2.6	3
Total	4,025	3,133	8,109,478	8,863,164

COMPARISON OF LASUI DATA WITH 1990 CENSUS OF POPULATION
AND HOUSING DATA

Race and Ethnicity				
Group	LASUI RAW	LASUI Weighted	L.A. County Eligibles*	L.A. County Total
White	21.4	43.2	49.4	47.0
Black	27.8	11.0	10.9	10.3
Asian	26.2	7.7	6.5	6.2
Hispanic	24.5	38.1	33.2	31.5
Other	—	—	—	5.0
Total	4,025	4,025	5,787,991	6,090,712

*Population 21 years of age or older.

Source: U.S. Bureau of the Census, 1990 Census of Population and Housing, STF3A.

the get-tough-on-crime policies implemented at the various levels of government (see criminal justice variable in Table 3).

A third set of variables focuses on the federal, state, and local governments' disinvestment in urban communities. In part because of the dismantling of the social safety net in the inner city, many urban communities are socially isolated and economically marginalized from mainstream networks of information about educational and employment opportunities, as well as other resources (e.g., access to affordable child care) needed to compete successfully in the labor market. Three specific variables are included in this analysis.⁹²

TABLE 3
MEANS AND STANDARD DEVIATIONS FOR VARIABLES
USED IN LASUI ANALYSES

Type of Variable	Policy Domain	Concept	Specific Measure	Mean	Standard Deviation
Independent	Equal opportunity	Race/ethnic identity	Black (yes)	.342	.475
			Hispanic (yes)	.307	.461
		Gender	Female (yes)	.547	.498
		Immigration	Green card (yes)	.091	.287
			Undocumented (yes)	.070	.256
		Human capital	English proficiency (yes)	.858	.349
			Education (years)	12.8	3.3
			Age (<35)	.451	.498
		Employment and training	Years of work experience	17.1	12.8
			Job training (yes)	.350	.477
Dependent	Social	Skills enhancement	GED (yes)	.812	.111
			AFDC (yes)	.138	.345
		Public assistance	Child care	.132	.339
			Job w/benefits (yes)	.646	.478
		Business	Hours worked/week	39.5	11.4
			Weeks worked/92	37.7	19.8
	Criminal justice	Criminal record	Reform school, detention center, jail, prison (yes)	.107	.308
			Race bridge (yes)	.267	.442
	Urban	Social capital	Education bridge (yes)	.653	.467
			Natural log of 1992 pretax income as a percent of metro average income	.605	.473

Source: Compiled by authors from the LASUI.

The first pertains to the effects on income of being embedded in homogeneous versus heterogeneous networks (see social capital variables in Table 3). The LASUI included several questions regarding networks and social functioning that were introduced with the following statement: "From time to time, most people discuss important matters with other people. Looking back over the last six months, who are the people, other than people living in your household, with whom you discussed matters important to you?" For the first three names given, data were recorded on race or ethnicity; sex; level of education completed; relationship to respondent; marital status; whether they lived in the respondent's neighborhood, had a steady job, and received public aid or welfare; and whether these individuals assisted with everyday activities and could be relied on for help in a major crisis.

From these data, we created two indicators of the degree to which the individual was embedded in a homogeneous or heterogeneous network. If any member of a respondent's network was of a different race, then the respondent was assumed to have a race bridge—that is, to be embedded in a racially diverse network. If at least one person in the network had more than a high school education, then the respondent was assumed to have an education bridge—that is, to be embedded in a diverse network based on the years of school completed by the various members.

The third and fourth variables are, respectively, a self-reported measure of child care constraints and whether the individual was a recipient of public assistance income. Previous research has shown lack of access to affordable and quality child care and receipt of public assistance to be major impediments to full-time employment for women, especially those who live in spatially and socially isolated, ghetto poor, or concentrated poverty communities.⁹³

In addition to the foregoing variables, we included three standard human capital measures that are typically included in analyses of income inequality: education, age, and work experience.

ANALYSES AND FINDINGS

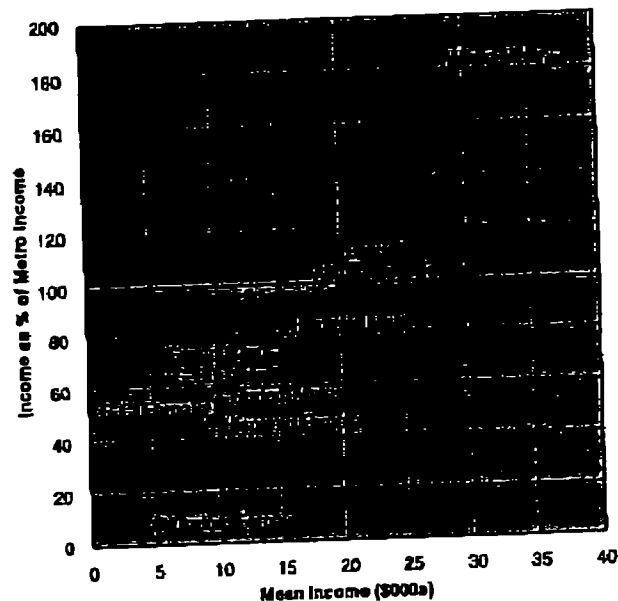
Snapshots of Income Inequality

To illustrate the nature and depth of income inequality in Los Angeles, we used the pretax 1992 mean annual income (\$20,465) for all residents of metropolitan Los Angeles, the standard or benchmark against which the mean annual incomes of the various race/ethnic, gender, and immigrant groups would be compared. The results are presented in Chart 1.

Using the metropolitanwide mean income as the benchmark, we see that white males constitute a major outlier at the upper end of the distribution. On average, they earned 84 percent more than the average resident of the Los Angeles metropolitan area in 1992. The incomes of

CHART 1

INCOME COMPARISON BY RACE/ETHNICITY, GENDER, AND IMMIGRANT STATUS, PRETAX INCOME, 1992



Source: Compiled by authors from the LASUI.

the other race/ethnic, gender, and immigrant groups tended to cluster in four distinct patterns. The mean annual incomes of black males, white females, and black females hovered around the mean income level for the Los Angeles metropolitan area. The mean annual incomes of these groups ranged from 96 percent to 104 percent of the metropolitanwide average. A second cluster comprised Hispanic males and recent male immigrants who had green cards; their mean incomes were 79 percent and 72 percent, respectively, of the metropolitan average. Male undocumented workers, female immigrants who had green cards, and Hispanic females made up the third cluster, with annual incomes ranging between 48 percent and 54 percent of the metropolitan average.

Finally, not unlike white males at the upper end of the income distribution, female undocumented workers constitute a major outlier at the lower end of the Los Angeles distribution. In 1992, their mean annual income (\$4,481) was only 22 percent of the metropolitan average. Hispanic males and male immigrants who had green cards earned, on

average, 43 percent and 39 percent, respectively, of what the average white male in Los Angeles earned in 1992. The incomes of undocumented male workers, immigrant females with green cards, and Hispanic females were 26 percent to 29 percent of the mean income of white males. Female immigrants living in Los Angeles illegally had an average income in 1992 that was only 12 percent of that of the average white male.

Factors Contributing to Income Disparities

Are the foregoing disparities in income a function of discrimination in the Los Angeles labor market based on race/ethnicity, gender, and immigrant status, or are other factors operating to account for these differences? The data in Charts 2 through 12 provide preliminary answers to this question.

Bivariate Associations

Employment

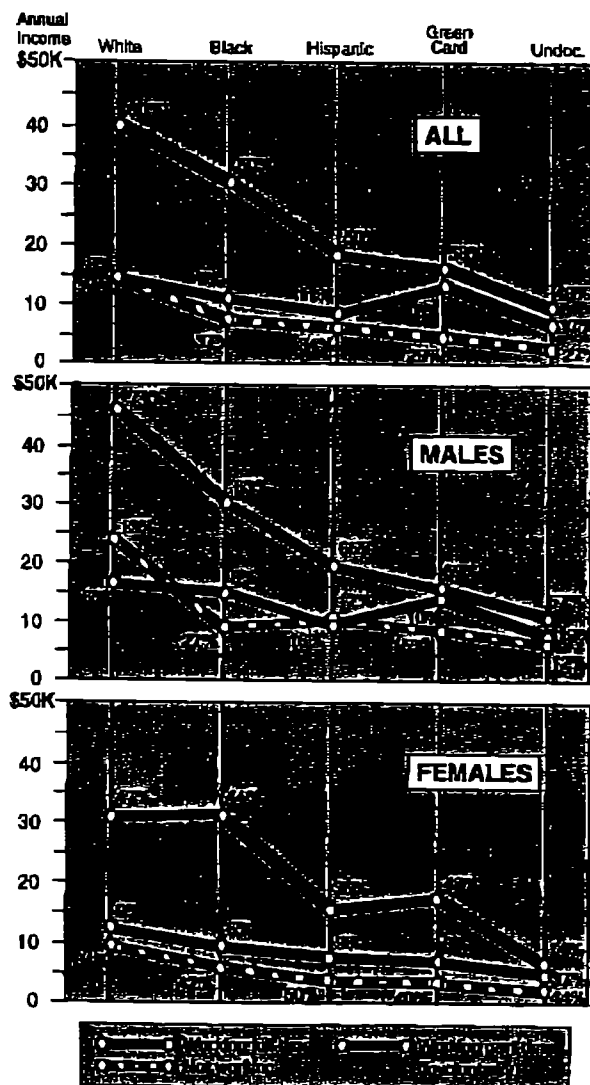
Chart 2 presents data on the levels of full-time work, part-time work, and nonwork as well as mean incomes by race/ethnicity, gender, and immigrant status. These data suggest that income disparities are related in part to the high levels of underemployment that exist in the Los Angeles labor market. In this study, underemployment is defined as the percentage of individuals in the Los Angeles labor market who either were not working or were working part-time involuntarily. Included in the involuntary part-time work category were individuals who indicated that they could find only part-time work, that they could not find enough work, or that their hours had been reduced. As Chart 2 shows, this is an especially acute problem for undocumented immigrants and Hispanics, whose rates of involuntary part-time employment in 1992 were consistently above the metropolitanwide average. This pattern, it should be noted, held across gender lines.

Combining the involuntary part-time workers with those who were not working reveals that more than one-half of all undocumented workers and more than 40 percent of black and Hispanic workers were underemployed compared with less than one-third of white workers. The pattern is basically the same when the data are disaggregated by gender. The main difference is that the rates of underemployment were much higher for females across all race/ethnic and immigrant status groups than they were for males.

Also contributing to income disparities were differences in average weeks worked and average hours worked per week, which varied by race/ethnicity, gender, and immigrant status (see Table 4). In Los Angeles, the average worker was employed for 37.7 weeks in 1992. White males (40.1 weeks), white females (38.0 weeks), Hispanic males (42.8 weeks), immigrant males with green cards (42.3 weeks), and undocu-

CHART 2

EMPLOYMENT AND INCOME COMPARISON BY RACE/ETHNICITY, GENDER,
AND IMMIGRANT STATUS, PRETAX INCOME, 1992
(% Employment Status)



Note: Percentages do not total 100% because some individuals did not report income from any source in 1992.

Source: Compiled by authors from the LASUI.

TABLE 4

AVERAGE WEEKS WORKED AND AVERAGE HOURS WORKED
PER WEEK IN 1992 BY RACE/ETHNICITY, GENDER, AND
IMMIGRANT STATUS

Respondent	N	Average Weeks Worked	Average Hours Worked/Week
All	2,232	37.7	39.6
Male	1,061	40.4	41.5
Female	1,171	35.4	37.9
White	680	39.1	40.1
Male	341	40.1	43.1
Female	314	38.0	36.8
Black	763	35.6	38.8
Male	275	36.6	40.8
Female	488	35.1	37.7
Hispanic	809	38.6	39.9
Male	445	42.8	40.6
Female	364	33.5	39.0
Green card holder	167	37.0	38.7
Male	82	42.3	39.7
Female	105	32.9	38.0
Undocumented workers	189	36.9	40.2
Male	105	41.9	40.7
Female	84	30.6	39.4

Source: Compiled by authors from the LASUI.

mented male workers (41.9 weeks) all exceeded the metropolitan average for weeks worked in 1992 (37.7 weeks). In contrast, black males (36.6 weeks), black females (35.1 weeks), Hispanic females (33.5 weeks), female immigrants with green cards (32.9 weeks), and female undocumented immigrants (30.6 weeks) all worked less than the metropolitan-wide average.

Similar disparities exist in average hours worked per week. In 1992, the typical worker in Los Angeles worked 39.6 hours per week on average. White males (43.1 hours), black males (40.8 hours), Hispanic males (40.6 hours), male immigrants with green cards (39.7 hours), and both male (40.7 hours) and female (39.4 hours) undocumented workers worked at or above the metropolitanwide average. White females (36.8

hours), black females (37.7 hours), Hispanic females (39.0 hours), and female immigrants with green cards (38.0 hours) all worked slightly fewer hours per week than the metropolitan average. The most vivid finding to emerge from this analysis of average weeks worked and average hours worked per week pertains to white male workers. On both of these indicators, white males exceeded the metropolitanwide averages, which partly explains the wide gap between their incomes and those of the rest of the Los Angeles population.

Job Quality

Further insights into the income disparity puzzle can be gained from Chart 3, which contains data on pretax 1992 mean income and job quality by race/ethnicity, gender, and immigrant status in Los Angeles. "Good" jobs are defined as those that provide health benefits to workers and their families, paid vacation leave, and retirement benefits. Two salient findings emerge.

The first is that whites are employed in the good jobs at a much higher rate than are members of the other race/ethnic and immigrant status groups. Moreover, this finding holds even after controlling for gender. Roughly 70 percent of white men and white women in Los Angeles were employed in good jobs in 1992. In the case of both black males (69.0 percent) and black females (63.5 percent), their concentration in good jobs hovered slightly above the metropolitanwide average; for green card holders, the proportion in good jobs was slightly below the metropolitan average. However, the pattern for undocumented workers was the reverse of that for the other groups. Only 24.6 percent of all undocumented workers, 32 percent of all male undocumented workers, and 16 percent of all female undocumented workers were employed in good jobs as defined here.

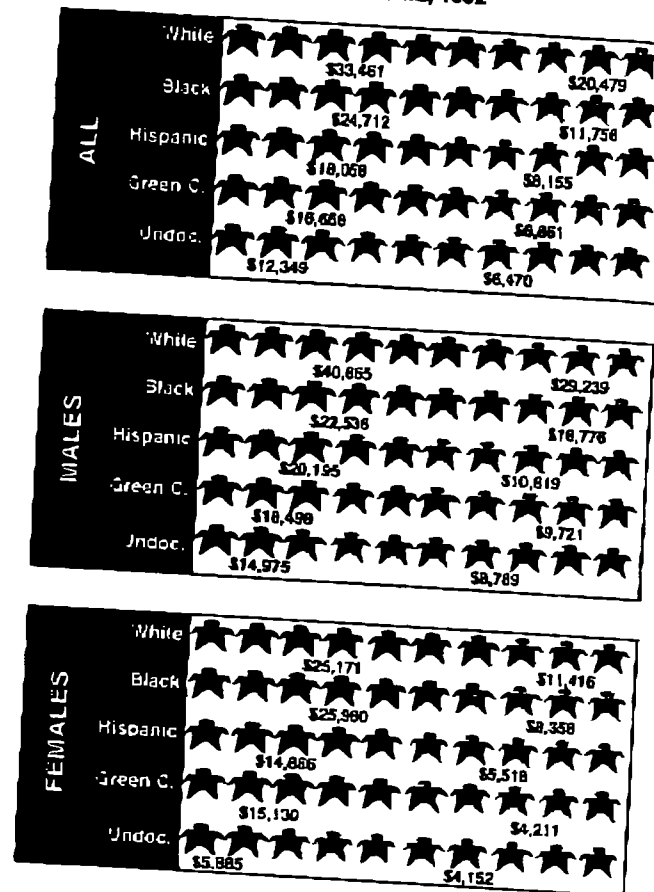
The second salient finding in Chart 3 is that statistically significant differences exist in the mean incomes of people employed in good jobs and those who were not. Individuals employed in good jobs had incomes, on average, of \$6,000 to \$12,000 higher than incomes of their counterparts who were not employed in good jobs. Black males and undocumented females were the only two groups for whom these findings did not hold.

Unionization

Whether a job is covered by a union contract or collective bargaining agreement is also a critical factor in understanding growing income inequality in American society over the past two decades. As Chart 4 shows, black women, Hispanic men and women, and male immigrants with green cards whose jobs were covered by these types of worker protections reported significantly higher pretax incomes in 1992 than did their counterparts who did not have such coverage or backing. For

CHART 3

JOB QUALITY AND INCOME COMPARISON BY RACE/ETHNICITY, GENDER, AND IMMIGRANT STATUS, PRETAX INCOME, 1992



"Do you have a good job?" ★ Yes ★ No
(Yes/No per 10 respondents)

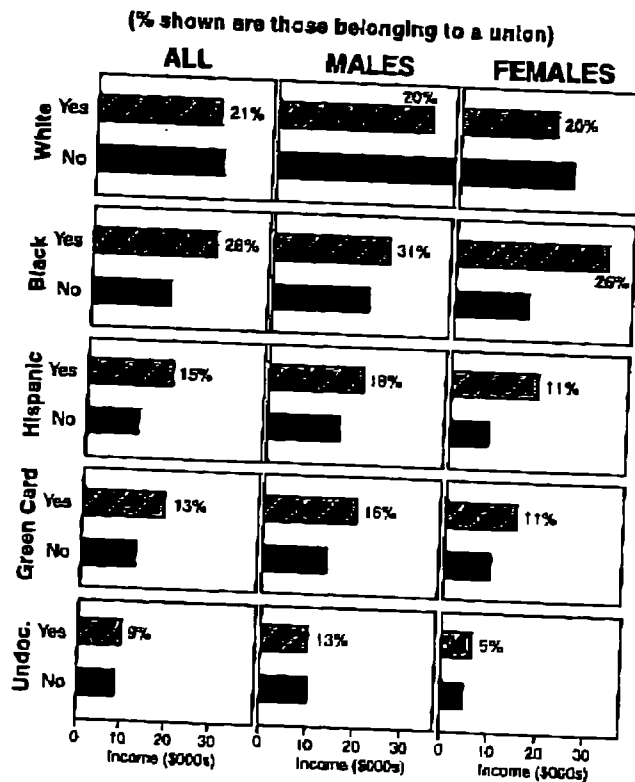
Source: Compiled by authors from the LASUI.

black females, the mean income differential was almost \$17,000; for Hispanic males it was \$5,000; for Hispanic females it was \$10,000; and for male immigrants with green cards it was almost \$6,000.

GROWTH OF INCOME DISPARITY

CHART 4

A COMPARISON OF UNION AND NONUNION INCOME
BY RACE/ETHNICITY, GENDER, AND IMMIGRANT STATUS,
PRETAX INCOME, 1992



Source: Compiled by authors from the LASUI.

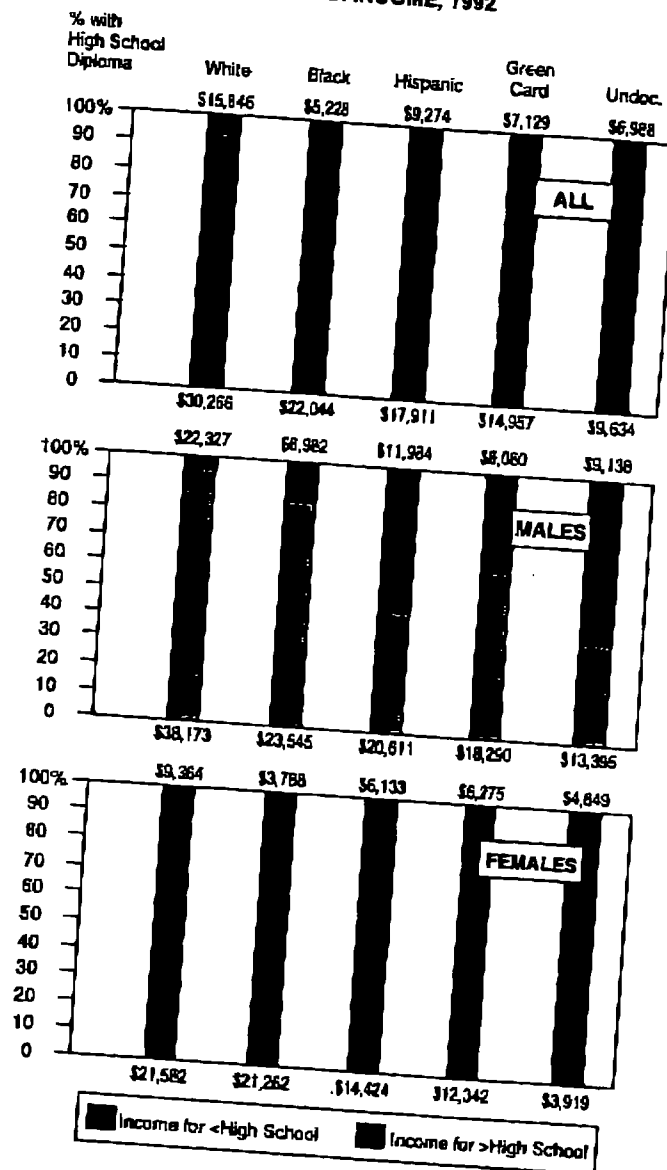
Education

In the extant literature, considerable attention has been devoted to the different human capital skill endowments that individuals and groups bring to the labor market as a major determinant of growing income inequality in U.S. society. More specifically, the research points to the poor performance of individuals with less than a high school education as a major source of the income inequality problem. The data in Chart 5 support this finding. Across race/ethnicity, gender, and immigrant status lines, with only one exception (undocumented female

A POLITICAL ECONOMY PERSPECTIVE

CHART 5

EDUCATION AND INCOME COMPARISON BY
RACE/ETHNICITY, GENDER, AND IMMIGRANT STATUS,
PRETAX INCOME, 1992



Source: Compiled by authors from the LASUI.

workers), the incomes of individuals with less than a high school education were significantly less than those of their counterparts who had more education. It is noteworthy that for black men, the income differential was almost \$17,000.

At all levels of government, efforts have been made over the past 15 years to improve the human capital skills of the most disadvantaged (i.e., high school dropouts) through a wide array of education and job training programs, including encouraging young men and women who dropped out of high school to obtain a GED. Consistent with the findings of other researchers, the findings here suggest that GED programs have done little to narrow the income gap in metropolitan Los Angeles (see Chart 6). Undocumented immigrant males appear to be the only group for whom the GED has generated a statistically significant improvement in pretax mean income.

Job Training

Job training programs appear to have been similarly ineffective in closing the income gap between the haves and the have-nots (see Chart 7). Those programs are significant only for Hispanic females, and they are marginally significant for black females. Hispanic women who had job training reported incomes that were, on average, \$5,242 more than their female counterparts who had not participated in a job training program. Black women with job training experience reported incomes that were, on average, \$8,017 more than incomes reported by their counterparts who lacked job training experience.

Criminal Justice

Several researchers have argued that the get-tough-on-crime policies launched during the 1980s systematically targeted African American males for discriminatory treatment.⁹⁴ Further, the research suggests that in so doing, the policies have exerted a negative effect on both their access to jobs and their earnings if they are lucky enough to secure a job after having contact with the criminal justice system. The data in Chart 8 lend support to both arguments. As shown, more black males in the sample had criminal records (27.0 percent) than any other race/ethnic, gender, or immigrant status group. Thus, although the incomes of white females appear to have been hurt by their criminality, black males appear to be more adversely affected based on sheer numbers.

English Proficiency

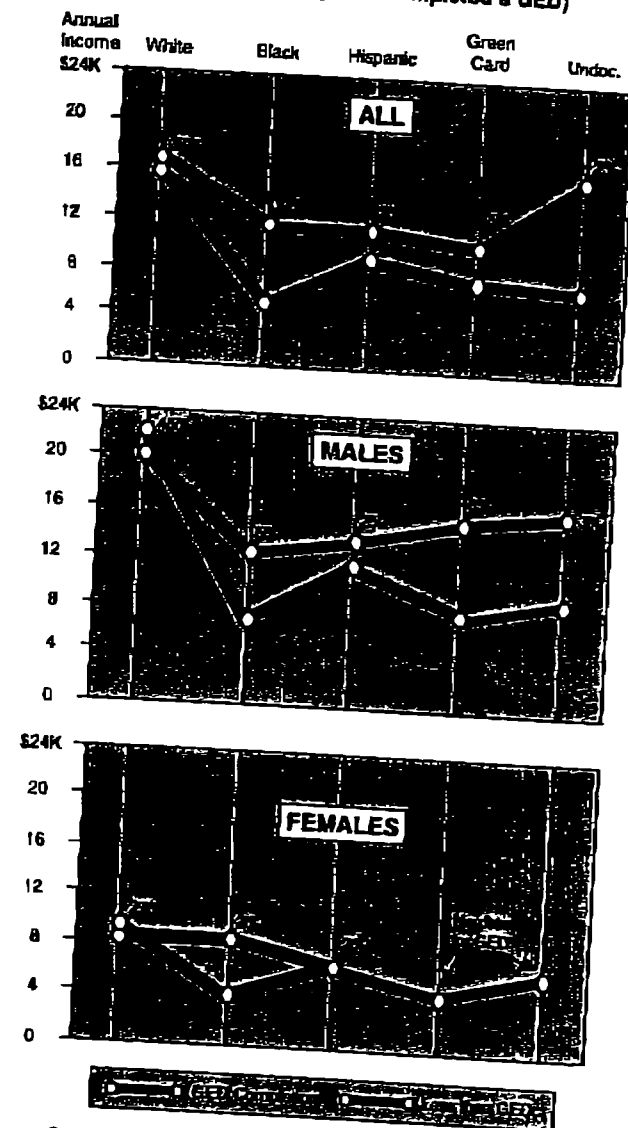
As more and more jobs in the restructured economy require direct interface with the public, a premium is placed in the labor market on the ability to speak standard English. What impact, if any, does English proficiency have on incomes in the Los Angeles labor market? The data

A POLITICAL ECONOMY PERSPECTIVE

CHART 6

GED COMPLETION AND INCOME COMPARISON BY RACE/ETHNICITY, GENDER, AND IMMIGRANT STATUS, PRETAX INCOME, 1992

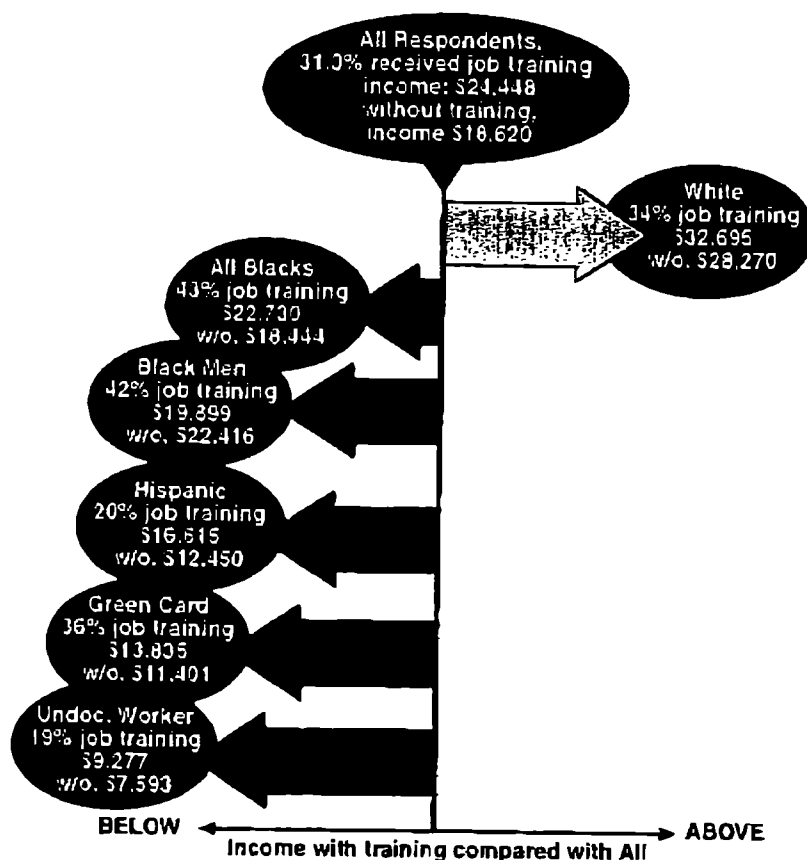
(% shown of group that completed a GED)



Source: Compiled by authors from the LASUI.

CHART 7

JOB TRAINING AND INCOME COMPARISON BY RACE/ETHNICITY, GENDER,*
AND IMMIGRANT STATUS, PRETAX INCOME, 1992



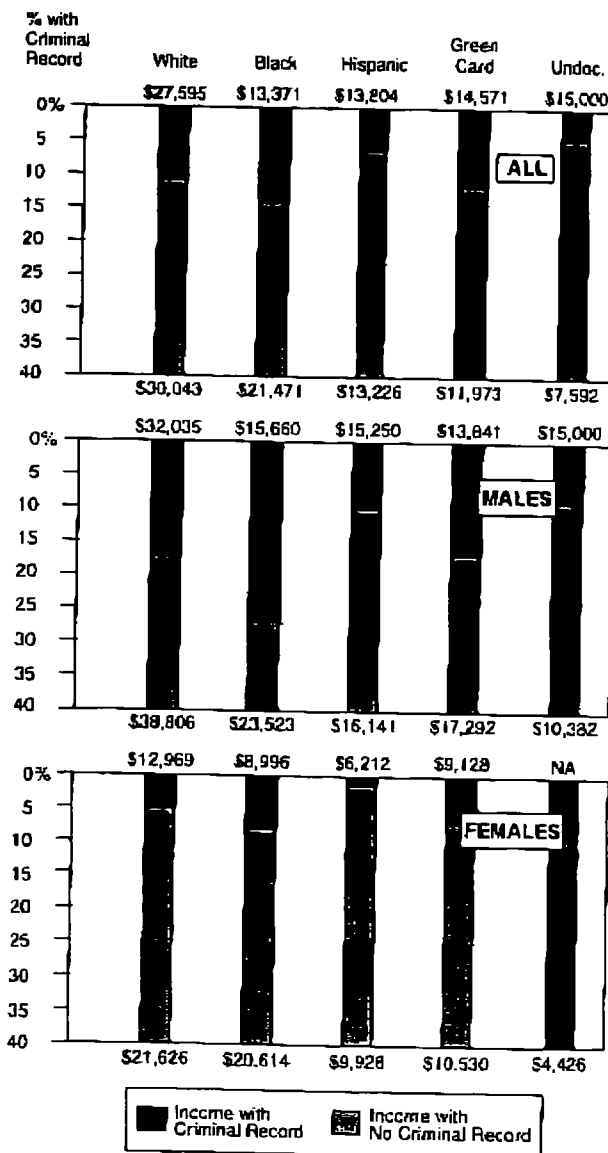
*Gender shown for black men only.

Source: Compiled by authors from the LASUI.

indicate that it has a statistically significant impact on the incomes of Hispanic men and women (see Chart 9). Those who were proficient in the English language reported pretax mean annual incomes that were \$8,662 (Hispanic men) and \$7,565 (Hispanic women) higher than the reported incomes of their counterparts who were not proficient in English.

CHART 8

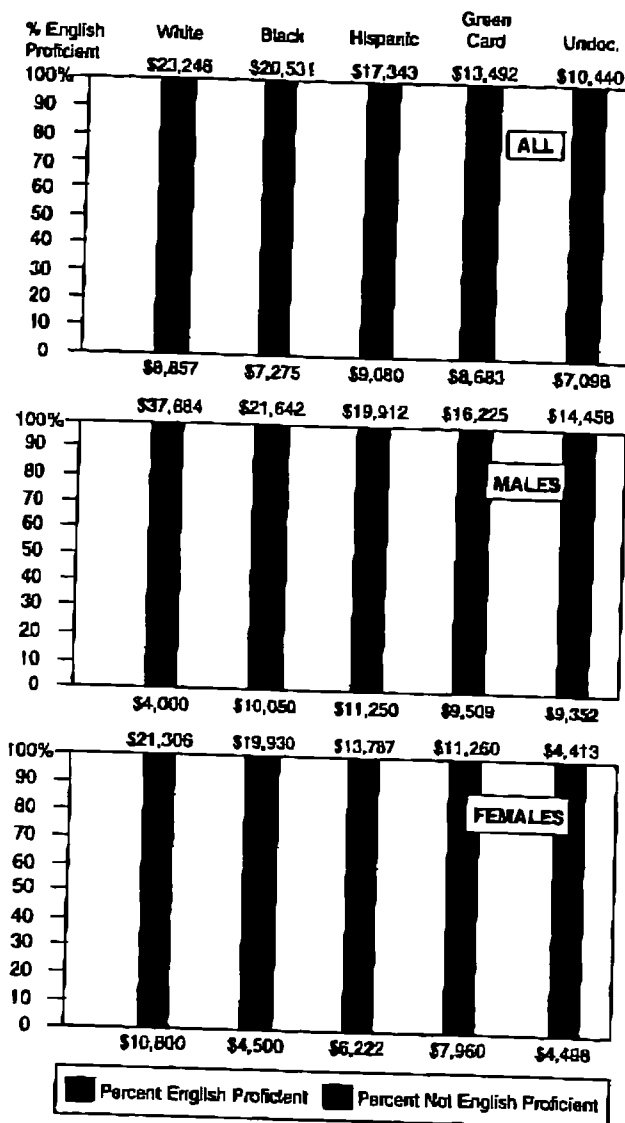
CRIMINAL RECORD AND INCOME COMPARISON BY
RACE/ETHNICITY, GENDER, AND IMMIGRANT STATUS,
PRETAX INCOME, 1992



Source: Compiled by authors from the LASUI.

CHART 9

ENGLISH PROFICIENCY AND INCOME COMPARISON BY
RACE/ETHNICITY, GENDER, AND IMMIGRANT STATUS,
PRETAX INCOME, 1992



Note: Amounts at top of columns are incomes of English proficient. Amounts at bottom of columns are incomes of not English proficient.

Source: Compiled by authors from the LASUI.

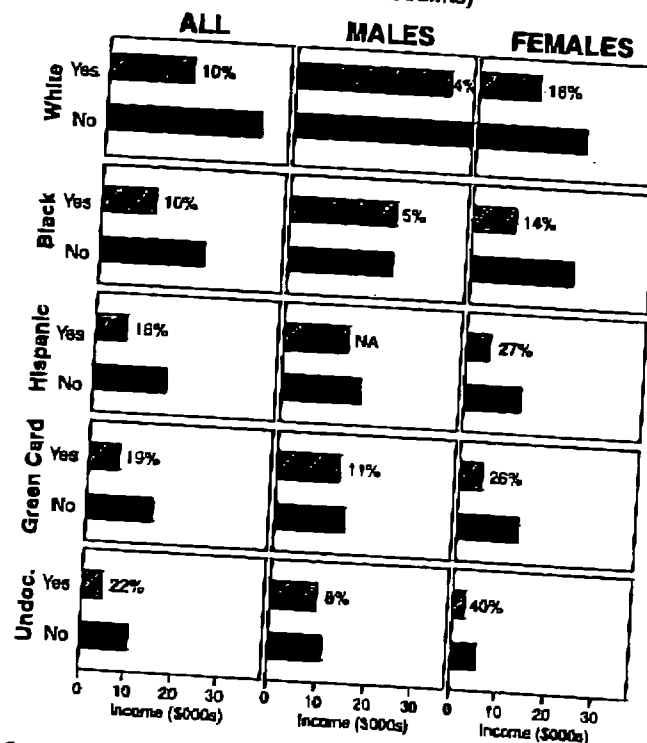
Child Care Constraints

What impact do child care constraints have on female incomes? Across all race/ethnic and immigrant status groups, females who reported child care constraints as a major impediment to their participation in the labor market reported significantly smaller incomes than their counterparts who did not report such constraints (see Chart 10). The income differential ranged from a high of \$12,000 for black females to a low of about \$3,000 for undocumented female workers.

CHART 10

CHILD CARE CONSTRAINTS AND INCOME COMPARISON
BY RACE/ETHNICITY, GENDER, AND IMMIGRANT STATUS,
PRETAX INCOME, 1992

(% shown are those answering "Yes" to having
child care constraints)



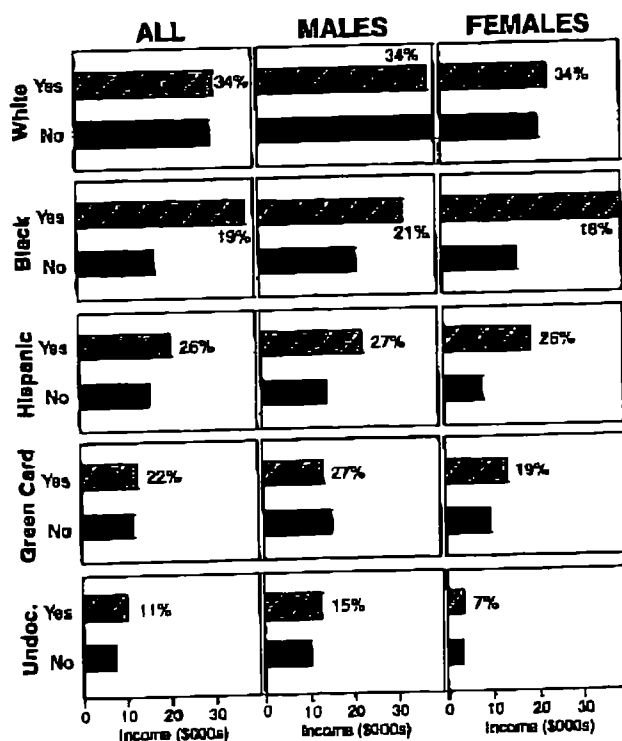
Source: Compiled by authors from the LASUI.

Racially and Educationally Diverse Networks

The final two charts were assembled in an effort to assess the effects of social and spatial isolation on annual incomes of the sample of Los Angeles residents. Being embedded in a racially diverse network had a significantly positive effect on the incomes of both African American and Hispanic men and women in the sample (see Chart 11). The data suggest that racially heterogeneous or diverse networks are especially beneficial to black women. There was a \$24,213 difference in the incomes

CHART 11
COMPARISON OF RACIAL COMPOSITION OF NETWORKS
AND INCOME BY RACE/ETHNICITY, GENDER, AND
IMMIGRANT STATUS, PRETAX INCOME, 1992

(% shown are those answering "Yes"
to race bridge question)



Source: Compiled by authors from the LASUI.

of those with a race bridge and those without such network ties. For Hispanic women, the difference was \$10,700, and for Hispanic men and black men, the differences were \$8,278 and \$11,995, respectively. The findings were similar for those who were embedded in educationally diverse networks (see Chart 12). White females, black males, Hispanic males, Hispanic females, and immigrant females with and without green cards who were embedded in educationally diverse networks reported higher annual incomes than their counterparts who were embedded in homogeneous networks.

Multivariate Analysis

How much of the variance in observed income disparities in Los Angeles is accounted for by the factors highlighted in Charts 2 through 12? To answer this question, we fitted an ordinary least squares (OLS) regression model to the data extracted from the LASUI. For this analysis, we used as the dependent variable the pretax 1992 mean annual income of the survey respondents expressed as a percent of the mean income for the Los Angeles metropolitan area as a whole. To satisfy the data requirements of the OLS model, it was necessary to transform this variable so that it approached a normal distribution. The natural log transformation eliminated most of the skewness in the raw distribution.

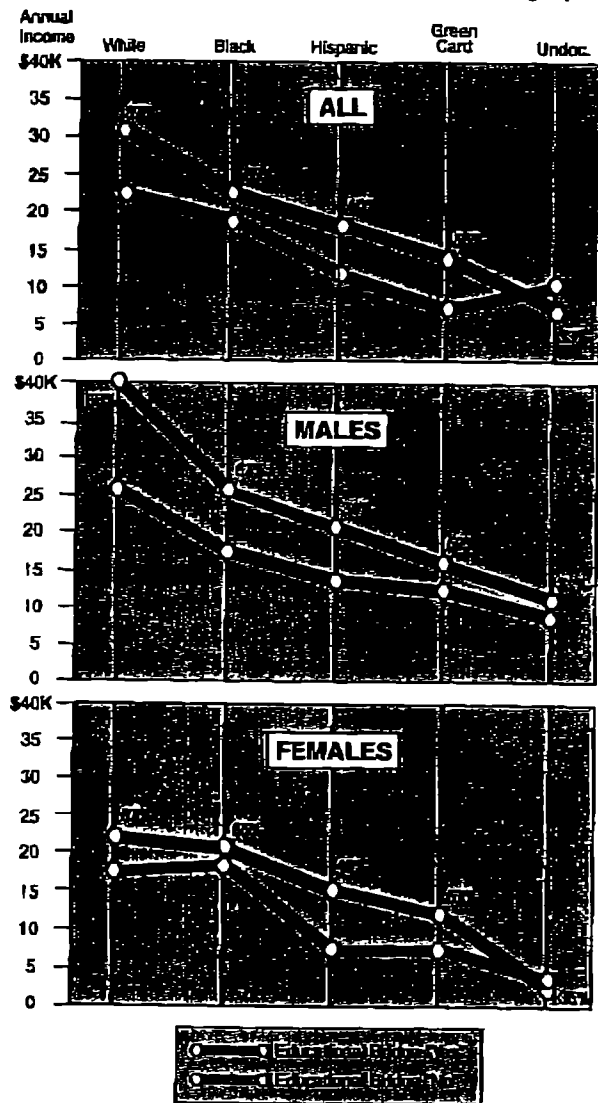
We estimated the effects of the race/ethnicity identity measures and the gender, immigration status, human capital, employment and training, business policy, crime, and social capital variables listed in Table 3. We entered these variables into the model in blocks in serial order, beginning with the race/ethnicity identity measures. The percentage of the variance in our measure of income disparity that these variables explained, singularly and in concert, for the total sample, all whites, all blacks, all Hispanics, all males, and all females is summarized in Table 5.

For the total sample, the model accounts for 59 percent of the variance in the observed income disparity in Los Angeles in 1992. As Table 5 shows, the business policy variables, that is, those factors that undergird recent changes in the demand side of the labor market, account for the largest proportion of the explained variance (36.4 percent). The race/ethnicity identity indicators constitute the second most important set of determinants, accounting for 7.1 percent of the explained variance, followed by human capital factors, which account for 6.0 percent of the disparity in mean income in Los Angeles. Gender (4.0 percent) and immigration status (3.5 percent) account for small but nevertheless significant proportions of the explained variance. The remaining independent variables—employment and training (1.3 percent), crime (0.0 percent), and social capital (0.1 percent)—explain none or a relatively insignificant amount of the variance in the income disparity that existed in Los Angeles in 1992.

As these results reveal, both race/ethnic identity and gender characteristics of the survey respondents are critical determinants of contem-

**COMPARISON OF EDUCATIONAL COMPOSITION AND INCOME BY
RACE/ETHNICITY, GENDER, AND IMMIGRANT STATUS,
PRETAX INCOME, 1992**

(% shown are those answering "Yes" to education bridge question)



Source: Compiled by authors from the LASUI.

TABLE 5
DETERMINANTS OF INCOME DISPARITIES IN LOS ANGELES USING THE PRETAX 1982 MEAN INCOME
OF THE LOS ANGELES METROPOLITAN AREA AS THE BENCHMARK

Policy Domain	(1) Total Sample		(2) All Whites		(3) All Blacks		(4) All Hispanics		(5) All Males		(6) All Females	
	R ²	F	R ²	F	R ²	F	R ²	F	R ²	F	R ²	F
	R ² % Change %	F	R ² % Change %	F	R ² % Change %	F	R ² % Change %	F	R ² % Change %	F	R ² % Change %	F
Race/ethnicity	7.1	59.0	—	—	—	—	—	—	—	—	—	—
Gender	11.1	4.0	84.0	6.1	—	34.8	1.0	10.8	5.1	—	25.7	—
Immigration	14.8	3.5	44.2	7.8	1.7	12.1	3.1	1.2	6.1	18.8	13.7	27.5
Human capital	20.6	8.0	44.7	13.8	4.8	12.8	18.2	15.1	17.4	23.2	4.6	20.8
Employment and training	21.0	1.3	33.6	14.3	0.7	8.0	18.5	0.3	11.7	26.5	3.2	18.0
Business	58.3	36.4	132.8	54.9	40.6	48.7	59.7	41.2	55.7	58.4	31.0	47.0
Crime	58.3	0.0	125.0	54.8	-0.1	43.5	58.8	-0.1	51.8	58.4	0.0	43.8
Social capital	58.5	0.1	113.2	54.8	0.0	38.6	50.1	0.5	48.7	50.0	0.6	39.8

Note: All F-statistics are statistically significant at the 0.05 level.

Note: All F-statistics are statistically significant at the $p = .0000$.

Source: Compiled by authors from the LASUI.

porary income inequality in Los Angeles. Do the effects of the remaining independent variables change when statistical controls for race/ethnicity and gender are introduced into the regression model? Columns 2 through 6 of Table 5 provide answers to this question.

With respect to the results controlling for the race/ethnic identity of the survey respondents, the model explains 54.8 percent, 60.1 percent, and 59.0 percent of the explained variance in income inequality among whites, blacks, and Hispanics, respectively, in Los Angeles. As in the case of the results for the total sample, the business policy variables account for the greatest proportion of the explained variance. These variables are significantly more important for blacks (41.2 percent) and whites (40.6 percent) than for Hispanics (31.9 percent). Human capital variables capture a larger proportion of the variance in the case of blacks (15.1 percent) than in the cases of whites (5.9 percent) and Hispanics (4.5 percent). As expected, immigrant status is more important for Hispanics (13.7 percent) than for either whites (1.7 percent) or blacks (1.2 percent). None of the other independent variables—employment and training, social capital, and crime—account for much of the explained variance in income inequality among whites, blacks, and Hispanics in Los Angeles.

When statistical controls for gender were introduced, the model explained 51.9 percent of the variance in income inequality among males and 64.2 percent among females in Los Angeles. Consistent with the findings for the total sample and for whites, blacks, and Hispanics, the business policy variables were the strongest predictors of income inequality among males and females in Los Angeles; however, these variables accounted for a larger share of the explained variance in the case of females (42.9 percent) than in the case of males (34.9 percent). Moreover, whereas human capital variables played a more significant role in explaining income inequality among females (9.4 percent versus 4.1 percent for males), race was a more important determinant in the case of males (9.5 percent versus 5.0 percent for females).

Table 6 presents the specific independent variables that proved to be statistically significant determinants of income inequality in Los Angeles. The corresponding beta values represent the unique effect of each variable that is, after controlling for all of the other variables in the model. For the total sample (see column 1 in Table 6), the results indicate that job quality (a good job), that is, having a job with benefits ($\beta=.113$), is the most important determinant of income inequality. Because of the positive sign of the coefficient, this variable captures most of the individuals who were clustered at the upper end of the Los Angeles income distribution in 1992. The next five variables to enter the model identified individuals who were concentrated at the lower end of the Los Angeles income distribution in 1992: Hispanic ($\beta=.108$), age ($\beta=.084$), female ($\beta=.100$), undocumented worker ($\beta=.076$), and green card holder ($\beta=.055$). That all of these variables exerted a negative effect on the dependent variable lends empirical support to the labor surplus hypothesis; the hypothesis, as noted previously, posits that the growing

supply of women and immigrants (most of whom tend to be relatively young) in the civilian labor force over the past two decades has depressed wages in the restructured American economy and thus accounts, at least in part, for growing income inequality.

As columns 2 through 4 in Table 6 show, however, the mix of variables that accounts for the income disparity that existed in Los Angeles in 1992 varies from one race/ethnic group to the next. For blacks, the disparity was attributable to individuals who were well educated ($\beta=.043$), embedded in racially diverse networks ($\beta=.063$), and employed in good jobs ($\beta=.074$) who earned relatively high incomes, on the one hand, and to the presence of young ($\beta=.094$) and female ($\beta=.069$) workers who earned relatively low incomes, on the other hand. Among Hispanics, the concentration of individuals in good jobs ($\beta=.153$) earning above the metropolitan average income and of young ($\beta=.108$) workers who were female ($\beta=.056$), undocumented ($\beta=.062$), or green card holders ($\beta=.086$) earning below the metropolitan average income accounted for most of the explained variance in income inequality. For whites, most of the variance in income inequality was attributable to a high concentration of well-educated workers ($\beta=.046$) who were employed in good jobs ($\beta=.120$) generating above average incomes and of female labor force participants ($\beta=.163$) earning below average incomes.

Among men in Los Angeles, the income disparity was related to the presence of Hispanic ($\beta=.172$) and black ($\beta=.119$) workers in the labor market, which accounted for the lower end of the income distribution. It was also related to the presence of white males who were concentrated in good jobs ($\beta=.111$), which accounted for the upper end of the Los Angeles income distribution. Among women, embeddedness in racially ($\beta=.045$) and educationally ($\beta=.058$) diverse networks and concentration in good jobs ($\beta=.137$) accounted for the upper end of the income distribution, and the clustering of young female entrants ($\beta=.083$) in the Los Angeles labor market accounted for much of the lower end of the income distribution.

In the foregoing analysis, the natural log of the survey respondents' 1992 pre-tax income expressed as a percent of the Los Angeles metropolitan area mean income served as our measure of income inequality. To further document or demonstrate the unique contribution of each of the independent variables to income inequality as a final step in this research, we computed the antilog of their corresponding beta values, transformed them into 1992 dollar equivalents, and then calculated the difference between the dollar value equivalents of the parameter estimates and the metropolitan area mean income. The results, presented in Table 7, are estimates of the economic costs (negative beta coefficients) or returns (positive beta coefficients) associated with each of the independent variables emerging from our regression model as statistically significant determinants of income inequality in Los Angeles.

Conservative social policy analysts and opponents of affirmative action for minorities and women contend that the economic playing

TABLE 6

ORDINARY LEAST SQUARES REGRESSION RESULTS USING PRETAX 1992 MEAN INCOME
OF LOS ANGELES METROPOLITAN AREA AS THE BENCHMARK

Independent Variables	(1) Total Sample		(2) All Blacks		(3) All Whites		(4) All Hispanics		(5) All Men		(6) All Women	
	β	T	β	T	β	T	β	T	β	T	β	T
Constant	-.436 (.082)	-7.00	-.721 (.147)	-4.91	-.853 (.213)	-4.00	-.220 (.077)	-2.88	-5.81 (.112)	-5.22	-.454 (.088)	-6.84
Black	-.064 (.020)	-3.14	—	—	—	—	—	—	-.119 (.037)	-3.25	NS	NS
Hispanic	-.108 (.025)	-4.38	—	—	—	—	—	—	-.172 (.041)	-4.17	NS	NS
Female	-.100 (.017)	-5.83	-.068 (.028)	-2.48	-.163 (.034)	-4.77	-.056 (.025)	-2.28	—	—	—	—
Green card	-.066 (.028)	-1.82	NS	NS	NS	NS	-.086 (.034)	-2.48	NS	NS	NS	NS
Undocumented	-.078 (.036)	2.11	NS	NS	NS	NS	-.082 (.031)	-2.46	NS	NS	NS	NS
Education	.027 (.003)	8.52	.043 (.007)	6.39	.048 (.007)	6.27	.012 (.003)	-3.59	.029 (.005)	5.86	.024 (.004)	6.30
Years of work experience	NS	NS	NS	NS	.003 (.002)	1.95	NS	NS	NS	NS	NS	NS
Age	-.084 (.023)	-3.65	-.084 (.038)	-2.47	NS	NS	-.108 (.033)	-3.28	-.078 (.041)	-4.40	-.083 (.026)	-3.23
Job training	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS
GED	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS

GROWTH OF INCOME DISPARITY

TABLE 6 (Continued)

Independent Variables	(1) Total Sample		(2) All Blacks		(3) All Whites		(4) All Hispanics		(5) All Men		(6) All Women	
	β	T	β	T	β	T	β	T	β	T	β	T
Public assistance	NS	NS	NS	NS	NS	NS	NS	NS	-.092 (.047)	-1.87	NS	NS
Child care	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS
Job quality	.113 (.018)	6.30	.074 (.031)	2.41	.120 (.038)	3.32	.153 (.026)	6.24	.111 (.030)	3.68	.137 (.021)	6.61
Hours worked/week	.006 (.0007)	7.80	.004 (.001)	3.21	.008 (.0001)	4.83	.003 (.001)	3.30	.008 (.001)	5.09	.005 (.0008)	5.63
Weeks worked/year	.013 (.0004)	31.40	.013 (.0008)	18.81	.018 (.0008)	18.80	.011 (.0006)	16.77	.015 (.0007)	20.19	.012 (.0004)	26.63
Crime record	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS
Race bridge	.044 (.018)	2.38	.083 (.033)	1.89	NS	NS	.088 (.028)	2.45	NS	NS	.045 (.021)	2.10
Education bridge	.042 (.019)	2.18	—	—	NS	NS	—	—	NS	NS	.058 (.022)	2.68
F	113.2		46.7		38.6		39.8		42.0		83.4	
R ²	59.1		61.4		58.3		60.5		63.1		65.0	
Adjusted R ²	58.6		60.1		54.8		59.0		61.9		64.2	

T = T-test.

NS = Not Significant.

Numbers in parentheses = Standard Error of Beta.

 β = Beta value.

Source: Compiled by authors from the LASUI.

A POLITICAL ECONOMY PERSPECTIVE

TABLE 7
ECONOMIC COSTS AND RETURNS OF SELECTED ATTRIBUTES

	Total Sample	Blacks	Whites	Hispanics	Males	Females
Black	-\$3,274	NS	—	—	-\$6,344	—
Hispanic	- 5,730	NS	—	-\$2,865	- 9,823	—
Female	- 5,321	-\$3,479	-\$9,209	NS	—	—
Green card	- 2,660	NS	NS	- 4,502	NS	—
Undocumented	- 3,880	NS	NS	- 3,070	NS	—
Education	1,228	2,047	2,251	614	1,433	\$1,228
Years of work experience	—	NS	205	NS	NS	—
Age	- 4,298	- 4,912	—	- 5,730	- 3,888	- 4,298
Job quality	6,140	3,684	6,549	8,595	5,935	7,572
Hours worked/week	205	205	205	205	205	205
Weeks worked/year	614	614	619	409	614	614
Race bridge	2,251	3,274	NS	3,479	NS	2,251
Education bridge	2,047	NS	NS	NS	NS	2,865

NS = Not Significant.

Source: Compiled by authors from the LASUI.

field is essentially level for all individuals who have played by society's rules (such as staying in school until graduation and avoiding trouble with the law).⁹⁵ The data in Table 7 do not support this proposition. Rather, they suggest that blacks, Hispanics, and women still encounter discrimination in the Los Angeles labor market.

After controlling for human capital skills and other critical factors hypothesized to influence income inequality, our data indicate that the income of blacks was, on average, \$3,274 below the metropolitan mean in 1992; for black males, the disparity was even greater: \$6,344 below the metropolitan average. A similar pattern emerges for Hispanics. The reported incomes, on average, \$5,730 below the metropolitan average. As with blacks, the disparity was even greater for Hispanic males, whose 1992 incomes were, on average, \$9,823 below the metropolitan mean. With respect to females, the gap between their incomes and the metropolitan mean (\$5,321) falls between the gap for all blacks (\$3,274)

all Hispanics (\$5,730), but is narrower than the gap for black males (\$6,344) and Hispanic males (\$9,823).

Similar disparities exist in terms of immigrant status. The average income of green card holders was \$2,660 below the metropolitan mean in 1992. For undocumented workers, the gap was wider, \$3,880. Our data show that additional schooling, hours worked, and weeks worked, as well as being embedded in a racially diverse network and/or concentrated in a good job are all keys to narrowing the income gap. But should be noted here that, in each case, the economic returns vary significantly by both race/ethnicity and gender. In the case of education, for example, for each additional year of schooling there was an average increase of \$1,228 in annual income for all of the survey respondents in 1992. For whites, average income increased by \$2,251 and for blacks \$2,047. However, Hispanics netted only \$614 for each additional year of education.

These data suggest that race and gender inequality is inherent in the structure of the Los Angeles economy. Nowhere is this more apparent than in the role that network composition plays in economic well-being. As Table 7 shows, individuals who were embedded in a racially diverse network had incomes in 1992 that were \$2,251 above the metropolitan average. This variable was not a statistically significant predictor in the model for whites, but it was highly significant for blacks and Hispanics as well as for females. Blacks and Hispanics who were embedded in racially diverse networks, which in most instances meant that at least one white person was in the network, had incomes that were \$3,274 and \$3,479, respectively, above the metropolitan average.

SUMMARY AND DISCUSSION

In this chapter, we have employed a political economy perspective in an effort to broaden the academic and scholarly debate about the causes of contemporary income inequality in American society. Scholars who embrace this research tradition typically "identify the early 1980s as the historical turning point that signaled the end of the post-World War II trend toward greater economic equality in the United States."⁹⁶ Using data from the LASUI, we have attempted to demonstrate how policies enacted in several key areas or domains have created disparities in income that vary by race/ethnicity, gender, and immigrant status. Moreover, as the 21st century approaches, these disparities are worsening.

Even more disturbing is that the growing distance between the haves and the have-nots in contemporary society is also confounded by race because minority youth and adults are at a distinct disadvantage in their attempts to access quality education, jobs, and other opportunities in mainstream society.⁹⁷ Concomitant with this escalating inequality is a concentration of African Americans and Hispanic Americans at the bottom rungs of the labor market. At the same time, employees' unions, which historically have provided livable and family-supporting wages

and workplace benefits for low skilled workers, are in precipitous decline.

The apparent message emanating from government and the private sector is that every man, woman, and child must fend for himself or herself. In our view, the central policy issue is whether public and private sector policymakers will permit the growth in income disparity to continue into the next millennium. Can America hope to maintain a civil society when this disparity becomes even more pronounced along racial and ethnic lines?

Because minorities, in the aggregate, are projected to reach majority status in the early 21st century, will we be able to respond affirmatively to the question posed by Rodney King: "Can we all get along?" The answer may well determine the future stability and civility of American society.

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PART IV INCOME INEQUALITY IN OTHER NATIONS

Introduction

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THIS PART BROADENS THE SCOPE of the study by looking at income inequality issues in nations other than the United States. Growing income inequality is not unique to the United States: Europe, Japan, and other countries have also had increases in income disparity in recent years.

The rise of income inequality is occurring at a time of relatively positive economic circumstances. For example, unemployment is relatively low in the United States, interest rates are moderate, and economic growth is solid. However, serious problems are occurring in Europe, where unemployment rates are high, and long-term unemployment is widespread. Although interest rates are low in continental Europe, job creation has not been strong. Thus far, the social system in Europe has dealt effectively with these problems. There is no social unrest in spite of the high unemployment levels, but this situation is obviously not sustainable in the long term.

The authors in this section examine the economic factors as well as the political and social variables that are involved in creating income inequality. They also explore possible solutions to the growth of economic disparity based on the experiences of other countries, particularly those in Europe. Even though it is sometimes difficult to borrow a solution that has worked in another country, there may be times when this is possible and desirable.

With the fall of communism, several models of capitalism have coexisted in recent years. The American model maximizes the use of market forces in the determination of wage levels, employment patterns, and prices. In the 1990s, the results of the U.S. model have been strong economic growth, as well as increased income disparity. The Asian model of "relationship" capitalism stresses long-term associations based on norms and informal codes of conduct. Given the recent crisis in Asian financial markets, however, it is realistic to expect that many Asian markets will soon be forced to act more like the American model, with a concomitant growth in income disparity. The European model uses more government regulations and interventions in markets than do the other models, but this path has created an expensive welfare state that is being reformed. Part of these reforms could lead to further income disparity in Europe.

CONSERVATIVE POLICY-MAKING AND GROWING URBAN INEQUALITY IN THE 1980s

David M. Grant and James H. Johnson, Jr.

ABSTRACT

This paper seeks to broaden the academic and scholarly debate about the causes of contemporary urban inequality in the United States. In contrast to the existing conservative perspectives, which highlight the role of the War on Poverty Programs of the 1960s, and the prevailing liberal explanations, which emphasize the continuing significance of racial residential segregation, structural changes in the economy, and polarization of racial attitudes, we argue that the structure of opportunity in U.S. society was radically transformed during the 1980s by conservative policies implemented at all levels of government.

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INTRODUCTION

Following World War II, a number of social and economic indicators exhibited a trend toward greater equality in America. However, this trend ended abruptly in the early 1980s and the nation has now entered its second decade of increasing polarization along the economic status dimensions of income, occupational prestige, and wealth accumulation (Michel 1991; Levy 1987; Harrison and Bluestone 1988; Oliver and Shapiro 1990). Perhaps the most visible manifestations of contemporary inequality are the growing incidence of poverty and the increasing geographical isolation of the poor from the mainstream of U.S. society (Wilson 1987; Jargowsky and Bane 1991; Mincy and Ricketts 1990). Recent studies indicate that, despite the implementation during the late 1960s and the 1970s of anti-poverty, affirmative action, and a range of other anti-discrimination programs aimed at improving the quality of life of disadvantaged minorities, African Americans remain disproportionately concentrated among the growing population of have-nots in the United States (Ricketts and Sawhill 1988; Kasarda 1992).

In academic literature, three schools of thought have been advanced to explain contemporary inequality in the United States: the spatial-structural transformation of the U.S. economy (Wilson 1987), continued racial residential segregation (Massey and Denton 1992), and the negative stereotypes held by whites of nonwhites. Notably absent in these explanations (see for example Jencks and Peterson 1991; Peterson and Vroman 1992), however, is any consideration of the impact of conservative policies implemented at various levels of government over the past 15 years, and especially during the Reagan Presidency. With few exceptions (e.g., Orfield and Ashkinaze 1991; Cross and Keith 1993), studies that focus on the link between inequality and public policy tend to be supportive of Reagan-era policy-making and implicate, instead, President Lyndon Johnson's War on Poverty Programs of the 1960s as the primary causal agent, especially in the emergence of concentrated poverty communities and the growing incidence of underclass behaviors in the central city (Murray 1984; Mead 1992; Loury 1985).

The primary objective of this paper is to broaden the academic and scholarly debate about the causes of contemporary urban inequality in the United States. We argue that Reagan-era policies principally, but also conservative policies implemented at the state and local levels of government, were largely responsible for the growing schisms between the haves and the have-nots in urban America during the 1980s. Toward this end, we draw heavily on recent empirical research on Los Angeles, which, owing to recent structural changes in its economy and shifts in the composition of its population, affords us the opportunity to view the issue of inequality through a multiethnic and multiracial lens as opposed to the traditional black-white comparisons that have dominated previous research.

Our analysis is organized as follows. Following a general overview of existing theories of contemporary urban inequality, we show first how selected federal policies, and then how selected state and local policies, implemented during the late 1970s and the 1980s together contributed to the emergence of a rather stark pattern of inequality in Los Angeles and in urban America more generally. More specifically, we highlight the role of fiscal, business, employment and training, and social policies at the federal level, and tax, economic development, education, and crime policies at the state and local levels of government in creating this pattern. We conclude with a brief discussion of the types of strategies currently under consideration at the federal level of government to redress the savage inequalities wrought by the conservative policy agenda of the 1980s.

CONTEMPORARY PERSPECTIVES ON POVERTY AND INEQUALITY

Among social scientists and social policy analysts there are differences of opinion with respect to the forces responsible for the growing schism between the haves and have-nots in urban America. For the most part, political ideology drives the debate.

Conservative policy analysts attribute the high rates of joblessness and poverty in urban America to the combined effects of the growth of welfare benefits (Murray 1984) on the one hand, and of character deficiencies and deviant values of inner city residents, especially toward family (Loury 1985) and work (Mead 1992), on the other. Murray argues that the liberalization of welfare benefits during the 1960s and 1970s served as a disincentive for black men to work and to form stable families. Mead contends that blacks and other inner-city residents actually choose not to work regularly and that their unwillingness to work is embedded in:

ghetto life (the breakdown of authority and lack of disapproval of antisocial behavior); *ethnicity* (the lack of value placed on getting ahead by some ethnic groups); *black culture* (a history of slavery and dependence on whites created a world view among blacks that makes them uniquely prone to anti-hero attitudes); and *the Third World origins of immigrants* (less industrious work attitudes shaped by African and Latin rather than European origins of today's poor)" (Abramowitz 1992a, emphasis added).

Inner city blacks and other minorities who are jobless, according to Mead, do not possess the appropriate attitude toward work (i.e., the willingness to work at any job even if it is part time, pays poverty level wages, and does not provide benefits) and other cultural capital attributes valued in the workplace (e.g., adherence to appropriate norms of work, attendance, punctuality, etc.).

To rectify the black male jobless and female-headed household problems, Murray recommended the tightening of eligibility requirements for welfare benefits, a strategy adopted by the Reagan Administration. Mead and others have advocated a set of paternalistic policies (e.g., "workfare," "learnfare," and even "wedfare") to encourage the poor to work as well as to form and maintain stable families, which have been adopted—in one form or another—in a number of states.

Liberal and progressive scholars reject the views of conservative policy analysts. They argue that there is little or no empirical support for the propositions undergirding their theories, and that their policy prescriptions are aimed not at *reducing poverty per se*, but, rather, at *reducing dependency* on the social welfare system. In confronting the conservatives, liberal scholars have advanced three perspectives on contemporary urban inequality.

One explanation highlights fundamental changes in the basic structure of the U.S. economy as the primary causal agent (Sassen 1990; Johnson and Oliver 1991; Beauregard 1989). It argues that inequality is connected to the decline of central city manufacturing employment and to the increasing polarization of the labor market into high wage and low wage sectors (Wilson 1987). According to this view, high rates of joblessness exist in central city communities, especially among black males, in part as a consequence of the suburbanization of entry level jobs (the spatial mismatch hypothesis) and partly due to the resulting gap between skills and the types of employment opportunities available in central cities (the skills mismatch hypothesis) (Kasarda 1983, 1989, 1990; Moore and Laramore 1990). Occurring precisely at the time when many young blacks of the baby boom generation were about to enter the labor market, proponents of this perspective argue that the restructuring of the U.S. economy, in conjunction with the influx of large numbers of disadvantaged immigrant workers, are largely responsible not only for high rates of unemployment and decreasing rates of labor force participation among prime working age black men, but also the high incidence of poverty which has plagued urban black communities since the 1970s (Wilson 1987).

The second school of thought emphasizes the role that negative white racial attitudes play in constraining and thwarting the social and economic aspirations of increasingly poor, nonwhite inner city minorities. Factors other than limited skills and limited access to employment opportunities, according to this perspective, operate to constrain access to jobs within restructured metropolitan economies. For advocates of this school of thought the primary "other" factor is race. In contrast to those who argue that class is more important than race in understanding urban inequality in contemporary America (Wilson 1978), this group contends that race still matters a great deal (Kirschenman and Neckerman 1991; Braddock and McPartland 1987), especially in terms of access to jobs (Cross et al. 1990; Turner, Fix, and Struyk

1991), and that negative stereotypes of blacks, Hispanics, and Asians are part of the problem (Bobo and Kluegel 1991; Smith 1991).

The 1990 General Social Survey revealed, for example, that fully 79 percent of whites rated blacks as more likely than whites to "prefer to live off welfare"; 65 percent rated blacks as lazier than whites; 58 percent rated blacks as more prone to violence than whites; 56 percent rated blacks as less intelligent than whites; and 51 percent rated blacks as less patriotic than whites. Whites' ratings of Hispanics showed similarly negative images. The respective group comparison figures were 74 percent (live off welfare), 55 percent (laziness), 50 percent (prone to violence prone), 56 percent (intelligence), and 61 percent (patriotism). Whites' also typically rated Asians as inferior to whites but well ahead of blacks and Hispanics.

Further, research shows that these sorts of over-generalized and erroneous attributions of blacks, Hispanics, and Asians appear to have important economic, social, and political effects. In general, such attributions reduce support among whites for government intervention to help minority group members get ahead in life (Bobo and Kluegel 1991). More specifically, the stereotyping data show that a substantial segment of white America views minorities as undeserving of government intervention on their behalf. And while the connection between attitudes and behavior is often tenuous, the weight of careful investigations suggests that white attitudes toward nonwhites usually bear an important connection to patterns of behavior even if it is not the only or most influential determinant of behavior. Recent employer surveys indicate that, owing to employers' negative perceptions of their work ethic, reliability and dependability, and honesty, blacks fall at or near the bottom of the hiring preference scale—well below newly arriving Hispanics and other immigrant groups who are perceived to constitute a more agreeable or docile labor supply (Kirschenman and Neckerman 1991). Moreover, the research on interethnic attitudes is consistent with recent well-designed audit studies that point to on-going discrimination in the labor market (Cross et al. 1990; Turner, Fix, and Struyk 1991).

The third perspective isolates the continuing significance of racial residential segregation as the linchpin of urban inequality (Farley et al. 1978; Galster 1987; Galster and Keeney 1988; Massey, Condran, and Denton 1987; Massey and Denton 1985; Massey and Mullan 1984). According to this view, whites' unwillingness to share residential space with blacks, and to a lesser degree, other minorities, locks the latter groups into inner city communities which are isolated from mainstream avenues of social and economic mobility (Massey and Denton 1987; Bickford and Massey 1991). And to the extent that blacks have gained access to housing outside the central city, studies suggest that they are channeled into so-called ghetto spillover communities, that is, the older suburbs which manifest the same problems as their adjacent and aging central cities (Galster 1991; Massey and Denton 1988; Clark 1987; Logan and Stearns 1981).

Racial residential segregation has long been widespread (Taeuber and Taeuber 1965; Rose 1971; Schnore 1972; Lieberman 1963). Studies in the 1960s found that irrespective of region, city size, economic base, local laws, and the extent of other forms of discrimination there was a high level of residential segregation by race (Darden 1973; Taeuber and Taeuber 1965). Subsequent work showed little change in levels of segregation between 1960 and 1970 and that racial segregation was not only more extensive in absolute terms than the segregation of social classes, but that it occurred regardless of social class. Between 1970 and 1980 there was some growth in black suburbanization (Massey and Denton 1988). However, the rate of change remains slow and levels of black-white residential segregation remain extreme.

Residential segregation has been implicated as a factor in the weakening economic condition of inner city communities (Massey, Condran, and Denton 1987; Galster and Keeney 1988). First, residential mobility has traditionally been regarded as a part of and a pathway to economic mobility. Neighborhoods differ in resources, amenities, property values, quality of schooling available, and prevalence of such factors as crime, welfare dependency, and poverty (Massey and Fong 1990). Racial discrimination in the housing market influences not merely places of residence, but also aspects of the quality of life (Massey, Condran, and Denton 1987). Second, the rapid increase in the concentration of poverty, especially in black communities, appears to involve processes of economic restructuring greatly exacerbated by uniquely high levels of racial residential segregation faced by blacks (Massey and Eggers 1990). Economic restructuring has not taken a similar toll on largely white communities and more class differentiated communities.

The discourse surrounding these competing perspectives on contemporary urban inequality has been lively and thought-provoking. However, the research suffers from a number of shortcomings, which can be summarized as follows. First, very little empirical evidence has been amassed to support the conservative perspectives. Commenting on the conservatives' view that President Johnson's War on Poverty Programs were principally responsible for the growing incidence of poverty and so-called underclass behaviors (especially among African Americans), Ellwood and Summers (1986) concluded that government transfer policies do not seem to be responsible for a large part of the problems of the disadvantaged:

We found no support for the hypothesis that disability policies had seriously distorted the work patterns of older men; we found no evidence that AFDC was a major cause of family structure changes; and we saw no indication that the problems of black youth were likened to current welfare policies.

Second, no consideration has been given to how the forces highlighted in the three liberal schools of thought interact to create and maintain inequality.

This shortcoming derives from the fact that the issues have been addressed from disciplinary perspectives which are much too narrow. But, it is clear from recent research on persistent and concentrated poverty that the puzzle of urban inequality can only be unraveled from a sorting of the complex interactions among the forces of labor market dynamics, racial attitudes and polarization, and racial residential segregation (Wilson 1987; Massey and Eggers 1990; Jargowsky and Bane 1991).

The findings of recent employer surveys and audits, for example, lend strong empirical support to the notion that blacks are often victims of statistical discrimination in local labor markets which, in turn, underscores the importance of incorporating in analyses of urban inequality the issues of racial attitudes and the deepening racial polarization that seemingly have characterized the post-civil rights era (Braddock and McPartland 1987; Kirschenman and Neckerman 1991; Turner, Fix, and Struyk 1991). In a similar vein, recent studies focusing on the increasing social and economic isolation of the poor show how racial residential segregation, and by extension racial attitudes, contribute to the exclusion of certain segments of the population from access to good jobs, quality schools, and stable neighborhoods (Massey and Denton 1987). Clearly, if we are to unravel the urban inequality puzzle, there is a need to develop models that specify how these and perhaps other forces, through a complex web of interactions, foster disadvantage (Johnson 1995).

Third, and most important for our purposes here, is the failure of liberal and conservative policy analysts alike to incorporate in their explanations of contemporary urban inequality the findings of recent analyses of growing class polarization in American society. These studies, as distinct from research on concentrated poverty and the underclass, identify the early 1980s as the historical turning point that signaled the end of the post-World War II trend toward greater economic equality in the United States (Harrison and Bluestone 1988; Phillips 1990). Central to these accounts is the ascent of Ronald Reagan and the hegemony of conservative national politics.

In our view, this is an important missing link in the contemporary urban inequality debate. In the remainder of this paper, therefore, an effort is made to demonstrate how conservative policy making during the Reagan era contributed to the widening gap between the haves and the have-nots, that is, between whites and people of color in urban America.

THE REAGAN REVOLUTION

Policy analysts who attribute contemporary urban inequality to the War on Poverty programs of the 1960s fail to acknowledge the fact that the Republicans have been in control of the White House for all but four (the Carter years) of the past 20 years (Orfield and Ashkinaze 1991). A number of public policies

implemented during this period, and especially during the years when Mr. Reagan was president, we contend, exacerbated the schisms between the haves and have-nots in urban America.

The Reagan administration entered the White House in 1981 with a vision of government in American social life which differed radically from its predecessors, either Democrat or Republican, since the New Deal. From Reagan's perspective, big government was a key player in the social and economic ills facing the nation: government regulations were crippling industry and private enterprise; welfare was not only ineffective in reducing but actually exacerbating poverty while destroying the work ethic; the federal government was in conflict with the spirit of the constitution by usurping responsibilities that belonged to other political entities and the citizenry; civil rights legislation had gone too far and was encouraging what was perceived as widespread reverse discrimination; and national defense had grown intolerably weak. Reagan's policy prescriptions to redress all of these perceived wrongs or ills were never fully implemented. But federal initiatives were successfully launched by his administration in several key policy areas which had important consequences for urban inequality. These are highlighted below.

Fiscal and Business Policy

The supply-side economic policies of the Reagan administration, embodied in the 1981 Omnibus Budget Reconciliation Act (OBRA) and the 1981 Economic Recovery Tax Act (ERTA), have been a disaster for the nation's non-affluent. Although the tax cuts of 1981 (and 1986) were designed to encourage savings and boost capital investment, the federal deficit as a percent of GNP doubled during the 1980s, which further damaged the already weak savings rate, reduced investment, and exerted pressure on interest rates. A recent analysis by the Federal Reserve concluded that "on balance, changes in the U.S. fiscal policy since the early 1980s have been detrimental to the growth potential and long-run economic performance of the economy" (Akhtar and Harris 1992). It is particularly in these long-term, stable areas of the economy, such as domestic investment in manufacturing and the development of a highly skilled workforce, that the employment fortunes of inner-city residents reside. And, while inner-city employment was a problem before Reagan took office, his fiscal policy accelerated, rather than abated, the declining labor market position of urban minorities (Bound and Freeman 1990; Bluestone, Stevenson, and Tilly 1992; Moss and Tilly 1991).

A top priority and campaign promise of the Reagan administration was to reduce inflation. Constricting the growth of the money supply by the Federal Reserve began in 1979. While inflation was checked, tight money induced a serious recession which boosted the unemployment rate to a then post-Great Depression high of 10.7 percent by the end of 1982. The 1980-1982 recession

especially punished workers and African Americans, pushing 4.3 million more people into poverty (Sawhill and Stone 1984).

Another priority of the Reagan Administration was to create a deregulated business environment in order to facilitate the competitiveness of U.S. firms in the global marketplace. Changes were made in anti-trust laws which fostered the emergence of large, vertically and horizontally integrated firms in key sectors of the economy and taxpayers' dollars were used to provide incentives for such firms to relocate their production activities to Third World countries. In addition, to facilitate the competitiveness of firms remaining in the United States, the Reagan Administration relaxed environmental regulations and substantially cut the budgets and the staffs of governmental agencies charged with the enforcement of laws governing workplace health, safety, and compensation, as well as hiring, retention, and promotion practices (Palmer and Sawhill 1984). These business policy developments drastically altered the structure of economic opportunity for blacks and other disadvantaged urban minorities.

First, they accelerated the decline of highly unionized, high wage, central city manufacturing employment—a process referred to as deindustrialization. More than 1.1 million manufacturing jobs disappeared from the U.S. economy in the 1980s, predominantly from large cities.

Second, they fostered organizational changes in production methods in the rapidly growing sectors of the economy—high technology manufacturing and craft specialty industries. Firms in these high growth sectors, as well as in some of the traditional manufacturing industries (e.g., auto manufacturing), shifted from the so-called Fordist mode of mass production to more flexible modes of production. Scott (1988, p. 187) describes this shift in the following way:

Unlike mass production activities which are typically rigid in structure, the new forms of production are generally characterized by an ability to change process and product configurations with great rapidity—an ability that is frequently much enhanced by the use of computerized technologies. They are also typically situated in networks of extremely malleable external linkages and labor market relations. By the same token, they tend so far as possible to externalize production processes by buying in services and products that might otherwise be supplied internally, and this sometimes leads in turn to concomitant downsizing of individual establishments.

Two features of this shift to more flexible modes of production are key to our understanding of its impact on black employment opportunities and contemporary inequality in urban America in the 1980s. The first is that firm shifting to more flexible modes of production have consciously sought "alternative locational environments uncontaminated by previous historical experiences of large scale manufacturing activity and Fordist employment relations (i.e., unionization)" (Scott 1988, p. 187). This has resulted in the emergence of new industrial spaces on the U.S. landscape—most often in place

where there are few blacks in the local labor market and few within reasonable commuting distance (Cole and Deskins 1988). Some of these new industrial spaces are in large metropolitan areas in older metropolitan regions. Examples include the inner city enclaves of revitalized craft specialty industries in New York (Sassen 1990) and suburban high technology complexes in the western suburbs of Boston. Others have emerged in communities that historically were on the geographical margins of the U.S. manufacturing core. The urban high-technology centers in the Sun Belt cities of Albuquerque, Austin, Boulder, and Colorado Springs, and the suburban complexes in Orange County and Silicon Valley, California are examples (Scott 1988, 1990, 1991).

To the extent that suburban, exurban, and non-metropolitan communities with significant black populations have inherited new economic activities, they typically have been noxious industries that pose a threat to public health and safety. A case in point is Cancer Alley—that 90 mile stretch between New Orleans and Baton Rouge, Louisiana, where blacks literally share residential space with one of the highest concentrations of petrochemical plants in the United States, and possibly the world. Blacks in this region reap few of the benefits—for example, few are employed in full-time, well paying jobs in the industry—and incur most of the risks—that is, they are burdened by high incidences of cancer-related deaths and illnesses as a consequence of exposure to the deadly toxic releases from the petrochemical plants. The enormous inequality inherent in this type of situation is yet another manifestation of the federal government's failure during the 1980s to enforce workplace standards and environmental regulations—all under the guise of fostering our economic competitiveness in the global marketplace—which has been dubbed "environmental racism" (Bullard 1990).

The second factor pertains to the way in which demand for low-skilled labor is met in these flexible production facilities. U.S. firms shifting to more flexible modes of production contend that their survival in the marketplace hinges on the extent to which their prices remain competitive vis à vis national and international firms. Thus, in an attempt to keep labor costs down, this type of work is either farmed out to subcontractors or the demand is met by preferential hiring practices (Scott 1988). Owing to the federal government's lax enforcement of workplace wage and safety laws, such firms, especially those in the craft specialty sector, typically offer very low wages, have unattractive working conditions, and structure their workforces illegally—usually by hiring foreign and undocumented labor (Kadetsky 1993).

How have these changes affected the structure of economic opportunity in major metropolitan areas where large numbers of blacks and other minorities are concentrated? We draw upon micro-level data from Los Angeles to answer this question.

Over the last 20 years the Los Angeles economy has undergone fundamental changes in its basic structure which reflect national economic trends (Soja

1986). This restructuring includes, on the one hand, the decline of traditional highly unionized, high wage manufacturing employment—the so-called "rustbelt" phenomenon; and on the other, the growth of employment in the high technology manufacturing, craft specialty, and advanced services sector of the economy—the so-called "sunbelt" phenomenon (Soja, Morales, and Wolff 1983; Scott 1986). Along with these changes in the private sector, the public sector is also in the midst of a radical restructuring. In an effort to reduce cost and improve efficiency, selected public sector jobs in Los Angeles (and elsewhere) are being transferred to privately owned firms through various contracting and subcontracting arrangements.

During this same period, Los Angeles replaced New York as the nation's new Ellis Island, due to massive immigration—both legal and illegal—from Asia, Mexico, Central America, Northern Africa, the Middle East, and the Caribbean (Johnson, Oliver, and Roseman 1989). As a consequence of this immigration, by 1980, nonwhite ethnic minorities constituted the majority population in the City of Angels. During the 1980s, the influx of foreign immigrants continued unabated and the proportion of non-Hispanic white continued to decline, making metropolitan Los Angeles, by 1990, the nation's first Third World metropolis (Allen 1990).

Nowhere have these economic and demographic changes been more apparent than in the black and Latino communities of south and east Los Angeles. Between 1978 and 1989, approximately 200,000 "good paying" manufacturing jobs disappeared from the Los Angeles economy. As the traditional industrial core of the city, south and east Los Angeles bore the brunt of this deindustrialization (Johnson et al. 1992). While well-paying, stable jobs were disappearing from these communities, local employers were seeking alternative sites for their manufacturing activities. These seemingly routine decisions stimulated the emergence of new employment growth nodes called "technopoles" in predominantly white communities in Los Angeles County and in nearby Orange County, which are geographically inaccessible to a majority of the disadvantaged residents of east and south Los Angeles (Scott 1988).

At the same time, the federal government's promotion of a laissez-faire business policy enabled a number of Los Angeles-based employers to establish production facilities in the Mexican border towns of Tijuana, Ensenada, and Tecate. Between 1978 and 1989, at least 215 Los Angeles-based firms, including Hughes Aircraft, Northrop, and Rockwell, as well as a host of smaller firms, participated in this deconcentration process (Soja, Morales, and Wolff 1983; The Data Center 1989). Such capital flight, in conjunction with plant closing, essentially closed off to the minority residents of south and east Los Angeles access to what were formerly well-paying, unionized jobs (Johnson, et al. 1992; also see Bluestone and Harrison 1982; Squires 1982).

It is important to note that, although new industrial spaces have been established elsewhere in Los Angeles County (and in nearby Orange County

as well as along the U.S.-Mexico border), new employment opportunities have emerged within or near the traditional industrial core in south and east Los Angeles (Johnson et al. 1992). In contrast to the well-paying manufacturing jobs that disappeared from this area, however, these new jobs are concentrated in the hospitality services industry (i.e., hotels, motels, restaurants, and entertainment) and in such craft specialty industries as clothing, jewelry, and furniture manufacturing (Scott 1988; Johnson et al. 1992). Recent research indicates that these so-called competitive sector employers hire primarily undocumented immigrants, pay sub-minimum wages, and operate nineteenth century-type sweat shop operations that violate workplace health and safety laws.

Partly as a consequence of these developments, and partly as a function of employers' openly negative attitudes toward black workers (Kirschenman and Neckerman 1991), when the verdict was handed down in the first Rodney King police brutality trial on April 29, 1992, the minority communities of Los Angeles were characterized by high concentrations of two disadvantaged populations: the working poor, who are predominantly Latino, and the jobless poor, who are predominantly black. At the time, the black male jobless rate in some residential areas of south central Los Angeles hovered around 50 percent (Johnson et al. 1992).

In other words, most of the individuals inhabiting these communities had insufficient incomes to maintain a decent standard of living. Both groups—Latinos and blacks—were isolated geographically from mainstream employment opportunities which pay livable wages. Intergroup tensions were high as poor blacks and Latinos competed for competitive sector jobs and other scarce resources (Oliver and Johnson 1984; Johnson and Oliver 1989). Thus, the civil unrest was as much a response to these debilitating conditions as it was a reaction to the controversial verdict rendered in the first Rodney King police brutality trial (Johnson and Farrell 1993). In fact, it has been argued that the verdict was merely the "straw that broke the proverbial camel's back in Los Angeles" (Johnson et al. 1992). The real seeds of the civil unrest were rooted in the enormous and increasing disparities that existed between the minority communities of south and east Los Angeles on the one hand, and the predominantly white communities of the Westside and San Fernando Valley on the other (Johnson and Farrell 1993).

Employment and Job Training Assistance

Along with being systematically excluded from employment opportunities in the suburbs, exurbs, and non-metropolitan areas, blacks were also constrained in their efforts to gain the requisite skills that would qualify them for well-paying jobs in the high growth sectors of central city economies by the Reagan Administration's employment and job training assistance policy.

The Job Training and Partnership Act of 1981 (JTPA), which replaced the Comprehensive Employment and Training Act of 1973 (CETA), represented the Reagan Administration's programmatic response to the growing mismatch between skills and jobs in the U.S. economy.

Fitzgerald and McGregor's (1993, p. 174) recent evaluation sums up how the JTPA program exacerbated inequality in urban America during the 1980s:

The limited effectiveness of JTPA is related to the need to meet federal regulations. The goal is to place applicants as quickly as possible, without respect to quality of employment. Job placement assistance is preferred over training, because it is the shortest, and thus the cheapest, service. Fifty percent of enrollees receive placement assistance only. Evidence suggests that the JTPA program creams off the most employable individuals for the most effective types of training in order to meet placement criteria. Specifically, white males seem to be channeled into on-the-job training programs, which provide the highest reemployment opportunities, while women, minorities, the long-term unemployed, and public assistance recipients are more likely to receive classroom than on-the-job training (with little or no guarantee of employment upon completion).

In addition to the discrimination inherent in program implementation, the Reagan administration substantially cut the federal budget for job training and employment assistance. It has been estimated that "real per capita funding for federal employment and job training programs declined by nearly 80% between 1979 and 1986" (Fitzgerald and McGregor 1993, p.174).

How was the void created by this reduction in federal funding filled? According to Fitzgerald and McGregor (1993, p. 174), the Reagan Administration "... pushed the responsibility for economic development, general, and labor training in particular, to the private sector, and to state and local governments." They note further that, as this shift occurred, "... training increasingly [became] privatized, and directed toward specific, rather than more transferable general skills" (p. 174). What impact did this shift have on blacks and other disadvantaged minorities? There is a high degree of concern that the "privatization of labor training ... increased the exclusion of women and blacks from training opportunities" (Fitzgerald and McGregor 1993, p. 174; also see Suggs 1990).

Social and Urban Policy

While the implementation of conservative fiscal, business, and job training and assistance policies have clearly hurt the nation's disadvantaged, changes made by the Reagan Administration in a number of the nation's social policies targeted at aiding the poor have received greater attention, analysis, and evaluation in terms of their impact on the urban disadvantaged. Viewed in the historical context of federal policy-making, this focus should not

surprising, because it was in the social policy arena that Reagan made the clearest break with his predecessors than any president since the New Deal.

With Congressional consent Reagan reversed the long growth trend in social expenditures, cutting \$44 billion dollars out of social program spending by January of 1982 (Bawden and Palmer 1984). Reagan believed that the social and economic problems facing our nation were rooted in what he perceived as the misdirected proliferation during the 1960s of federal social programs designed to assist the needy. In the eyes of Reagan, the federal government was, at best, simply the wrong political entity to adequately understand and provide assistance to the poor; such tasks, he believed, were much more appropriate for state and local governments. At worst, he believed the anti-poverty programs of Lyndon Johnson's Great Society undermined the work ethic, bred welfare dependency, provided incentives for the poor to enter the welfare system, slowed the economy by sapping taxes from productive investment, and assumed responsibility for solving a problem that could only be addressed by the private sector.

Reagan was able to tighten eligibility requirements and substantially reduce benefits in many of the high profile welfare programs—most notably Aid to Families with Dependent Children, Unemployment Insurance, and Food Stamps. Despite higher aims, Congress rebuffed Reagan's attempts to significantly reduce other components of the safety net, particularly the most expensive programs—Social Security, Medicaid, and Medicare.

These reductions in social support and changes in tax laws had a more adverse effect on the income of black than white families. While the top 60 percent of whites saw their incomes increase, black families in every income quintile had less disposable income in 1984 than in 1980. During this four-year period, single worker, two parent black families lost an average of more than \$2,000 in income (CBPP 1986, p. 151).

Further, as Bawden and Palmer (1984) note, "[b]y the end of 1982 the official poverty rate was nearly as high as at the beginning of the War on Poverty, and over 9 million more people were officially in poverty in 1982 than in 1979. Macroeconomics conditions and Reagan administration budget cuts were about equally responsible for the 3.3 percentage-point increase in the official poverty rate (from 11.7 to 15.0) over this period" (p. 196, emphasis added).

The reliance on income as the measure of well-being in the poverty index underestimates the material level of need and ability of those at or near the poverty line to provide for their families during periods of hardship. As Oliver and Shapiro (1990) contend, wealth accumulation is a much better indicator than income of a family's ability to withstand difficult economic times. They report that in 1984, the median net worth (all assets less any debts) of white households was more than 11 times greater than that of blacks (Oliver and Shapiro 1990, p. 11). Due to this enormous imbalance in the distribution of wealth, blacks were more likely to suffer as a consequence of Reagan's budget cuts.

Reagan achieved additional reductions in social spending through his New Federalism. The target here were federal grants-in-aid programs that provided funding to state and local governments for a variety of purposes, including education, health, housing, job training, and community services. The Reagan administration's New Federalism sought to reduce governmental spending at the federal level and to return government closer to the people (Peterson et al. 1984). While these two goals were not ideologically inconsistent, it remains unclear whether in advocating a New Federalism, the Reagan Administration was genuinely interested in decentralization or simply used it as a handy rubric to legitimize spending cuts. Regardless of intent, Reagan's New Federalism embodied substantial cuts in funding that fell most painfully on the urban poor.

Declining federal funds for large cities began a few years before Reagan became president as Carter cut numerous federal programs in an attempt to curb inflation. However, the cuts continued under Reagan (and the Bush Administration) as hundreds of millions of dollars in revenue previously allocated to cities were eliminated. Whereas Carter's cuts can be characterized as anti-recession measures, Reagan's fundamentally restructured national fiscal relations (Peterson et al. 1986; Swartz and Peck 1990; Nathan et al. 1988).

Some slowdown in federal transfers was probably inevitable due to the rapid expansion of programs and expenses in the 1970s. To his credit, Reagan capped federal contributions to a number of programs, eliminating a matching fund incentive structure that encouraged spending increases and the maintenance of ineffective programs (Peterson et al. 1986). On the other hand, the consolidation of many categorical grants into large block grants and the elimination of others shifted the burden of financing and implementing a wide array of social programs to states and local governments. Essentially, federal support was eliminated or dramatically reduced for many such programs, but states were given the "option" to continue these programs if they could find a way to finance them. This attempt to induce competitive relations between and across state and local governments constituted a new era of "fend for yourself federalism" (Swartz and Peck 1990).

Block grant and revenue sharing programs were the central vehicle through which the Reagan cuts were implemented under his New Federalism. The spending reductions in federal grants-in-aid were levied through the consolidation of numerous categorical grants into larger block grants. Many of the grant-in-aid programs, such as Model Cities, Community Development Block Grants (CDBG), and Urban Development Action Grants (UDAG), had an urban bent, targeting assistance specifically to aid distressed cities. Reagan reduced and devolved these grants-in-aid programs through either elimination or consolidation into larger block grants, the clear losers were large cities and their inner city residents. To illustrate the impact of Reagan's changes in grants-in-aid programs on cities, blacks, and other disadvantaged minorities, we focus in detail here on the CDBG program.

As Dommel and Rich (1987) point out, "[w]hen the CDBG allocation system was originally designed in 1971 by the Nixon administration as a special revenue sharing program, it combined elements of both a distributive policy and a targeting policy." Implemented in 1974, the program largely followed the Nixon proposal, with a distributive component funding large inner-cities, populous urban counties, and suburban cities with populations greater than 50,000 regardless of demonstrable need. The targeting element provided greater funds for needy communities based on a formula of population, poverty, and overcrowded housing.

As a consequence of Reagan's stated desire to reduce spending and decentralize the federal government, overall appropriations for CDBG were reduced by six percent, or \$220 million dollars, between fiscal years 1981 and 1982. But the biggest Reagan change in the program was the expansion of eligibility to small cities and the increase in small city funding by five percent. The original CDBG funding formula gave automatic funding to cities with populations over 50,000 while smaller cities were required to apply to HUD for funding. Under Reagan, states were given the option of taking over the small cities' portion, an option exercised by every state except New York (Nathan et al. 1987). The 1980 census also identified a number of new cities with populations over 50,000 which added to the entitlement eligible cities. Overall, then, more cities were funded with less money and the shift favored small cities over big cities.

In addition to the reduction of funding for CDBG and the expansion and devolution of the small cities component to the states, two other changes deserve attention. First, to meet Reagan's goal of decentralization, funding use mandates for CDBG and block grants more generally were reduced, HUD guidelines and oversight were lessened, and citizen participation requirements were eliminated (Lovell 1983). While Reagan and other conservatives voiced the need to bring government closer to the people, the elimination of federal guidelines and oversight paradoxically halted meaningful assistance to, and the involvement of, the disadvantaged members of urban communities.

Second, following a Brookings Institution study of the CDBG allocation system, a dual formula was adopted to account for aging and deteriorating communities as measured by the amount of pre-1940 housing. The 1980 census revealed that many cities, especially older, declining industrial cities such as New York, Detroit, and Chicago, had eliminated much of their pre-1940 housing stock. Thus, the pre-1940 housing provision regionally disadvantaged older Northeast and Midwest cities, where large numbers of disadvantaged blacks were concentrated, and advantaged newer, growing, and more crowded cities in the Western region, including Los Angeles. Changes were eventually made in the allocation formula to rectify this bias. Nonetheless, the dual formula directed CDBG funds away from the most distressed cities in the

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Northeast and North Central United States where the problems associated with concentrated poverty were (and remain) most acute (Wilson 1991).

While the national level CDBG analysis shows Los Angeles' funding was reduced less than that of cities in the Northeast, our analysis of CDBG spending within the city of Los Angeles over a ten year period (1977-1987) illustrates the impact of Reagan-era changes in the program on distressed urban communities. Using the City of Los Angeles "Grantee Performance Report: we classified allocations in terms of size of grant (in constant 1982-1984 dollar purpose of funding, and where the money was to be spent (by census tract and then traced the pattern of spending across three time periods which correspond to the beginning, middle, and end of the period for which we were able to accumulate data: 1977, 1982, and 1987. Two clear patterns emerge.

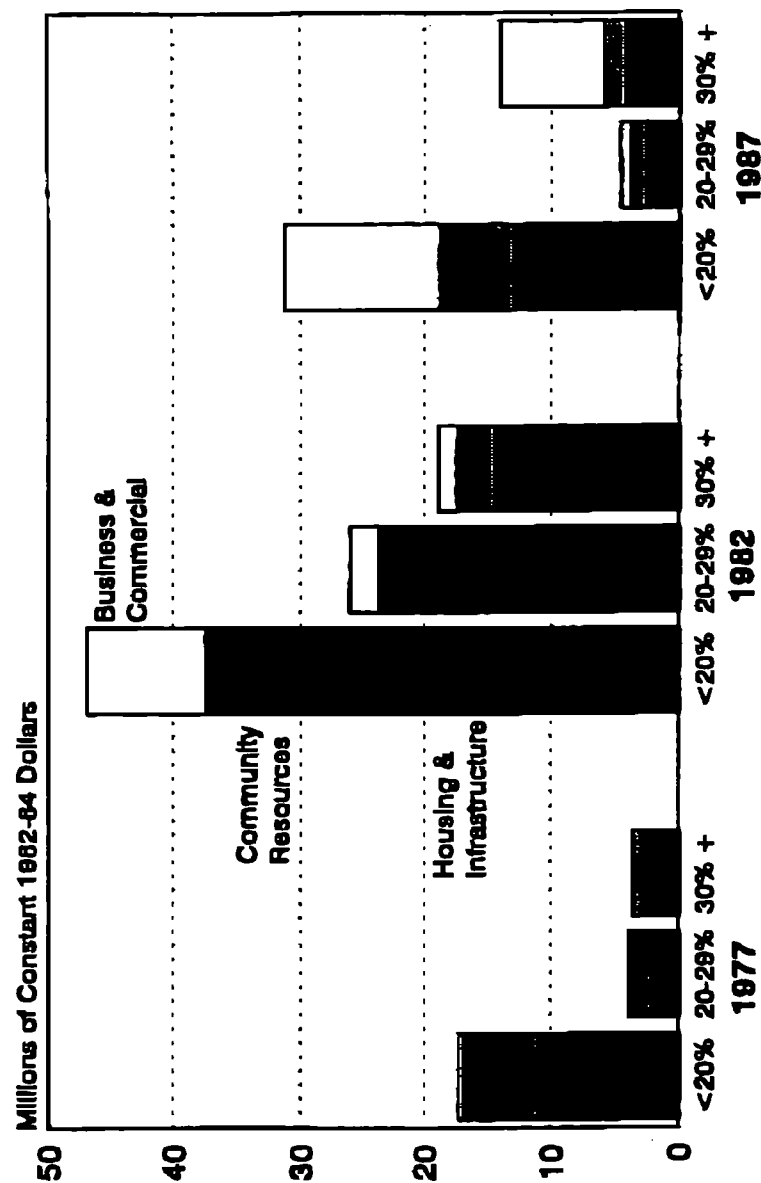
First, as Figure 1 shows, CDBG allocations decreased significantly after 1982, that is, after the Reagan Administration took office. Note, however, that non-poor areas were much more successful than poorer communities in maintaining their funding. In fact, the poorer communities registered significant losses in the post-1982 period.

Second, while funding for housing and community resources expanded and contracted with overall CDBG spending, business and commercial service garnered a greater portion of the available pie with each consecutive time period. This second trend was most pronounced for the most impoverished census tracts. By 1987, more than half of all CDBG money spent in Los Angeles neighborhoods with 30 percent or more of their residents below the poverty line went to private business and commercial enterprises.

Our spatio-temporal analysis of CDBG spending in Los Angeles demonstrates, in short, a shift in spending priorities toward private commercial development and away from community resources and housing. The reduced federal effort to enforce targeting of CDBG funds to the most disadvantaged communities was in line with the Reagan "deregulation and decentralization" ideology. The transfer of funds away from developing community social resources and toward private commercial development reflects the Reagan Administration's emphasis on market-based solutions to social problems.

These changes in CDBG expenditure patterns were perhaps most devastating to community-based organizations (CBOs) in disadvantaged urban communities. Historically, CBOs were part of that collectivity of social resources in the urban environment that encouraged the inner city disadvantaged, especially disadvantaged youth, to pursue mainstream avenues of social and economic mobility and to avoid dysfunctional or antisocial behavior. In academic jargon, CBOs were effective "mediating institutions" in the inner city (Oliver 1988).

In 1981, when Ronald Reagan took office, CBOs received an estimated 48 percent of their funding from the federal government (Salamon 1984). As a consequence of the Reagan Administration's New Federalism, and especially



Source: City of Los Angeles Grantee Performance Reports.

Figure 1: CDBG Spending in Los Angeles, CA in 1977, 1982, and 1987 by Census Tract Poverty Status

the changes made in the CDBG program, Los Angeles and other cities were forced to substantially reduce grant support for community-based programs that traditionally have benefited the most disadvantaged in the community. In south central Los Angeles and other inner city communities, adolescents were most negatively impacted by this defunding of CBO initiatives and other community-based programs. The declining flow of federal funds into such mediating institutions as CBOs, we believe, is largely responsible for the proliferation of gang activity, drug trafficking, and other criminal activities in inner city communities.

STATE AND LOCAL POLICIES

While many urban federal programs were reduced or eliminated, states have the option of taking over, redefining, and paying for negated programs. Many states assumed responsibility for services which had previously been provided by the federal government, although this varied considerably by state. The New Federalism not only changed the relationship between the federal government and the states, but between states and local government as well, as many states stepped in to fill the void left by the Reagan Administration.

We argue that conservative policies also were implemented at the state and local levels of government in a number of domains—taxation, education, crime, and local economic development—which, in many respects, paralleled and in at least one instance preceded, the economic and social policies enacted at the federal level, thus further exacerbating the gap between the haves and the have-nots in urban America.

Proposition 13 and the National Tax Revolt

Raising local taxes was the most logical way for states to replace the lost revenue from federal sources. But states have been significantly encumbered in their ability to boost revenues locally by the nationwide tax revolt, which was triggered by the passage of Proposition 13 in California in 1978. Proposition 13 limited future property tax increases to one percent per annum and froze assessments at their 1978 rate until the property was sold. The California anti-tax measure was spearheaded by Howard Jarvis and the United Organizations of Taxpayers along with a number of Los Angeles-based homeowners' associations. For more than a decade, the homeowner associations of Los Angeles' San Fernando Valley had been engaged in what might be termed as conservative political activism. In 1964, they waged a highly successful campaign to enact Proposition 14 which guaranteed property owner the right to refuse selling or leasing their property to any person. In the mid 1970s, they fought attempts to racially integrate the Los Angeles school

through busing (Davis 1990; Lo 1990). And through the enactment of Proposition 13, they, along with other advocates, sought to reduce not only their property taxes, which had increased as their home equity skyrocketed in the 1970s, but also the size of government in an effort to limit its interference in their bedroom communities.

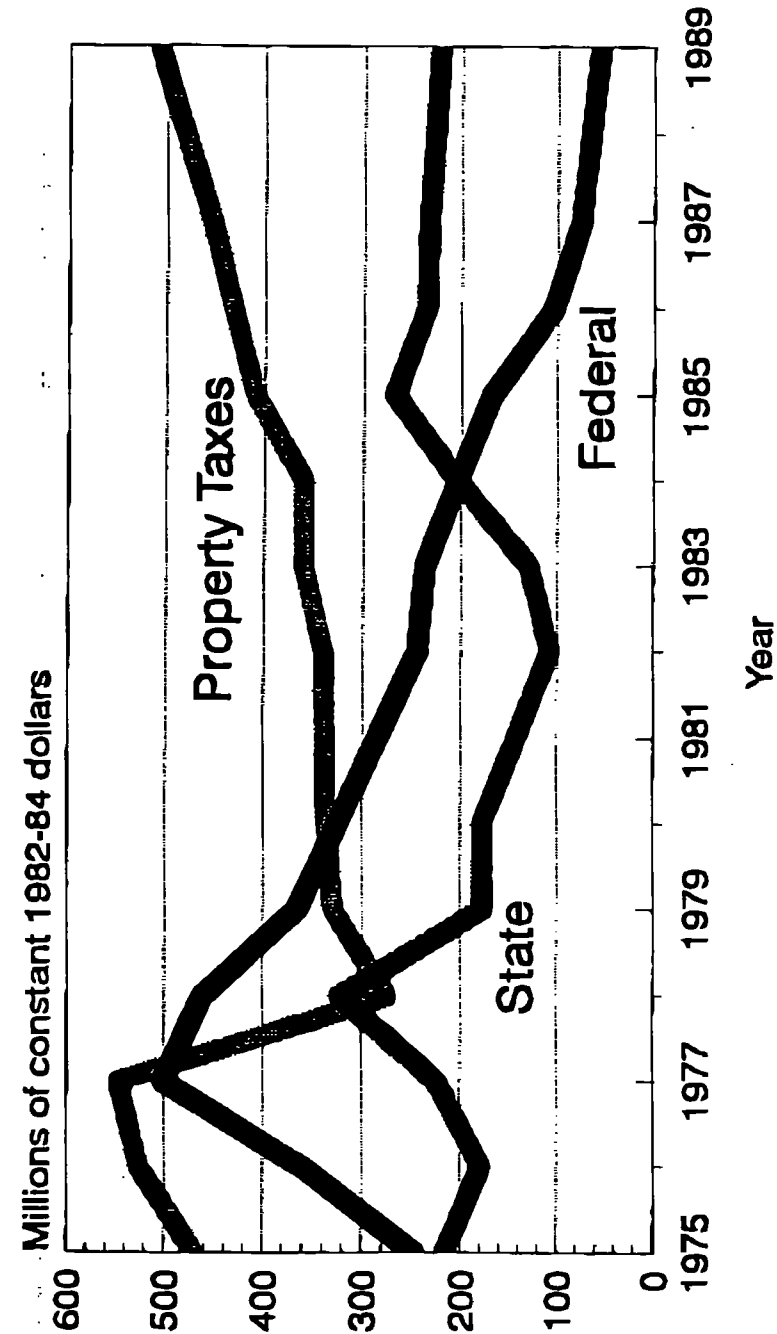
Proposition 13 severely curtailed local government's main source of revenue, the property tax, and Reagan's restructuring of intergovernmental fiscal relations cut off millions of dollars previously directed at large urban governments. Together these policies—California's Proposition 13 and Reagan's New Federalism—acted as a regressive shift of the tax burden and fundamentally altered the financing of California's local governments and policy priorities, damaged the fiscal health of the state and many of its counties and cities, and particularly disadvantaged residents of the inner cities.

Proposition 13 cut deeply and quickly into the revenues of the city of Los Angeles (see Figure 2). In fiscal year 1977, property taxes totaled more than \$330 million and were the single biggest source of revenue, accounting for 23 percent of total general revenue. The next year, following the implementation of Proposition 13, property tax revenues were nearly cut in half, to just under \$180 million. The loss in property tax revenue was made up in the short term by a dramatic increase of funding from the state of California which, at the time, was running a budget surplus. Nevertheless, the cuts in federal aid constrained policy options and shifted priorities at the state and the local level.

Federal aid to the city of Los Angeles peaked in fiscal year 1977 when it totaled more than \$304 million (current dollars) and accounted for about 21 percent of general city revenues. By fiscal year 1989, less than \$70 million in federal aid was received by the city of Los Angeles, accounting for less than two percent of its receipts. Over this same time period total expenditures stayed fairly constant, increasing only slightly. Part of this revenue shortfall was offset by increasing the sales tax at the state and local level, and by instituting and raising charges for a number of city services, such as refuse collection, sewer usage, and building inspection.

As charges for public services and taxes on consumer goods increased, the economic burden fell disproportionately on the poor who were least able to afford these necessities. This regressive shift of financing local government further widened the gap between the haves and have-nots in Los Angeles; wealthy homeowners had their property taxes reduced while the poor paid more and more just to try to stay even.

The distaste of property taxes and big government was not limited to California as a number of national public opinion polls showed a majority of respondents believing governments were wasteful, too powerful, and spent too much—particularly on welfare (Sears and Citrin 1985, pp. 43-72). Between 1978 and 1983 67 tax and/or government spending limitations were proposed nationwide with 39 becoming law (Schwadron and Richter 1984 p. 13). As



Source: Census Bureau, City Government Finances in 1975-1989.

Figure 2. Main Sources of Revenues, City of Los Angeles, CA, 1975-1989

noted above, it was this same anti-tax and anti-big government message that successfully ushered Ronald Reagan into the White House in 1981.

Local Economic Development Policy

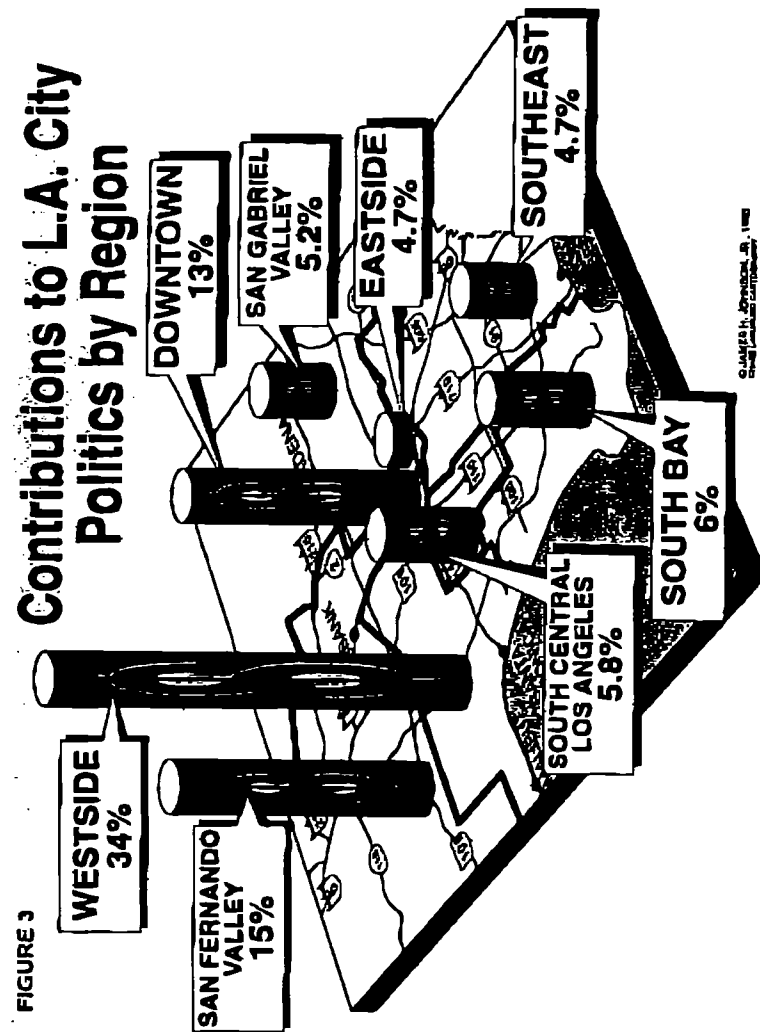
In part to fill the financial void created as a result of declining revenues from the federal government and local property taxes, and partially in an effort to lure international capital to their jurisdictions (Holcomb and Beauregard 1983; Knox 1993), many local governments began to avidly pursue a policy of downtown redevelopment. In many U.S. cities, this policy dramatically changed the skylines of the downtown areas, as skyscrapers housing the headquarters of multinational corporations and other advanced services sector employers became the symbol of these cities' emergence as global transactional centers (Knox 1993).

The transformation of the skylines of downtown and the Wilshire corridor—that 20 mile stretch extending from downtown to the Pacific Ocean—is evidence of the success of this economic redevelopment strategy in Los Angeles. A symbol of Los Angeles' emerging transactional economy, this area now houses the headquarters of a number of multinational corporations and other advanced service sector employers (Holcomb and Beauregard 1983; Beauregard 1991).

This type of redevelopment, while touted as a boon to central city economies, has done little to improve the quality of life of the urban disadvantaged and their communities for two reasons (Abramowitz 1992b). First, downtown redevelopment has been pursued in most cities at the expense of poor neighborhoods. In Los Angeles, for example, the "power of the pocketbook" seemingly has driven this redevelopment strategy. Data compiled by Clifford and his colleagues (1992, p. A1) indicate that "since 1981, Los Angeles City office holders and candidates have received \$223 million in political contributions, most from the Westside, the San Fernando Valley and Downtown businesses" (Figure 3). They note further that "political experts and City Hall critics say the contributions make elected officials more attuned to corporate interest and the suburbs than to the city's poor areas" (Clifford et al. 1992, p. A1).

Moreover, none of the local tax revenues generated in these redevelopment zones have been invested in neighborhood revitalization activities; instead, the revenues have been simply reinvested in those same zones to attract more international capital (Lauria 1982). Thus, as federal funds for urban revitalization and community development dried up and/or were redirected, poor neighborhoods entered a phase of accelerated decline and deterioration.

Second, most of the jobs created in these downtown redevelopment areas typically require high levels of education and technical training that most of the disadvantaged central city residents do not possess. And, as noted previously, the Reagan/Bush Administrations did very little to ensure that



disadvantaged residents could get the necessary education and skills enhancement that would make them competitive in the redeveloped downtown job market. The employment opportunities that became available in these downtown redevelopment areas that matched the skill requirements of disadvantaged central city residents were low-level service and custodial jobs, which pay, at best, the minimum wage. In Los Angeles, moreover, these jobs typically are filled by undocumented workers.

Crime Policy

State governments' anti-crime policy is another area in which conservative policy making contributed to the so-called widening divide between the haves and the have-nots in urban America in the 1980s (Petersilia 1992). Paralleling the dismantling of social programs that discouraged disadvantaged youth from engaging in dysfunctional behavior and that rehabilitated those who did, states, with the encouragement and support of the federal government, have pursued for nearly three decades a policy of approaching the problems of the inner city through the criminal justice system (Petersilia 1992). In reality, the social safety net was replaced with a criminal dragnet (Johnson and Oliver 1992).

Once a leader in the rehabilitation of criminals, the state of California epitomizes this shift to a get-tough-on-crime policy as the primary response to central city problems. In 1977, the California Legislature enacted the Determinant Sentence Law, "which embraced *punishment* (and explicitly, *not* rehabilitation) as the purpose of prison, required mandatory prison sentences for many offenses formerly eligible for probation, and dramatically increased the rate at which probation and parole violators were returned to prison" (Petersilia 1992, p. 176). As a consequence of the promulgation of this law, the California prison population skyrocketed between 1980 and 1992, increasing from 22,500 to more than 106,000, or by 300 percent (Petersilia 1992, p. 176).

To accommodate this increase, California expanded the capacity at seven of its existing prison facilities and built 13 new ones to bring the current total to 25. Six additional correctional facilities are currently under construction or in the planning phase (Petersilia 1992). Over the past five years, spending on the criminal justice system increased by 70 percent, roughly four times greater than total state spending. By comparison, state spending on education increased by only ten percent during this same five year period (Petersilia 1992).

Minorities have been affected disproportionately by states' get-tough-on-crime policy. Nationally, it has been estimated that roughly one quarter of prime working-age black males are in jail, prison, or otherwise connected to the criminal justice system (Mauer 1992). In California, two-thirds of the prison population is black or Hispanic. Blacks constitute 35 percent of the total (Petersilia 1992). In Los Angeles, approximately 40 percent of the 16,000 people

arrested during the recent civil unrest had a previous brush with the law (Lieberman 1992).

The foregoing and similar statistics are often used by conservative politicians and policy analysts as evidence to support their claim that blacks and Latinos are more prone to crime than whites. To be sure crime rates are high in minority areas of cities. However, we believe that the foregoing statistics are not solely reflective of racial differences in the *propensity* to engage in criminal activities. Rather, they also reflect, and in all likelihood to a greater extent, the degree to which minorities, and blacks in particular, have been, and continue to be, the primary targets of the get-tough-on-crime policies of the 1980s. The federal crackdown on drug offenses provides ample evidence to support this proposition.

Rather than allocate ample resources for drug treatment and rehabilitation, the federal government has engaged in often suspicionless, dragnet sweeps of inner city neighborhoods (permitted by the Supreme Court) and implemented a range of other racially discriminatory laws in its War on Drugs. Under current federal law, for example, there is a minimum five year mandatory sentence without the possibility of parole for the personal use of five grams of crack cocaine, the drug most often used in the inner city and by minorities. By contrast, the possession of the same amount of powder cocaine, which is more widely used by whites and outside of the central city, is a misdemeanor punishable by a maximum sentence of one year. In addition, there are enormous racial disparities in pre-trial detentions and in prison sentences for drug offenses, especially for first time offenders. Blacks and Latinos are far more likely than whites to be both detained and sent to prison (Meddis 1993).

What are the prospects of landing a job in the restructured U.S. economy if one has a criminal record? Incarceration breeds despair, and in the employment arena, a criminal record is the scarlet letter of unemployability (Johnson and Oliver 1992). The high rate of black male joblessness in urban America is strongly linked to these discriminatory crime policies.

Education Reform Policies

Educational initiatives enacted at the state level during the late 1970s and the early 1980s also contributed to the widening divide between the haves and the have-nots in urban America during the 1980s. To address the so-called "crisis" in American education, states implemented a wide range of policies, including tracking by ability group, grade retention, and the increasing reliance on standardized tests as the ultimate arbiter of educational success.

However, there is a very large body of social science evidence which shows that these and other educational policies have, in fact, disenfranchised large numbers of black and brown youth from mainstream educational and employment opportunities in the rapidly growing sectors of the U.S. economy.

In urban school systems, minority youth are disproportionately placed in special education classes and are more likely than their white counterparts to be subjected to extreme disciplinary sanctions, such as suspension and expulsion. Moreover, in some states, preschool age children now have to pass a standardized test before they can enter the first grade, a policy which discriminates against poor children who do not have the benefit of participating in Head Start or other preschool programs (Orfield and Ashkinaze 1991).

Data from the Los Angeles School District (LAUSD) on school leaving behavior (CBEDS 1989) illustrate the debilitating effects of these educational reform policies. In the LAUSD as a whole, 39.3 percent of all students in the class of 1988 dropped out at some point during their high school years. However, for high schools in south central Los Angeles, the drop-out rates were substantially higher, between 63 percent and 79 percent. It is important to note that the drop-out problem is not limited to the high school population. According to data compiled by LAUSD, approximately 24 percent of the students in some of the junior high schools in south central Los Angeles also dropped out during the 1987-1988 academic year (LAUSD 1989).

Twenty years ago, it was possible to drop out of high school and find a good paying job in heavy manufacturing in south central Los Angeles and other central city communities. Today, those types of jobs are no longer available. The results of the adverse effects of deindustrialization and the discriminatory aspects of education reforms is a rather substantial pool of inner city youth, particularly males of color, who are neither at work nor in school. These individuals are in effect idle; and previous research demonstrates that it is this population which is most likely to be involved in gang activity, drug trafficking, and a range of other criminal behaviors (Viscusi 1986), which directly channels many of them into the government-erected criminal dragnet. Moreover, we know that it is idle minority males who experience the most difficulty in maintaining stable families, which accounts, at least in part, for the rapid increase in female-headed families with incomes below the poverty level in central city communities (Johnson and Oliver 1992).

SUMMARY AND CONCLUSION

In this paper, an effort has been made to illustrate how conservative policy-making during the late 1970s and especially during the 1980s contributed to contemporary inequality in urban America. In contrast to the existing conservative perspective, which highlight the role of the War on Poverty Programs of the 1960s, and the prevailing liberal explanations, which emphasize the continuing significance of racial residential segregation, structural changes in the U.S. economy, and polarization of racial attitudes, we argue that the structure of opportunity in U.S. society was radically

transformed during the 1980s by conservative policies implemented at all levels of government.

Reagan's restructuring of inter-governmental fiscal relations cut off millions of dollars previously directed at large urban governments; and Proposition 13 in California, which led to a nationwide property tax revolt, severely curtailed local government's main source of revenue, the property tax. Together these policies, in effect, acted to regressively shift the tax burden and fundamentally altered the financing of local governments and policy priorities, damaged the fiscal health of the states and many of their counties and cities, and particularly placed disadvantages on residents of the inner cities.

At the same time, states—often with the support of the federal government—enacted conservative education and crime policies which economically marginalized and incarcerated large numbers of people of color, especially black males. Paralleling these policies, local governments pursued an economic development strategy that promoted downtown redevelopment at the expense of disadvantaged neighborhoods. In conjunction with massive cuts in federal aid to distressed cities, this led to the increasing social and geographical isolation of disadvantaged communities from the mainstream of American society. Nowhere were the impacts of these developments more apparent than in Los Angeles where the worst civil unrest of the century occurred in the Spring of 1992.

To redress the inequality wrought by the conservative policies of the 1980s will require the implementation of equally as aggressive liberal policy prescriptions during the 1990s. President Clinton has proposed an attractive plan to eliminate the schisms between the haves and have-nots in urban America. His plan emphasizes urban revitalization as one of the keys to the future economic viability and competitiveness of the United States in the global marketplace. He has vowed to implement specific policies to rebuild the urban infrastructure, to spur urban economic growth and development, and to address the social ills afflicting U.S. cities.

In contrast to the adverse relationship that existed between cities and the Reagan/Bush Administrations, President Clinton has proposed to establish a formal partnership with the nation's mayors in an effort to reverse urban decline. He plans to target fiscal assistance to the most needy cities and to implement a national public works investment program to rebuild the infrastructure of all cities. He also supports the establishment of enterprise zones in areas within cities (and poor rural areas) that have experienced massive disinvestment through plant closings and capital flight. And he intends to offer businesses tax breaks, and other incentives, to locate in these newly established enterprise zones. While there is no history of success of such strategies in poor communities, in conjunction with his efforts to rebuild the urban infrastructure, enterprise zones may become attractive to private businesses.

In combination with his efforts to lure operating businesses back to the central city, President Clinton also intends to encourage and facilitate entrepreneurship

as a second job creation strategy. For President Clinton, improved access to capital is the key to small business development. He has outlined two strategies for increasing the flow and availability of capital in central city communities: (1) the establishment of a national network of community development banks, and (2) stronger enforcement of the Community Reinvestment Act of 1977 (CRA) which was instituted to monitor the lending practices of private banks, savings and loans, and other thrift institutions.

To improve the quality of life of inner city residents and to enhance their employability (especially poor youth), President Clinton proposes to invest substantial resources in existing programs known to benefit the urban disadvantaged (e.g., Head Start and Job Corps) and in new initiatives targeting specific urban ills. To combat the high rates of school failure and to improve the quality of education in the inner city, for example, he supports a number of education reforms, including site-based decision making and public school choice, which are designed to eliminate the savage inequalities that presently exist in urban public school systems (Kozol 1991). In response to the youth unemployment problem, President Clinton proposes the establishment of a summer jobs initiative and training program and a national apprenticeship program to facilitate the school-to-work transition for non-college bound students.

He supports putting more police on the streets to combat crime in central city communities; however, he argues that they should not be deployed in random, dragnet-type sweeps sanctioned by the Bush Administration, but, rather, via a community policing program where the officers interface with residents prior to the commission of a crime. Finally, Clinton proposes to invest in the types of resources (education and training, health care, and quality child care) that female-headed households need to become independent and self-sufficient in order to break the cycle of long-term dependency.

President Clinton's major challenge will be forging the necessary Congressional support for these and related liberal strategies to revitalize U.S. cities and to improve the quality of life of the people who inhabit them. If he succeeds in garnering the necessary bipartisan support for his policies, it is not unreasonable to think that Clinton will succeed in returning cities to their former status as economically viable and socially and culturally acceptable places where the inequalities of the 1980s no longer exist. If he is not successful, it is not at all unreasonable to expect that the gap between the haves and the have-nots will continue to widen and that there will be a fire next time—somewhere in urban America.

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Table 3 summarizes the income distribution of the City, County, and State population estimated at January 1, 1998.

Table 3
CITY, COUNTY, AND STATE POPULATION
BY INCOME GROUP
Estimated January 1, 1998

	% OF POPULATION BY INCOME GROUP		
	\$20,000- \$34,999	\$35,000- \$49,999	\$50,000 and Over
City of Los Angeles.....	24.1%	18.3%	25.2%
County of Los Angeles	23.2	17.9	29.5
State of California	22.9	18.5	31.7

Source: Sales and Marketing Management Magazine "1998 Survey of Buying Power."

Industry and Employment

Table 4 summarizes the State Department of Employment Development's estimated average annual employment of nonagricultural wage and salary workers in the County between 1996 and 1998. Percentages indicate the percentage of the total employment for each type of employment for the given year. For purposes of comparison, employment for the United States is also summarized.

The services sector has been the major employment sector in the County in 1998, employing 32.9% of the nonagricultural wage and salary workers in the County. (Separate figures for the City are not maintained). Wholesale and retail trade, at 22.1%, is the second highest employment sector in the County, followed closely by manufacturing, which employs 17.1% of the nonagricultural wage and salary workers in the County. From 1996 to 1998, total employment for nonagricultural wage and salary workers in the County increased by 4.5%.

Table 4
LOS ANGELES COUNTY
ESTIMATED AVERAGE ANNUAL EMPLOYMENT
NONAGRICULTURAL WAGE AND SALARY WORKERS
(in thousands)

	County						United States					
	1996	% of Total	1997	% of Total	1998	% of Total	1996	% of Total	1997	% of Total	1998 ⁽¹⁾	% of Total
Mining.....	5.7	0.1%	5.7	0.2%	5.5	0.1%	574	0.5%	574	0.5%	564	0.4%
Construction	108.6	2.9	110.0	2.8	114.2	2.9	5,400	4.5	5,747	4.6	6,192	4.8
Manufacturing.....												
Durable Goods.....	352.5	9.3	363.8	9.4	370.1	9.3	10,973	9.2	11,048	8.9	11,043	8.6
Non-Durable Goods	293.6	7.7	299.5	7.7	308.8	7.8	7,574	6.3	7,626	6.2	7,590	5.9
Transportation and												
Public Utilities	204.4	5.4	210.2	5.4	217.2	5.5	6,261	5.2	6,478	5.2	6,644	5.2
Wholesale Trade.....	258.6	6.8	264.3	6.8	270.9	6.8	6,483	5.4	6,746	5.5	6,880	5.4
Retail Trade.....	583.2	15.3	594.1	15.3	606.0	15.3	21,625	18.1	22,450	18.1	23,014	18.0
Finance, Insurance												
& Real Estate	216.7	5.7	219.5	5.7	224.2	5.6	6,899	5.8	7,151	5.8	7,415	5.8
Services	1,245.3	32.8	1,267.3	32.7	1,308.1	32.9	34,377	28.7	36,276	29.3	38,046	29.8
Government	533.3	14.0	537.8	13.9	547.9	13.8	19,447	16.3	19,770	16.0	20,430	16.0
Total ⁽²⁾	3,801.9		3,872.2		3,972.5		119,613		123,866		127,818	

⁽¹⁾ Data not adjusted for seasonality.

⁽²⁾ Totals may not add due to independent rounding.

Sources: California Employment Development Department, Labor Market Information Division for the County; U.S. Bureau of Labor, Department of Labor Statistics for the U. S.

City of Los Angeles

1999 Economic & Demographic Information

The City of Los Angeles is the second most populous City in the United States with an estimated 1998 population in excess of 3.7 million. Los Angeles is the principal city of a metropolitan region stretching from the city of San Buenaventura to the north, the City of San Clemente to the south, and the City of San Bernardino to the east.

Founded in 1781, Los Angeles was for its first century a provincial outpost under a succession of Spanish, Mexican, and American rule. It experienced a population boom following its linkage by rail with San Francisco in 1876. Los Angeles was selected as the Southern California rail terminus because its natural harbor, unlike San Diego's, seemed to offer little challenge to San Francisco, home of the railroad barons. But what the region lacked in commerce and industry, it made up in temperate climate and unspoiled real estate, and soon tens and then hundreds of thousands of people living in the northeastern and midwestern United States migrated to new homes in the region. Its population climbed to 50,000 in 1890, and then swelled to 1.5 million by 1940. Agricultural and oil production, followed by the creation of a deep water port, the opening of the Panama Canal, and the completion of the City-financed Owens Valley Aqueduct to provide additional water, all contributed to an expanding economic base. During this same period, the motor car became the principal mode of American transportation, and Los Angeles developed as the first major city of the automotive age. Following World War II, Los Angeles became the focus of a new wave of migration, with its population reaching 2.4 million by 1960.

Both the City and its surrounding metropolitan region have continued to experience growth in population and in economic diversity. Services, wholesale and retail trade, manufacturing, government, financial service industries, transportation, utilities, and construction contribute significantly to local employment. The City's 470 square miles contain 11.5% of the area and 38.8% of the population of the County of Los Angeles (the "County"). The County is the top ranked county in manufacturing in the United States, producing more than 10% of the nation's production of such diverse items as aircraft, aircraft equipment, aluminum, dental equipment, games and toys, gas transmissions and distribution equipment, guided missiles, space vehicles and propulsion units, and women's apparel. Fueled by trade with the Pacific Rim countries, the Port of Los Angeles/Long Beach ranks first in the nation in volume. As home to the film, television and recording industries, as well as important cultural facilities, Los Angeles serves as a principal global cultural center. With Los Angeles International Airport serving as the new "Ellis Island" for foreign immigration to this country, the metropolitan region has achieved a new ethnic and cultural diversity.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Introduction

The economic and demographic information provided below has been collected from sources which the City deems to be reliable. Because it is difficult to obtain timely regional economic and demographic information, the impact on the City of the recent recession and the City's recovery from the recession may not be fully apparent in all of the publicly available regional economic statistics provided herein.

Population

The City's population expanded by 4.8% during the 1970s and by more than 17.4% from 1980 to 1990. This latter expansion compares to an 18.5% growth rate for the County and a 25.1% growth rate for the State of California (the "State") during the same period. Table 1 summarizes City, County, and State population estimated at January 1 of each year.

Effective Buying Income

"Effective Buying Income" ("EBI"), also referred to as "disposable" or "after tax" income, consists of personal income less personal tax and certain non-tax payments. Personal income includes wages and salaries, other labor-related income (such as employer contributions to private pension funds), and certain other income (e.g. proprietor's income; rental income; dividends and interest; pensions; and welfare assistance). Deducted from this total are personal taxes (federal, state and local) certain non-tax payments (e.g. fines, fees and penalties), and personal contributions to a retirement program.

Table 7 shows the top ten metropolitan areas in total EBI for 1997.

Table 7
1997 TOTAL EFFECTIVE BUYING INCOME
TOP TEN METROPOLITAN AREAS
(in thousands)

New York	\$162,080,888
Chicago	153,409,545
Los Angeles	142,050,140
Washington	101,698,562
Philadelphia	96,689,382
Boston	79,251,497
Detroit	77,020,474
Houston	70,843,638
Atlanta	65,908,314
Dallas	61,925,415
U. S. Total	<u>4,399,998,035</u>

Source: Sales & Marketing Management Magazine "1998 Survey of Buying Power"

June 30, 1999

MEMORANDUM FOR MICHAEL WALDMAN

FROM: JOSH GOTTHEIMER

RE: Morning Schedule

1. Good morning.

2. ***Schedule Additions/Reminders:*** 9:30am – New Markets Meeting @ Loretta's; 1:30pm – Meeting with Al From @DLC; 4:45pm -- Haircut

3. ***POTUS Today:*** 8:30am – Departs WH; 10:45-11:45am – Medicare Event; 12:15-2pm – Lunch; 8-8:45pm – DNC Dinner; 12:40am – Arrives WH

4. ***Phone and Office Time Today:*** none scheduled

5. ***Speech Calendar:*** see attached

6. ***See Attached:*** June's Medicare Remarks.

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4. ***Phone and Office Time Today:*** none scheduled

5. ***Speech Calendar:*** see attached

6. ***See Attached:*** June's Medicare Remarks.

The average number of employed and unemployed residents of the County, together with the average annual unemployment rate is summarized in Table 5.

Table 5
ESTIMATED AVERAGE ANNUAL EMPLOYMENT AND
UNEMPLOYMENT OF RESIDENT LABOR FORCE

Civilian Labor Force County of Los Angeles (in thousands)	1991	1992	1993	1994⁽¹⁾	1995	1996	1997	1998
Employed.....	4,142	4,099	3,984	3,971	4,016	4,052	4,189	4,312
Unemployed.....	360	436	427	445	343	362	308	296
Total.....	4,502	4,535	4,411	4,416	4,359	4,414	4,497	4,608
Unemployment Rates								
County.....	9.8%	9.6%	9.7%	9.4%	7.9%	8.2%	6.8%	6.4%
State.....	7.5	9.1	9.2	8.6	7.8	7.2	5.5	5.4
United States.....	6.7	7.4	6.8	6.1	5.6	5.4	4.9	4.6

⁽¹⁾ The Federal Government began using a new method for calculating labor force statistics in January 1994. As a result of this change, labor force data for 1994 are not comparable to prior years' data.

⁽²⁾ Data not adjusted for seasonality.

Source: California Employment Development Department, Labor Market Information Division for the State and County; U.S. Bureau of Labor, Department of Labor Statistics for the U.S.

Major Employers

The economic base of Los Angeles is diverse, with no one sector being dominant. Some of the leading activities include business/professional management services (including engineering), health services (including training and cutting-edge research), tourism, distribution, and entertainment. The job loss in the technology sector has ended, while major new investments are being made in entertainment and tourism. The ten leading employers in the Los Angeles Five County Area, as reported in July 1998, are listed in Table 6. A five-year history is not available.

Table 6
TEN LEADING EMPLOYERS IN THE
LOS ANGELES FIVE COUNTY AREA(1)
July 1998

Company/Organization	Product	Number of Employees⁽²⁾
Los Angeles County	Government	86,616
Los Angeles Unified School District	Public Schools	65,331
U.S. Government	Government	52,274
UCLA	Higher Education	49,600
United States Postal Service	Government	41,426
Boeing Co.	Aerospace	33,700
City of Los Angeles	Government	33,290
Kaiser Permanente	Health Services	28,575
Ralphs Grocery Co.	Retail	25,523
American Stores	Retail	23,525

⁽¹⁾ Los Angeles, Orange, Riverside, San Bernardino and Ventura Counties.

⁽²⁾ Approximately two-thirds of the total number of employees for each company work in Los Angeles County except for the County of Los Angeles, the Los Angeles Unified School District and the City of Los Angeles. For these employers, virtually one hundred percent of the employees work in Los Angeles County.

Source: Economic Development Corporation of Los Angeles County.

Table 1
CITY, COUNTY AND STATE POPULATION STATISTICS

	<u>City of Los Angeles</u>	<u>County of Los Angeles</u>	<u>State of California</u>
1980	2,968,579	7,477,517	23,780,000
1981	2,989,500	7,550,300	24,267,000
1982	3,029,500	7,679,100	24,786,000
1983	3,087,700	7,830,000	25,309,000
1984	3,145,000	7,961,900	25,780,000
1985	3,199,600	8,091,900	26,358,000
1986	3,268,200	8,250,000	26,999,000
1987	3,318,800	8,410,800	27,655,000
1988	3,362,200	8,537,800	28,323,000
1989	3,399,000	8,652,800	29,063,000
1990	3,485,398	8,863,164	29,760,021
1991	3,536,799	8,988,754	30,351,000
1992	3,575,000	9,074,400	30,982,000
1993	3,607,700	9,158,400	31,552,000
1994	3,620,500	9,230,600	31,960,000
1995	3,625,800	9,327,300	31,910,000
1996	3,638,100	9,369,800	32,231,000
1997	3,681,700	9,488,200	32,609,000
1998	3,722,500	9,603,300	33,252,000

Source: U. S. Census for 1980 and 1990; other figures are State Department of Finance estimates as of January 1 of each year.

Table 2 summarizes the age distribution of the City, County, and State estimated population as of January 1, 1998.

Table 2
CITY, COUNTY, AND STATE POPULATION
BY AGE GROUP
Estimated January 1, 1998

	<u>% OF POPULATION BY AGE GROUP</u>			
	<u>18-24 Years</u>	<u>25-34 Years</u>	<u>35-49 Years</u>	<u>50 & Over</u>
City of Los Angeles	11.3%	18.9%	23.2%	22.1%
County of Los Angeles	10.5	17.8	23.0	22.1
State of California	9.7	16.8	23.8	23.3

Source: Sales and Marketing Management Magazine "1998 Survey of Buying Power".

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WORK ORIENTATION, JOB DISCRIMINATION, AND ETHNICITY: A FOCUS GROUP PERSPECTIVE

Lawrence Bobo, Camille L. Zubrinsky,
James H. Johnson, Jr., and Melvin L. Oliver

ABSTRACT

Research on urban inequality spans liberal analyses that identify societal constraints to opportunity, to conservative analyses that identify cultural and individual failings as major sources of urban inequality. Yet, other studies draw attention to the potency of racial/ethnic discrimination or to more complicated multifactor models. Previous research has been constrained, however, by reliance on aggregate statistical analyses or a reliance on context specific ethnographic research and a heavy emphasis on Black-white comparisons. As a consequence, our knowledge of actual patterns of individual behavior in the contemporary urban labor market and the implications of the rapidly increasing ethnic diversity in major urban centers remains limited. We employed focus group discussions as an exploratory tool in the development of a more systematic survey-based inquiry into modern urban labor market behavior. This paper reports on 12 focus

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45 Ida Harper Simpson

group discussions held with Black (2), white (2), Latino (4), Korean (2), and Chinese (2) residents of Los Angeles County, discussions that concerned a range of labor market and intergroup relations issues. The discussions identify similarities and differences in job search behavior, perceptions of an ideal job, beliefs about opportunities for young adults, and ethnic diversity in the workplace. Although by their nature merely suggestive of broader dynamics, the focus group results considerably complicate traditional models of behavior in the urban labor market and point to important new directions for future research.

INTRODUCTION

Over the past two decades the gap between the haves and have-nots in urban America has widened substantially (Burtless 1990; Harrison and Bluestone 1988; Farley and Allen 1987; Levy 1987; Michel 1991; Phillips 1990). Recent studies have pointed to increasing polarization along the economic status dimensions of employment status, income, and wealth accumulation (Michel 1991; Levy 1987; Harrison and Bluestone 1988; Oliver and Shapiro 1990). Other studies have drawn attention to the growing incidence of poverty and the increasing geographical isolation of the ghetto poor from the mainstream of American society (Massey and Denton 1993; Jargowsky and Bane 1991; Mincy and Ricketts 1990; Wilson 1987). Moreover, all of these developments have taken place at a time when public opinion is much less receptive to the needs of poor and minority communities (Bobo and Kluegel 1993; Edsall and Edsall 1991). Nevertheless, owing to their perceived direct link to long-term welfare dependency and the epidemic of crime and lethal violence among other negative externalities in U.S. cities, these developments have been the focus of intense research and policy inquiry.

Almost all analyses of these social ills point to various labor market conditions as the key to disentangling and potentially ameliorating modern urban inequality. For some, principally liberal analysts, the core problem is rising unemployment and a lack of job opportunities, especially in poor inner city Black communities. For others, principally conservative analysts, the core problem is a weakened commitment to the work ethic brought on by an excessively permissive social welfare system (Mead 1992; Murray, 1984). In between these perspectives lie accounts that point to a complex array of both structural and human capital factors that are postulated to influence, in a dynamic and interactive fashion, the employment and earnings of urban residents. Included among these factors is a growing body of evidence that antiminority stereotyping (Bobo and Kluegel 1991) and racial discrimination (Turner, Fix, and Struyk 1991) remain potent barriers to employment for people of color.

Debates surrounding contemporary urban inequality are made yet again more complex by the increasing racial and ethnic diversity in major cities. Over

the past two decades, the nation's largest urban centers (Frey 1993), especially metropolitan Los Angeles, have registered sharp increases in their Hispanic and Asian populations. This is not merely a question of greater diversity, as there also are important differences in both the economic fortunes and the life chances of the Blacks, whites, Hispanics, and Asians who share residence in these communities. As evidenced by the deadly uprising in the spring of 1992 in Los Angeles, the discernible correspondence between race/ethnicity, unemployment, and poverty has become an explosive social divide in contemporary urban America (Bobo et al. 1992; Johnson et al. 1992; Oliver et al. 1993; Johnson and Farrell 1993).

The current state of our knowledge of contemporary urban inequality derives from two types of studies: economic analyses of unemployment and poverty using aggregate statistics, and ethnographic studies of these and related social ills which of necessity are often linked to a single site or location. In this paper, we draw upon the results of 12 focus group discussions, which were conducted to inform the design of a large-scale social survey instrument, to broaden our understanding of the forces responsible for the growing schisms between the haves and the have-nots in urban America.

The objectives of this research are twofold. First, we seek to better understand how individuals think about and orient themselves within the urban labor market. Among the questions we address are the following:

- What sorts of methods do individuals report as having led to their most recent job?
- What qualities are they looking for in a job and place of work?
- What do they expect and assume that employers are looking for, and where do they think it would make sense to search for employment?

Second, while most research has approached the inequality question from a Black-white perspective, we address the above-mentioned research issues in a fully multiethnic context by drawing upon the results of focus group discussions with Blacks, whites, Hispanics, and Asians in Los Angeles County.

Our pool of focus group participants was neither large nor fully representative of the multi-ethnic character of metropolitan Los Angeles. Nevertheless, our research findings, we believe, identify a number of continuities and discontinuities in how Blacks, whites, Asians, and Hispanics function in the Los Angeles labor market. The different labor market experiences of these groups provide important insights into some of the determinants of contemporary urban inequality.

The remainder of this paper is organized into four sections. We first review in more detail current debates on urban inequality with specific reference to labor market conditions and characteristics of potential workers. We then describe our focus group procedures and report results for our discussions with

the Black, white, Hispanic, and Asian residents of Los Angeles. Finally, we elaborate some of the hypotheses and implications regarding modern urban inequality that emerged from the focus group discussions.

BACKGROUND

Recent studies of urban inequality have revolved around a few core questions. Are unemployment and poverty the result of limited job opportunities and failures of planning and policy? Alternatively, are they better understood as deficits of character and the inevitable slothfulness produced by indulgent social policies? Or are these perspectives too simplistic to capture the array of "demand-" and "supply-side" factors that mutually influence one another and larger labor market outcomes? A major factor in the competing answers to these types of questions is how individuals orient themselves toward the labor market, work, and employment. A traditional liberal view has emphasized the institutional and societal constraints that disadvantage some employment seekers. A traditional conservative view has emphasized the deficits of character that leave some individuals disproportionately ill-equipped for gainful employment.

Deficits of Character

Conservative references to the role of social structure in increasing inequality among Blacks are limited to descriptions of U.S. welfare policy as too permissive. According to his perspective, social welfare policy of the late 1960s and early 1970s provided a disincentive to work and encouraged poor individuals to become and/or remain dependent on the government for subsistence (Murray 1984; Mead 1986, 1992). It reduced the stigma attached to dependency and provided cultural legitimacy for not working hard to get ahead (Magnet 1993).

Charles Murray gained national recognition with the publication of *Losing Ground: American Social Policy 1950-1980* (1984). Murray asserted that the conservative position regarding welfare policy reflects *popular wisdom*: welfare makes you lazy. People respond to incentives and disincentives; they are not inherently hard-working or moral—without guidance, people will avoid work and behave amorally; and they must be held accountable for their actions (1984, p. 146). The liberal social policy of the mid-1960s ignored these premises, expanded benefit programs that lack work requirements and provide a disincentive to work, and are primarily to blame for the phenomenal increases in poverty and black male joblessness.

Major changes in AFDC between 1961 and 1968 resulted in more lenient eligibility requirements and decreased barriers to work. These changes were

positive in that they provided work incentives for women already receiving AFDC. Simultaneously, however, these changes also provided a stronger incentive for previously working poor people to get on the welfare rolls and stay there. These changes in the administration of AFDC, combined with the emergence of a more lenient criminal justice system and the deterioration of inner city public schools, added to the disincentive for poor youths to get an education and work.

Moreover, the liberal belief that the poor were not responsible for their economic condition removed the stigma associated with welfare and resulted in what Murray calls the "homogenization" of the poor (1984, p. 179). Distinctions between deserving and undeserving poor were eliminated; the self-sufficient, working poor and the chronically unemployed, welfare-dependent poor were indistinguishable. Status was withdrawn from low-income, independent working families and from behaviors that facilitate escaping poverty.

It is not necessary to look for cultural differences between poor and nonpoor people or a breakdown of the work ethic; poor people do not have to be culturally deviant to explain recent trends in poverty. People who previously worked hard but remained poor—and were too proud to accept charity—now make "rational" decisions to take advantage of the economic incentives to exercise their right to benefits without the fear of stigma.

Mead (1992) posits a similar view of a permissive welfare state producing a subset of Americans who are disinclined to work. A self-proclaimed moderate, Mead refutes Murray's assertion that nonwork is a rational response to economic opportunities and/or constraints, as well as other conservative beliefs that the poor are fundamentally flawed or opposed to work. Moreover, Mead discounts the liberal emphasis on structural constraints, asserting that opportunity and gainful employment are readily available. Instead, Mead stresses the fundamental importance of a "psychology of poverty": the difficult histories of minority groups (particularly Blacks) have led to feelings of helplessness and hopelessness; they are "dutiful but defeated" (1992, p. 133).

Societal Constraints

William Julius Wilson's *The Truly Disadvantaged*, (1987) is undoubtedly the best-known assertion of the liberal perspective. Wilson argues that much urban poverty and the development of an "underclass" can be attributed to rising Black male joblessness. He traces the weakening labor force involvement of Black males to large-scale structural shifts in the economy, along with a sharp decline in the availability of well-paying, low-skill job opportunities in central-city manufacturing, a process referred to as deindustrialization. When coupled with the flight of the Black middle class to suburban communities and a comparatively young age distribution in the Black community, the shrinking

economic chances for low-skilled workers set the stage for a number of interlocking social ills. These include a growing number of female-headed households, since men are less likely to form nuclear families when they cannot afford to support them; increasing welfare dependency; and a massive increase in juvenile delinquency and crime.

The social dislocations characteristic of modern ghetto poverty are exacerbated by the increasing concentration of poverty. The modern urban poor, unlike those of past generations, are more often surrounded by other poor individuals. This social isolation results in a growing distance from mainstream culture and the values it emphasizes. The alternative life circumstances and values of the ghetto poor then become a further impediment to successful performance in the labor market. Central to Wilson's analysis, however, is the dynamic interplay between ghetto-specific cultural characteristics and more fundamental economic opportunities that underlie cultural patterns of adaptation (1987, pp. 18-19).

According to Wilson, the shift in the U.S. economy from goods to service production and the relocation of remaining low-skilled manufacturing jobs from central city to suburban locations are central to understanding the persistence of inequality suffered by inner city Blacks. The decline in low-skilled, high-wage manufacturing jobs in the central cities resulted in what Wilson calls a "skills mismatch": as central cities became centers of information processing, jobs required a level of skills and credentials that many inner city Blacks lacked. Thus, between 1970 and 1982, the United States as a whole has experienced increased unemployment, and underemployment.

During this same time period, we witnessed an increase in racial polarization in the central cities, resulting from an increase in the absolute gap in Black-white underemployment. Contrary to popular assumptions, the significance of race for employment outcomes has increased across age cohorts and regardless of years of education. Lichter (1988) has shown that the Black-white ratio for sub-unemployment—essentially defined as nonparticipation in the labor force due to a belief that jobs are not available—has risen from 2.3 in 1970 to 4.8 in 1982. That is, the Black-white differential in nonparticipation in the labor force for working age men has gone from slightly more than a two-to-one disadvantage for Blacks to a near five-to-one disadvantage. In addition, the absolute gap in overall underemployment also widened. In 1982, 36.2 percent of Black men were underemployed—with underemployment including all nonparticipants, those with limited working hours, and those working at below poverty level wages—as compared to 18.2 percent for whites. Although the Black-white ratio stayed around 2.0, the percentage differential widened from an 8.2 percent gap in underemployment in 1970 to an 18 percent gap in 1982. These patterns make it clear that unemployment has hit the Black community disproportionately hard, resulting in phenomenal rates of Black male joblessness. Wilson posits that increases in ghetto-specific behaviors—

out-of-wedlock births, female-headed households, welfare dependency, and crime—among blacks are most directly attributable to black male joblessness.

High rates of Black male joblessness substantially reduce the pool of men who are in a position to support a family (Wilson 1987, p. 83). The substantial decrease in "marriageable" Black men has eliminated the economic incentive to marry and contributed to increases in out-of-wedlock births and female-headed households—situations that often lead to poverty and welfare dependency among women. These same men, discouraged at their prospects for employment that pays a living wage, are likely to become involved in criminal activity.

Finally, the exodus of middle- and working-class Black families from the inner city removed the social buffer that existed prior to 1960. The community left behind lacks the basic social institutions and stability that once deflected the effects of downward economic shifts by promoting mainstream behavior compatible with getting and keeping a job and caring for a family (Wilson 1987, p. 56).

Thus, macroeconomic shifts are the predominant causal factors in understanding poverty and inequality in America. The dramatic increase in Black male joblessness led to increases in welfare dependence and crime. Moreover, it has facilitated the emergence of a ghetto culture of hopelessness, defeatism, and "low perceived self-efficacy" that effectively discourages attempts to obtain gainful employment. All of this makes it harder to escape from poverty (Wilson 1989, 1991).

Discrimination

A growing body of research focuses directly on the persistence of racial discrimination and antiminority stereotyping in employer hiring practices. Kirschenman and Neckerman (1991) found that employers categorize inner city Blacks overall as having inadequate skills, negative work attitudes, and a poor work ethic. Moreover, their indepth interviews with Chicago employers suggested that these employers use specific geographical areas to distinguish between innercity and suburban Blacks, often using an applicant's address and/or high school as signals for identifying and excluding "undesirable" innercity Black applicants.

A national study of employers by Braddock and McPartland (1987) also points to the persistence of racial discrimination and negative stereotyping in hiring. Minority job-seekers are more likely to remain unaware of "good jobs" because of segregated social networks and selective advertisement of job openings (see also Jencks 1992). Since Blacks are often not part of more affluent and employment-resource-rich white social networks, they tend to miss out on informal sources of information crucial to many job opportunities. Statistical discrimination and use of information based on negative group

stereotypes also appeared to significantly hinder minority access to employment and subsequent chances for promotion. Braddock and McPartland conclude that the biggest barrier to minority inclusion in pools for internal selection in the promotional stage is the differential treatment they are likely to receive at the hiring stage. Minority applicants are more likely to be hired for "dead-end" positions, which constrain or deny access to important on-the-job training and promotional opportunities (Braddock and McPartland 1987, p. 24).

Compelling evidence on the contemporary potency of job discrimination has come from auditing studies conducted by the Urban Institute. Its carefully designed experiments in 1989 and 1990, involving matched pairs of minority and white job applicants, showed widely disparate treatment and differential hiring of Blacks, Hispanics, and non-Hispanic whites in several urban labor markets (Turner et al. 1991; Cross et al. 1990):

The hiring audit demonstrates that unequal treatment of black job seekers is entrenched and widespread. In one out of five audits, the white applicant was able to advance farther through the hiring process than his black counterpart. In one out of eight audits, the white was offered a job although his equally qualified black partner was not (Turner et al. 1991, p. xi).

Paralleling the findings of the audit studies, other research directly challenges the validity of the skills mismatch hypothesis as an explanation for the high rates of minority male joblessness in central city communities. The skills mismatch hypothesis posits that the kinds of jobs emerging in central cities require high levels of education and skills that most inner city Blacks do not possess. In a recent study, however, Waldinger and Bailey (1991) found that there was a significant increase in low-skilled employment opportunities in New York City's construction industry, but few Blacks were able to secure these jobs. Waldinger and Bailey attribute the exclusion of Blacks to construction contractors' use of informal networks for worker recruitment and to barriers that Blacks face in gaining access to union-run apprenticeship programs.

Multifactor Views

Analyses that assess the role of several types of factors in urban inequality are also beginning to emerge. Bound and Freeman (1992) conclude that economic shifts, institutional factors (e.g., declining unionization), skill differences, changing enforcement of antidiscrimination and affirmative action policies, and the economic diversity of the Black community are all necessary to an understanding of the decline in relative earnings and employment prospects of black men in the 1980s. Accordingly, while Black men in the Midwest and college-educated Black men suffered more from losses in relative

earnings, high school dropouts were more heavily affected by significant declines in relative employment (1992, p. 230). While the first two groups were more heavily affected by industry and regional employment shifts, deunionization, increases in relative labor supply, and the falling minimum wage, Black college dropouts were most heavily affected by an increase in the proportion of Black youth with criminal records. In a review of labor market explanations of Blacks' worsening labor market position, Moss and Tilly also stress the importance of multiple indicators of change, however complicated such models may be (1991, p. 86).

Among those who attempt to combine the importance of structure and culture, Jencks (1992) asserts that voluntary idleness does not necessarily indicate unwillingness to work. Most men want to work, but not so desperately as to accept a minimum-wage job with no benefits, no security, and no opportunity for promotion (1992, p. 127). Moreover, not all idleness is voluntary. Creating more jobs would reduce idleness, but it would not solve the problems of joblessness and poverty. However, minimum-wage jobs are not the answer; what is needed is the creation of more jobs that pay a living wage, approximately \$6 per hour today (1992, p. 128).

In addition to the problems of idleness, Jencks points to the cultural conflict that often exists between Blacks and whites. As Jencks put it, "Even when young ghetto Blacks manage to get a job, they are not likely to keep it long. Many quit because they take offense at the way their supervisors treat them or get fired because their employers take offense at the way they behave" (1992, p. 129). Accordingly, if we are to understand urban inequality, we must consider historic anti-Black racism in America and the cultural conflict it has bred between Blacks and whites in addition to macroeconomic factors (Jencks 1992, pp. 129-130).

Summary

Many of the ideas and positions reviewed above make assumptions about how individuals make choices about whether, where, how, and how persistently to seek employment, and about how individuals are likely to behave once in the workplace. Many of these arguments, however, are speculations based on patterns in census data, other aggregate data sources, and a handful of recent in-depth interviews in just a few sites. In short, we do not yet have the research base for strong conclusions about individual labor market behavior in the modern urban economy and how it contributes to larger patterns of group inequality.

Our main objective is to bring high-quality individual-level data to bear on these types of questions. As part of a larger research project titled the Los Angeles Study of Urban Inequality (LASUI), a team of researchers at UCLA's Center for the Study of Urban Poverty (CSUP) conducted a series of focus

groups. As described below, the focus groups were intended as exploratory research with an eye toward designing a comprehensive survey instrument. The results of the group discussions were sufficiently rich and intriguing that they warrant detailed analysis and interpretation in their own right.

DATA AND METHODS

The qualitative information contained in the following discussion was obtained during twelve focus groups.

The primary purpose of these groups was to obtain information useful in the development and design of a survey instrument to be used in the Los Angeles Study of Urban Inequality. In an attempt to test hypotheses regarding the nature and persistence of inequality, and to be particularly sensitive to group similarities and/or differences, it was essential that our instrument had the ability to capture the complexities of a multi-ethnic metropolis.

Discussion focused on two distinct areas within the general topic of interethnic inequality in Los Angeles: (1) group relations and racial residential segregation, and (2) labor market experiences. In an effort to minimize the likelihood of socially desirable responses and to maximize individual and group comfort, the groups were racially homogeneous. That is, both the discussion moderator and individual group participants were of the same racial and/or ethnic group. Participants were selected to participate in the focus groups on the basis of several criteria. We sought to have groups that were gender balanced, covered the age range of approximately 21 to 50, contained a mix of married and single people who had annual household incomes of at least \$15,000; and included participants who had resided in the Los Angeles area for at least a few years. Six of the groups were conducted in a language other than English: two in Spanish, two in Mandarin Chinese, and two in Korean. In each of these instances, the researchers observed the group with a translator in the observation room providing simultaneous translation.

We developed a detailed discussion protocol. Moderators across groups followed the same protocol in order to ensure as much comparability as possible. Each session lasted approximately two hours. All sessions were tape recorded, and at least two members of the Los Angeles Study team, including the senior author, viewed all focus group sessions as they took place through a two-way mirror or via video monitor observation. Group participants were informed that the sessions were being tape recorded but did not meet or see the study principal investigators. All participants received a small cash reward for their participation at the conclusion of each gathering.

The group discussions took place May 13-14, June 16-17, and July 17 and 21, 1992. The six focus group sessions that took place within each of the two broad topical categories had the following ethnic composition: one Anglo, one

African American, one Spanish-speaking Latino, one English-speaking Latino, one Mandarin Chinese, and one Korean group. Each group was an approximately even mix of men and women; however, in order to secure an adequate number of participants for each group, it was sometimes necessary to lower the minimum household income to \$10,000 per year. As a result, groups tended to be more heterogeneous along class lines than would have been ideal, but we did not have the resources to conduct class-homogenous groups. Fortunately, our observation of the groups suggest that, in general, discussions were not inhibited or influenced by the class composition of the groups. Finally, it is important to note that all of the Chinese and Korean participants were immigrants, having resided in the United States anywhere from four to 15 years.

The research team contracted with two separate research firms to select participants for and facilitate the sessions. Juarez and Associates, Inc., facilitated the Anglo, Latino, and Black sessions; Jerry Walters Marketing Services handled the Chinese and Korean sessions. One of the consequences of using different firms was a difference in the documentation we received after the groups were over. There were slight variations in the reporting of demographic information by the two firms. Participant age was given in categories for the two Asian groups; however, for all other groups, Juarez and Associates provided exact age in years. Moreover, Juarez and Associates provided clearly audible tapes from each session, as well as summary reports from each group. Transcriptions of these tapes¹, in addition to the reports, are used in the analysis that follows. In most cases we cannot associate a name with a voice; however, we will identify the speaker by gender whenever possible. Because the tape recordings from the Chinese and Korean groups are not as easily audible, we rely completely on the written report provided to us by Jerry Walters Marketing Services. This report contains numerous verbatim comments from participants on the topics of interest, along with summary information. While similar in content, this set of reports contains a number of direct quotes from the sessions, but does not identify the gender of the participant. Table 1 provides a demographic breakdown for each of the 12 groups.

Due to the small number of participants in each of the groups, as well as the nonrandom selection process, the results presented here should not be deemed as generalizable to the target population. However, we do believe that the information presented below points to potentially important group differences in perceptions of the labor market, techniques used to search for employment, attitudes regarding the work ethic of members' own groups as well as those of perceived outgroups, and experiences of discrimination in the labor market.

Table 1. Characteristics of Focus Group Participants

Focus Group	Anglos ¹			Afrian-American ²			English-speaking Latinos ³			Spanish-speaking Latinos ⁴			Chinese ⁵			Korean ⁶		
	Job Discrimination	Housing Segregation		Job Discrimination	Housing Segregation		Job Discrimination	Housing Segregation		Job Discrimination	Housing Segregation		Job Discrimination	Housing Segregation		Job Discrimination	Housing Segregation	
Men	3	5		4	4		5	7		5	5		6	6		6	6	
Women	7	4		4	10		9	10		10	5		6	5		5	3	
Total	10	9		8	14		14	17		15	10		12	11		11	9	
Age Range	32-45	26-50		21-46	20-50		21-40	21-42		27-50	26-41		21-49	21-49		21-49	21-50	
Mean Age	39	37		35	37		30	32		37	34		36	41		34	36	
Income Range	\$10-70	10-50		10-31	10-60		15-40	0-50		10-50	1-30		30-70+	35-70+		35-70+	40-70+	
Mean Income	\$38,055	31,499		21,300	27,499		25,632	28,749 ⁷		21,109	16,999		42,250	53,250		53,636	48,611	

Notes:

¹Participants resided in the following areas: Mar Vista, West Los Angeles, Palms/Cheviot Hills, Fairfax, Mid-Wilshire, North Hollywood, Santa Monica, Burbank, Studio City, and Eagle Rock, Westchester.²Participants resided in the following areas: Civilian, Silver Lake, Valencia. Occupational statuses among Anglos included: cabinet maker, receptionist, legal assistant, make-up artist, respiratory therapist, clerk, retail worker, engineer, real estate agent, bookkeeper.³Participants resided in the following areas: Chomahaw, Inglewood, South Central Los Angeles, Venice, Culver City, Mid-Wilshire. Marina del Rey, Palms, Pico/La Brea, and View Park. Occupational statuses among African Americans included: mechanic, maintenance, gardener, aircraft technician, writer, secretary, nurse, hairdresser, and construction management.⁴Participants resided in the following areas: Inglewood, Montevia, Covina, Venice, Los Angeles, East Los Angeles, Westchester, Downey, West Los Angeles, Mid-Wilshire district, Beechwood Canyon, and Chilver City. Occupational statuses among English-speaking Latinos included: teacher's aide, warehouse forklift driver, gardener, dry cleaner, tile setter, newspaper editor, grocery store produce, display graphics designer, architect.⁵Participants resided in the following areas: Azusa, San Gabriel, Compton, Alhambra, El Sereno, and Palms. Occupational statuses among Chinese participants included: assembler, florist, housekeeper, cook, truck driver, sales, transcriber, taxi driver.⁶Mandarin Chinese participants recruited from: Monterey Park, Alhambra, San Gabriel, and Rosemead. Occupational statuses among Chinese participants included: teacher, secretary, property manager, computer technician, mail carrier, restaurant manager, bank loan officer, real estate agent, real estate broker, accountant CPA, and investment executive.⁷All Korean participants recruited from Koreatown. Occupational statuses among Korean participants included: beautician, receptionist, paralegal, bank operations manager, engineer, construction contractor, and stockbroker.⁸This income range was calculated for participants who were unemployed and did not report earnings. The mean income for this group is \$14,249.

RESULTS

Finding Work

Previous research has attempted to explain group differences in employment outcomes through the examination of group members' social networks (e.g., friends, relatives, voluntary associations, etc.). Proponents of this perspective, including Braddock and McPartland (1987), have shown that many innercity blacks are not involved in networks that provide access to potential employment. This line of reasoning holds that the more socially isolated a group is from the mainstream, the more likely that social networks among group members will be made up of individuals who are themselves out of work or who lack connections to promising work opportunities.

In an attempt to learn more about the ways that different groups residing in Los Angeles search for and attempt to secure employment, participants began each session by describing their current jobs, if employed, as well as the search technique that resulted in their current job. We asked: "How did you get that job: application, through friends or acquaintances, family members, employment agency, etc.?" Participants across groups recited similar lists of job search techniques that included a wide variety of methods: newspaper classified ads, referrals from friends, help wanted signs, walk-in applications, referrals from employment agencies, Veterans Administration referral services, college placement offices, freelancing, networking, and, in one instance, a professional headhunter. For example, accounts of finding a job included the following comments:

A lot of members at church, Crenshaw Christian Center, have been helping me out with jobs. I'm a vet. The job I'm at right now is through the employment agency for vets (black male).

I go through the VA (Veteran's Administration). I inquire with them. (English-speaking Latino).

I went to the University of California since I graduated because I went to UCLA. (English-speaking Latina).

I was employed. I was a college graduate. I graduated in 1990. I was looking for a job since I had a college degree I would get a job real quick...[it took me] about

I was out looking in the classifieds for a while....just going out there and looking in places (Black male).

I was in a gas station. I got the job through an employment agency. (Spanish-speaking male).

Participants agreed that the best way to secure employment is through networking and referrals from friends and/or relatives. Along with responding to newspaper classified ads, referrals of this type were the most commonly

reported search techniques. However, Anglos, Latinos, and Blacks were more likely to employ other methods in addition to use of social networks and newspaper classified ads than were the two Asian groups.

One of the clearest distinctive patterns was that participants from the Korean group relied almost entirely on referrals from relatives, co-ethnic friends, and ethnic community newspaper classified ads:

I work at a real estate broker's office. Including my boss, there are five agents. I've worked there for three years. I found out about my job through a classified ad in a Korean newspaper.

I am an apartment manager. There are no other employees except a janitor and a gardener who comes once a week. My duties include collecting rents and reporting problems to the owner. I have worked there about a year. I found out about this job from an ad in a Korean newspaper.

I'm a salesperson at an art gallery. There are six employees. I found this job through the Korean Central Daily.

I have been a sales manager at my company for five years....I found this job through the Korean Times.

Chinese participants also agreed that, "Even with experience and credentials, it is still best to have personal introductions" when looking for a job. This belief is reflected in the most commonly mentioned methods for obtaining current employment by this group:

I was introduced to my present employer by a friend.

It always helps to know someone in authority in a company you want to work for. That's how I got my job.

I got my job through a newspaper ad, but an introduction from a friend who put in a good word for me helped as well.

Still, there were a couple of participants in the Chinese group who used other methods:

My job came through a campus interview. That eliminated what I thought would be a long search.

Before I could get my job with the Post Office, I had to take and pass a U.S. Government civil service exam.

Non-Asian participants were more likely to use a variety of methods to find a job. However, Latinos, blacks, and Anglos also emphasized the importance of knowing the right people or being in the right place at the right time, stating that, "It's who you know" that is important:

What mattered was that I played racquetball with this guy (Anglo male).

Engineers pick someone that they have worked with before (Anglo female).

A lady told me that she was going to give me the name of another lady who sold natural products (Spanish-speaking Latina).

I'm still taking classes at school and I got involved with different activities and I got a chance to know people from different offices (Spanish-speaking Latino).

I used to work at another construction company before... a friend recommended this job (Spanish-speaking Latino).

I go to different houses. I got it through a friend who recommended me (Spanish-speaking Latina).

Unfortunately, not all participants had been successful in securing employment. One man from the Black focus group, who had graduated from a popular Los Angeles area trade school, pointed out:

I went to school in several cities. I went to [Los Angeles] Trade Tech, studied for electronics technician. You know, you got this six-month program and all that stuff. And then you wait. You know, they're supposed to place you in a job. It never comes through.... you know, you get your grants and all that stuff, but they don't never place you in no job (Black male).

Two other black men, recently paroled from prison, told similar stories of having an extremely difficult time finding a job. In addition to networking and walking into business establishments to try to find work, they indicated that they were getting help from their parole officers. One stated that:

My parole officer, she's helping me. She, you know, they got in the parole officer business building there's a person that's assigned to look for your jobs. Also, I just go around places asking.... and I'll ask, put in an application and they'll say, "I'll get back with you," but you never hear from them.

The other indicated that he was trying to find employment "through networking and doing things for myself like going to speaking engagements and just trying to get my name out there." These commentaries point to the difficulties that Black men encounter in their search for employment, especially those who have criminal records. Ultimately, an Anglo participant summed it up best:

I think a cardinal rule is that if you are unemployed it is always twice as hard to find a job.

Overall, there appears to be a wide difference between the job search techniques employed by Asian participants and other groups. Although all

participants can agree that networks are an invaluable resource in gaining access to employment, there are clearly differences in outcomes. As mentioned earlier, all of the Asian participants had immigrated to the United States within the past 15 years. This could help to explain the reliance on personal networks and classified ads—particularly in ethnic-specific newspapers—for securing employment.

What Makes a Job a Good Job

Conservative policy analysts argue that, despite the wholesale exodus of low-skilled manufacturing jobs, central cities have experienced massive job growth over the past two decades and that displaced industrial workers could, and would, qualify for most of these jobs which are concentrated in the service sector. Such jobs tend to remain available, the conservatives contend, because the inner city jobless prefer to subsist on government transfers or illicit activity rather than work. Liberal policy analysts, on the other hand, point to the menial nature of the newly emerging service sector jobs—the low wages, the lack of health benefits, and the often limited or nonexistent opportunities for advancement—which make them unattractive even to the central city jobless. Such jobs remain vacant, according to liberal scholars, because they are not *good jobs* (Jencks, Perman, and Rainwater 1988).

To explore this latter perspective, participants were asked to list the qualities of a good job. Specifically, moderators asked each group the following questions:

In general, what makes a job a good job? If you could choose, what would you prefer in terms of: wages, hours, location, co-workers, supervisors, pace of work, etc.?

Surprisingly, for most people money was not the first-mentioned characteristic nor did money clearly rank as the most important characteristic they mentioned when describing the qualities of a "good" job. A sense of personal fulfillment, creative freedom, and flexible hours as well as respect and good working relationships with coworkers and supervisors typically ranked above considerations of money. The one major exception to this pattern, again, occurred among the Korean group.

An emphasis on personal fulfillment and creative expression was most prominent in the Anglo group. Nine of ten Anglo participants stated that being able to express one's creativity is the most important characteristic of a good job. The following examples demonstrate the desire for creative freedom, as well as a need for validation and appreciation from others, expressed by Anglo participants:

The ultimate freedom to follow through on what I want to do and that I'm supported in those efforts and that I make a good salary and that my hours are very flexible.

Writing music for action films... Pay a lot of money... let me buy a lot of musical equipment... be creative and very fulfilling. (male).

...to be self-employed. I hear people saying that they work in a bureaucracy and they think being self-employed would be flexible in time. But, I really think it's less flexible, because you have to be available for your customers.... Anyway, what I want to do is something more creative, that I can create and art and, you know, work in my studio and stuff. And have music, wear whatever I feel like wearing, have people love what I create (female).

To go to work in a bathrobe.... Answering to yourself. I hate authority and I hate taking orders (female).

Both the Spanish- and the English-speaking Latino groups emphasized a need for creative freedom, in addition to the need to feel respected and comfortable, and the ability to advance within the company. In addition to enjoying the work and receiving good pay and benefits, the English-speaking group focused heavily on the need for respect from supervisors, clients and co-workers:

You have to love what you do. Feel comfortable. Good benefits.

I also need a sense of upward, you know, more responsibilities. That would mean an increase in income as well. For me, I enjoy having more responsibilities and more involvement with the company. A fair chance of moving up.

For once, I'd like to get into a job, go in and do it and then leave without anybody saying why is this, why is that... Supervision is good, but I know what I'm doing, I'm a professional... Respect is a big part of it. How can you work with someone who won't respect you?

Similar sentiments were expressed by the Spanish-speaking participants:

A good job is one where you feel comfortable... if you are trained and you like it. ... you always have to do something that you like and you need to have a good relationship with the people that you are working with... When I arrived from El Salvador I started working as a housekeeper but I did not feel happy so I looked in the classified ads for another job, one has to do what one likes (Latina).

To identify with your supervisor. A lot of times you need to have aspirations of getting ahead. I want to give a better life to my kids (Latino).

When you're working and not getting paid well for someone you don't like and you have to dedicate eight hours a day to that job that you don't like, it's very upsetting. One of the things about the job that I have is that given that I spend a lot of time in the streets, I don't have to punch my card every time. I let them know when I'm going to be back, I have my time, I can dispose of my time as I want and I like that. It's flexibility and independence.

Chinese participants made no mention at all of money per se, asserting simply that, "Compensation has to match the status of the job." Additionally, a good job for this group was one in which "you are doing something that you are trained for in school." Job security and personal safety seem to be a more salient issue for this group:

A good job is recession proof. California employment used to increase by 10 percent, now it's down 12 percent. Conditions are scary.

I think a good job is one that can give me job security even during bad economic times.

Location is important. Working in South Central or middle Los Angeles is very scary.

Personal safety and comfort, related to job location and the work environment, were also salient issues for members of the black group. Respondents in this group "wouldn't work in any location," stating that "there's a lot of racism, you know? You gotta deal with, you know, those kind of people. Occasionally it is a group." Once again, black participants agree that personal fulfillment and satisfaction, positive relations with coworkers, and "being your own boss," all rank high on the list for characteristics of a "good" job:

Really, (a good job is) something that you like doing. That you would enjoy doing for life.

If it's interesting. You're always meeting different people. Not just sitting in one place. And the money... I consider that important.

Why make minimum wage working for someone else when I can be employed by myself?

I like working for myself. I contract under other people, you know, and I like to do that. You know, put in as many hours as I want and work as hard as I can and make the money when I can (female).

I am just a person that needs some type of change going on, and it (previous job with the post office) was the same thing every day.... The money was alright for a while, but I needed two checks—one for the mental stability and the other for the labor, and you know, I just, I couldn't deal with it... personally, I have to enjoy a job in order to do it. I have to want to get up in the morning and go out winning, but you know it was... I got to the point where I didn't want to get up in the morning. I went, but it was a struggle... it was very, very stressful.

In contrast to the views expressed by the aforementioned groups, members of the Korean group agreed unanimously, when asked the first time to respond to the question, "What makes a good job?," that money was the most important quality of a *good* job:

Money is the first consideration. Money says it all in the U.S.

I came to the United States to make money.

Any job that offers good pay is a good job.

It's not so much how good the job is, but what you get paid.

The important thing on any job is the money.

The money is important.

Only after being prodded to think about and discuss the question further did Koreans place importance on job characteristics similar to those named by all other groups. Relationships with coworkers, benefits, enjoyment, and the opportunity to advance are all qualities that they ultimately listed as essential to a "good" job:

Relationships with co-workers is always important and a central issue.

The ambience of a company is important. There has to be loyalty and a feeling that everyone is working together.

If possible, I would like to work in a suburban area outside of Koreatown in order to improve my living and working environment.

You have to be doing something that you are trained to do and offers advancement in your chosen field.

Again, in contrast to those who assert there are cultural differences in work orientation (e.g., Mead 1992), we find no significant differences across groups in expressing the characteristics of a "good" job. Members of all groups look for the opportunity to express their creativity and to be well received by coworkers and supervisors. Additionally, people want to work in the industry that matches their training and skills.

Money and benefits are important; however, these factors are typically secondary to concerns of personal satisfaction, creative freedom, flexibility, respect, and good prospects for upward mobility. The one exception to this rank order of concerns occurred among our Korean focus group participants.

Jobs for Youth

In addition, we asked participants about the job prospects for young people in their communities. One of the issues of acute concern in urban areas has long been the problem of unemployment and employability. We wanted to understand what people thought would make good starting jobs for younger people, what the employment prospects were for young people in their communities, and whether the young people in their communities had the needed skills and motivation to be successful in the workplace.

To explore these issues, we asked participants to think about individuals between the ages of 17 and 25, with a high school diploma—possibly an AA degree from a junior college—but no plans for completing a four-year undergraduate degree. Participants were asked two specific questions about this group: What makes a good first job for a young person, out of high school, but with no plans for college? and are there jobs available or is unemployment a large, looming problem for young job seekers in Los Angeles?

To guide the discussion, the moderator in each group read a list of potential jobs to the participants and asked about both the appropriateness and the availability of these jobs for today's youth. The specific list of jobs was as follows:

- A job at McDonald's or Burger King;
- A sales clerk or cashier at a store;
- A construction laborer;
- Heavy factory work;
- A seamstress in a garment factory;
- A plumber's apprentice;
- A nurse; and
- A receptionist or file clerk.

Generally, participants across groups agreed that the primary function of a first job is to gain the skills and experience necessary for upward occupational mobility. Doing something that you like is important, but at that age, skills and training are the main objectives. Regular work typically demands a certain level of discipline and reliability. In short, as one of our participants put it, young people need to learn "how much it costs to make money" (Spanish-speaking male). Accordingly, various participants concurred that all of the jobs cited above were good jobs, since they provided opportunities for earning money as well as learning experiences:

[A job should] give them a sense of responsibility. Get them to be responsible, then they will know where they want to go. Bring that paycheck, buy a car and their own clothes. It doesn't matter what kind of job it is as long as you make them responsible for that (English-speaking Latino).

Part-time employment in a fast food restaurant is a good way to learn customer relations and how to deal with people (Korean).

If you can go to McDonald's and make some money, you should make some money. 'Cause it's better to have something than to have nothing, in any situation. And the thing is, a lot of us older people, we so busy saying, "I'm not going to work for that amount of money. I'm not going to bother." And the kids hear that, so therefore they don't want to do it. And even if you have to, whatever it takes to support your family, is what you should do for that period. And always work for something higher. You don't have to go to McDonald's and stay at McDonald's. No. You can't live off of McDonald's salary. That's the reality (Black).

Jobs in restaurants, convenience stores, and supermarkets are appropriate for high school students (Chinese).

I would advise them to go, to do something that they thought would be fun at the time.... I would also recommend that they try to, that they take some responsibility to get something that has, that is going to give something back to them so that they learn something. So that they learn a skill. They learn how to deal with people, learn how to give change properly.

You know, work some equipment, perhaps.... it should be something that they like and that they think they could have fun with (Anglo).

I worked as a busboy and it was a good starting job, so any job is a good job. It is like a step on the stairs (Spanish-speaking Latino male).

You want to go up and up. Nobody wants to go lower (English-speaking female).

Most places, you go they want you to have at least one year's experience in something. If you have to work at McDonald's for a year, work at McDonald's for a year and at least that will be something added to your application when you go to the next step (Black female).

In addition to providing important experience and training, there was general consensus that the first job should be one that provided a sense of satisfaction and personal fulfillment. In essence, a good first job for a young person mirrors the characteristics that participants expressed as important to their own "ideal" jobs:

If the person is interested in a mechanical field, they should work as a mechanic's apprentice. If they are interested in computers, even if they have to be the errand boy, but working around the community of people working in what they are interested in, they'll learn bits and pieces.... and when opportunity comes they are already in (English-speaking Latino).

College students should look for jobs that have something to do with their major (Chinese).

A person should get good self-esteem from their job. You should get thanked by your employer, you should be appreciated and you should be valued (Anglo).

It [the first job] has to be some type of job directly related to the young person's college training. It will probably be something outside the Korean community because 1.5² and second generation know the best job opportunities are in the mainstream.

I have two teen-aged sons in college. Both of them got scholarships playing basketball back South. To me, whatever they wanted to do would be fine with me and my father because we raised them. I leave it up to them what type of job they want to do because they're gonna have to do the work (Black).

Despite some level of agreement regarding these issues, we did find some significant group differences. For example, several black participants viewed jobs in fast food restaurants and other menial jobs to be dead-end and, therefore, inappropriate for the young people in their communities:

See these days, like no black guy, he [the white man] wants somebody to move his bricks and push his wheelbarrow over there, and he's [the black man] like, "no, no."

I don't think they should get a janitor's job because that is what they'll grow up to be, a janitor.

Don't start at the service (gas) station or McDonald's, then all you'll be is manager. I would never have a child of mine work at McDonald's.

In response: Me neither, my child is 19 and I won't let him work at McDonald's. I'd prefer he goes to school.

In response to a job as a seamstress:

The hours are too long. The pay is too low. The working conditions are poor.

When thinking in terms of "good" jobs for youth, the Black group was the only one to mention government programs or jobs in civil service or fully funded higher education:

They can start out with some of those jobs, taking the test for, say the government or the county or something like that, and maybe they could do something else, you know, until something comes along. You know, get on a waiting list. In the meantime, you know, get involved in some other things. Maybe it's not the best job to start out with though.

My son works every summer through the youth program.

When I was younger, I went through a training period where every summer... one summer I went through a program with the Department of Water and Power, in a training program that still exists, but not a lot of people realize these things exist. Now that my child is 15, she'll be able to do it this year, and every summer she can work in libraries, law offices, county, all different types of work... if they can get in it now, once they get out of school... they can step into something else (female).

The Chinese group responded in much the same way as the blacks when it came to their perceptions of "dead-end" jobs. However, there was an interesting additional twist: Many of the so-called dead-end or menial jobs—construction or factory work—were also thought to be too physically demanding for the Chinese, and therefore better left to others:

These jobs are too physical and too hard for Chinese youngsters.

This is very hard and difficult work even for Chinese.

Most of these jobs are hard and pay very little. They don't interest white students and they won't interest too many Asians.

Most of these jobs are tiring and the pay is too low for the work.

Take a look at a construction site. Who works there? Mostly Mexicans who are used to hard labor.

There is no future in these jobs.

No Chinese parents want their children to work hard at jobs considered to be low-class.

Both the Chinese and the Korean participants had a difficult time with the subject of youth going to work after graduating from high school, stressing heavily the importance of a college education. According to the Chinese group, "What would be considered a good first job depends whether the young person is a high school or college graduate." Thus, while high school graduates "should be willing to take any kind of job to earn money and get work experience," this is not the proper course for young people planning on going to college:

Work Orientation, Job Discrimination, and Ethnicity

Only high school students who want to work on a part-time basis would consider these as good jobs (Korean).

Korean youth who are brought up and educated here are looking for better jobs.

College students should look for jobs that have something to do with their major (Chinese).

College students should try to get any kind of job related to their study programs when they are juniors and seniors. They may be able to work in good-paying jobs for these companies after graduation (Chinese).

Chinese should pay more attention to schooling than part-time employment that probably has nothing to do with their chosen careers.

Continuous education will provide brighter futures and open the doors to more opportunities (Korean).

The most important thing is to get a good education. You have to have knowledge to get ahead (Korean).

Good jobs for young Koreans are those that "bridge the gap between American society and the Korean community." To do this, college, and "mainstreaming" are essential:

There are many Korean-owned grocery markets and liquor stores in South Central and throughout Los Angeles County. Koreans who have finished school should look for jobs with companies, manufacturers and distributors servicing these businesses.

Government would be a good place to start. It is important if we are to make our voices heard and effective. The more Koreans in government the better. These kinds of jobs are stable and they have good benefits.

The best job opportunities in our community are with financial companies because the first generation of Korean immigrants are financially stable. They use Korean companies because of the language barrier. I think 1.5 and the second generation should be more involved in American companies and render financial services to the older generation of Koreans.

Finally, if Blacks were the only group to mention government-sponsored training and employment opportunities, Anglos were the only group to suggest volunteer work as a viable option to youth in their communities. Although ultimately in agreement with other groups stressing the notion that "college is where it's at," they considered volunteer work to be a valuable source of work experience and skill development:

They can learn some marketable skills... how to answer the telephone, simple things that will give them the edge when they go for their first job. They will have work experience already.

Try to get in a position to volunteer (in a profession you want to be in). Always try to go in and market yourself.

Anglos are also the only group to consider seriously the positive experiences that a young person could gain from enlisting in some type of domestic service corps for a few years after high school:

I believe that as soon as a kid, boy or girl, turns 18 and graduates from high school, they should go into the service. ... And when I say the service, I don't necessarily mean that everybody should grab a gun and run out and kill. But I do think what they should do is, that for two years or three years ... 18 to 21 is one of the worst times for a kid. He's just out of high school ... it's sort of limbo. This is a chance for kids to get out, it's a chance for kids, for underprivileged kids to experience discipline, which they don't necessarily have. It's a chance for spoiled brats to get a slice of life as well. It's a chance for everybody to come together and work as a team. And you take these kids out. You test them to find out what their aptitude is. You can put them to work as volunteers for like the CCC, doing work in this country.

Another group member agreed:

I think, I basically think that there's not much opportunity for a person out of high school. And maybe they should go into an additional service. It doesn't have to be the Army. It could be some sort of domestic service, whether it's helping the elderly or helping the less fortunate or disabled. There's a huge market of young kids, I think, that would be more than willing to learn skills after the high school experience ... real life experience.

To summarize, all groups agreed that a young person's first job is the place to learn discipline and responsibility, to learn valuable skills, to develop personal interests and self-esteem, and to earn money. At some level, most participants agreed that any job that provides those opportunities is a good first job. Differences across groups are the result of differential perceptions of the ability of certain jobs to provide these experiences. Jobs that require hard labor, which are acceptable to most groups, are apparently inappropriate for Chinese. The fast food experience is seen as a positive one for Latinos and Anglos; however, some Blacks and most Chinese and Koreans see this as a "dead-end" experience, leading only to a career at McDonald's. Koreans emphasize the importance of mainstreaming for their youth in an effort to provide stronger links between their two worlds. This is likely to be the result of their immigrant status. Finally, Anglos were far more likely than the other group participants to suggest volunteer work rather than paid employment as a vehicle through which youth could acquire important skills and experience. Undoubtedly, this difference reflected the Anglo group's greater economic security and, thus, less urgent need for money than the other focus group participants.

After deciding what a good first job is for a young person in their communities, participants considered the extent to which jobs were available, both in their own communities and in the greater Los Angeles area. Most groups agreed that the jobs are out there; young people simply need to go out

and get them. The problem is that the jobs are often unattractive because the pay low wages and often offer little in the way of benefits:

Unemployment is not a big issue in the community (Korean).

There are plenty of jobs, they just don't pay very much (Korean).

The only problem in Koreatown and in other Korean communities is that there are not very many high-paying jobs.

I think that they're [jobs] there (Anglo).

The kid that maybe wants a little better than the McDonald's job, they're competing against people with degrees. Since when do you have to have a degree to work in a bookstore? (Anglo female).

[Jobs are] All over (Black).

There are lots of jobs out there for students (Black).

There are jobs out there, but I wouldn't work for \$3.75, \$4.00 an hour. Why should I, you know, my time, you see people on the corner that I know, everybody I know ... Five minutes you make \$25. By the time, I might work, what ... four hours and get the same \$25 that he got in five minutes (Black male).

The jobs are available, but they are not well paid and they don't provide benefits (Spanish-speaking Latino male).

They don't want to work at a place where you don't get paid well. They are going to get \$4.25 an hour, that's what they don't want to do. They don't want to start from the bottom (Spanish-speaking female).

Any job is a good first job to start. For example, I see in my neighborhood a lot of guys hanging out on the corners planted like trees who say, "no way, those are wetback wages, I'm from here." But those guys have parents that are not strict with them (Spanish-speaking Latino).

The jobs we're talking about, the blacks don't want to do it, the Asians don't want to do it for that salary. The Latino would do it if he has the need, but if he don't have the need he won't take the job (Spanish-speaking Latino).

Chinese and Anglo participants expressed a familiar stereotype regarding Mexicans:

We pity Mexicans and feel sorry for them. They are not picky about how they do business or the jobs they take (Chinese).

Latino kids, they're gonna take whatever they can get. They don't care what it is, they just want the job (Anglo).

The Chinese group mentioned the availability of certain types of jobs, like nursing, accounting, and automotive mechanics. The group agreed that these jobs are readily accessible through trade schools that provide the training and certification. However, participants in this group spoke much more of declining labor market opportunities and their effects on the Chinese community:

Even Ph.D.s are having a hard time finding jobs.

Higher paying jobs are getting scarce as the economy gets worse.

Everyday there is more unemployment. There are less jobs for everyone, including the Chinese.

Thus, the Chinese are the only group to speak seriously of declining employment opportunities, discounting low-wage jobs by omission. For all other groups, there are plenty of opportunities available for youth in the Los Angeles, as undesirable as they may be.

Finally, are today's youth equipped with the skills and personal characteristics necessary to get and keep a job—do they have what employers are looking for? Participants across groups agreed on the specific characteristics and skills that employers look for:

Employers look for students who are smart and hardworking (Chinese).

Appearance is very important (Chinese).

Employers like young people who can talk well. They take this as a sign of confidence and intelligence (Chinese).

As we all know, high numbers of Korean students achieve outstanding academic results. Therefore, they are well qualified for any jobs in general.

Enthusiasm (Anglo).

Commitment (Anglo).

Ambition (Black male).

Patience. Dependability (Black male).

Personality ... loyalty (Black female).

They want a stable person, honest, sincerity and responsibility (English-speaking Latino).

It has to do a lot with your appearance (English-speaking Latino).

Groups vary in the extent to which they believe that the youth in their communities possess the qualities that employers are looking for. Both of the Latino groups, as well as the Black group, believe that the younger generation is "ruined":

See, the hope and the dream has been taken away from them now, they don't know, they don't care (Black male).

A lot of them don't want to work (Black female).

They tell you they want to be a dope dealer (Black female).

I know mines [my family] back in the South, the way they been brought up, you know, to respect their parents and their elders. They're gonna do. They're gonna work. But here, since I been here ... it's a whole lot of change (Black male).

Too many kids are content to "stand on the corner," with gangs and drugs, lacking the qualities that employers look for, still others refuse to work for minimum wage:

The attitude of teenagers nowadays is to get a \$10 per hour job. I used to work at a hamburger shop, Bob's Big Boy, I was very happy to be working ... very happy during that time 1968-1972 and I worked at night ... and I was glad to be working and contribute towards the family as well. I felt very proud of that. Now, teenagers look down at a \$5 per hour job (English-speaking male).

In Mexico, the kids go to school and then to work. When I go to Tijuana, I see the kids working hard. Not here. Here, it's the kids don't want to go to school, they get up, get dressed, and then go to stand on the corners to see what kind of things they can come up with (Spanish-speaking female).

No, they don't [have what employers are looking for], they don't ... they don't. For them to go get—you have to, as an individual, it's a time in your life when you got to leave the gangs go, the drugs, whatever else they have—to go on this mission. Or fail trying, or just fail. And this generation right now is ruined. I'm serious (Black).

You got to lock them up in school. It's ruined (Black).

We have to start being parents and stop being children (Black).

It's the upbringing (Black).

Although members of the Anglo group had no real sense of a lost generation of youth in their own communities, there was some acknowledgment of socioeconomic differences that might keep Blacks and Latinos from getting good jobs—contributing to lost generations in their communities:

There is a wide socioeconomic strata in the Valley, and there are pockets of neighborhoods where there is lower income and ethnicity. And, I would think that the kids that are brought up, you know, whose parents, who come from families where there are professionals and the parents pull a few strings the parents are more connected with people that are in a position to hire their kid. Like, they own a business, you know, they run an office (Anglo female).

Maybe some of these kids who come from professional homes, and this is probably a gross generalization, they don't maybe want to work in McDonald's. You know, they maybe want a little bit better job. And you know, so then I think that maybe that leaves the minimum pay for the kids that come from the little bit lower economic strata. That's just my opinion (Anglo female).

In response, another participant asserted:

I just feel that a lot of places don't teach the work ethic ... it's a cultural thing. You know, like if you're that, uh, where the riots were, the Koreans were complaining that all their places were burning down. I mean, the Koreans have this incredible work ethic; whereas the Blacks don't necessarily have that same work ethic (Anglo male).

Moreover, according to this participant, inner city Blacks'

subculture doesn't work ... they don't conform to the norm ... they have an attitude.

I'm not condemning it or justifying it, I'm just saying that it exists. If I was an employer, and a guy, you know, slided into the room and sat down and wasn't respectful. And, and couldn't speak well, why would I want to hire him?

This was the opinion of only one person in the Anglo group. Overall, this group believed that Black youth do possess the qualities that employers look for; if Black youth miss out on good jobs, it is because they are not connected to networks that lead to good jobs.

Finally, both of the Asian groups were confident that the youth in their communities have what employers are looking for, and had no sense of a "ruined" generation. Expectations for high educational and occupational attainment on the part of both Chinese and Koreans were so strong that there was no concern that their youth would face serious problems in the labor market.

This discussion tends to support some of the stereotypes that we have regarding inner city youth but also scholarly research on reservation wages and unemployment among young Black men (Freeman 1992). Concern about a "ruined" generation is strongest among Blacks and Latinos, the two groups that have been hit hardest by unemployment, poverty, and "ghetto-specific" behaviors. Any discussion of lost youth by the unaffected groups referred only to Blacks and Latinos, and carried serious cultural undertones.

The Problem of Discrimination

More than a quarter of a century after the passage of sweeping civil rights legislation, a growing body of research suggests the presence of widespread racial discrimination in the labor market. Despite some reports suggesting that Black labor market losses during the 1980s were due to statistical discrimination—seniority and location effects (Sharpe 1993)—research by Waldinger and Bailey (1991), Kirschenman and Neckerman (1990), Braddock and McPartland (1987), and others shows that direct racial discrimination against qualified racial minorities continues to deny minorities access to opportunities for employment and for promotion.

Focus group participants were asked to discuss the extent to which they believed that racial discrimination in employment was still a salient issue for Blacks, Latinos, and Asians in the Los Angeles area. Additionally, participants were encouraged to share any personal experiences of discrimination in hiring and/or promotion. Responses from the various groups were mixed; still, participants from all groups believe, to some degree, that discrimination still exists. Among Latinos and Blacks, there is agreement that both groups face

discrimination in hiring and promotion as well as a racial division of labor. Both of the Asian groups believe that all groups of color are denied access to many types of jobs. Anglo participants, as well as Spanish-speaking Latinos, felt that Blacks and Latinos lack effective skills and/or networks.

For Asians, Latinos, and Blacks, there is "no question" (Black female) that job discrimination is part of the labor market experience. All of the participants in these groups know intuitively that racial discrimination exists; however, it is often "mute discrimination"—subtle discrimination that is difficult, if not impossible to prove, openly challenge, or to change:

If you're Latino, and you go and ask for a job there's not a job for you (Spanish-speaking male).

They put you in your place and you get stuck there. You can't move any further (Spanish-speaking male).

They just look at you and they see if you're Mexican or Latino. They just take your application and we'll let you know. It's discrimination without words (Spanish-speaking male).

They never get back to you. ... I try not to think it's because I'm black, maybe I'm just naive, but after awhile it just goes "bing." I try not to believe it though (Black male).

I have always felt that there has been job discrimination and that minorities are powerless to stop it (Chinese).

Sometimes job discrimination is hard to pinpoint and sometimes it is obvious to us. Even nondiscriminatory laws have failed to prevent this unfair practice because it is often difficult to prove (Chinese).

If the company wants somebody to work like a dog, they will hire Chinese workers. They know we work hard. But the good, less demanding jobs will always go to the Americans' (Chinese).

It is not always visible, but job discrimination exists. You can go just so far in a job but no higher. It happens to minorities in a lot of large corporations (Korean).

I know that many ethnic groups have a harder time finding a job because they are black, Latino, or Asian. Fortunately, I have never been discriminated against because I have always worked for Korean-owned businesses (Korean).

Some of the participants from these groups related personal experiences of discrimination:

I felt I was discriminated against at McDonald's. Most of them were Hispanics. As soon as a white girl came in, she got promoted. I worked for a year and I never got promoted. And I remember one time I went to my boss ... I never got promoted so I got fed up and I told him I was going to call the discrimination hotline The two managers were Jewish, they would hire Hispanics and Blacks (English-speaking female).

I went to test with Shell Oil but they hired someone else that had a lower score (75) than I did. I had the highest score in the class (98) but they hired him because he knew someone in the office He was white (Black male).

I wanted to be a supervisor [at the Post Office]. And I was told you had to be there a year in order to be a supervisor. After a year had passed, I was told it was two years Not only that, but we had to take written tests. They [Asians] took verbal tests The reason they, you know, more Orientals come in, than Blacks or Hispanics, is because they all were trained how to pass the tests (Black female).

I was turned down for a job because the company didn't think my communication skills were adequate. I know that was just an excuse not to hire me because I am Chinese.

My customers are mostly non-Korean. I've noticed that some walk-in customers at the beauty shop wouldn't get in my service line and looked like they would prefer to have someone white work with them.

Participants in the Latino and Black groups were also keenly aware of racial divisions of labor that often left them trapped in menial, low-wage jobs that are physically demanding:

We have stereotypes for certain kinds of jobs. Tell me if you have ever seen an Anglo working as a seamstress. I, for one, haven't seen it, nor a Black either (Spanish-speaking male).

Most of the tile setters that I've seen are Irish and Scottish The craftsmen are usually white The construction manager was usually white, but once in a while you would see an Oriental or a Latino (English-speaking male).

In the construction field it seems like they think the Latinos are only good for carrying the lumber in or digging a trench. They don't think you can read a blueprint or that you're capable of creating something. White contractors ... want everything whitewashed. They look for the white craftsman (English-speaking male).

Similar sentiments were expressed by Latinos regarding the treatment of Blacks in construction—an industry in which Blacks are well aware of their exclusion:

They want them [Blacks] unloading cement or shoveling cement ... the rough work ... the easy work, they want a white man (English-speaking male).

Finally, quite a few of the Spanish-speaking participants also expressed feelings regarding a lack of unity, or social networks, among members of their communities:

They [Latinas] might not be as united as the other races like the Jewish, but the unity is there ... the unity is a potential, it's not really working now (Spanish-speaking male).

There's an attitude. Given that you are Latino, you match these kinds of jobs (Spanish-speaking male).

The Latinos, they go to work, they cash their check and then they go get their beer (Spanish-speaking female).

Koreans are also aware of a racial division of labor. Despite the positive experiences that Korean participants report from working in Korean-owned businesses, they also believe that employers in Koreatown often hire "cheaper" Latino labor rather than hiring Koreans:

It's not uncommon for Koreans to hire Mexicans because they will work for less.

Looking at it from a Korean owner's perspective, why pay more for labor than you have to even if it means not hiring Koreans.

Many Korean business owners now use low-cost Mexican labor. Therefore, some Koreans who are looking for labor-related jobs are not treated fairly. This is because Korean labor is more expensive.

Anglos perceived discrimination in quite a different way, when compared to the non-Anglo groups. When asked about the likelihood of an equally qualified minority getting an entry-level position over the white applicant, the Anglo group agreed that the minority would have equal opportunity. In terms of promotions, "it's the boys club" (female) that determines who moves up—for everyone:

I don't know if I want to clarify it in terms of an ethnic group. I would say, you know, maybe that it's all the same fraternity or something like that. Or went to the same school together (male).

For the most part, Anglo participants attributed minority disparities in job opportunity to differences in abilities, not race per se:

There are just certain things that deter you ... some types of culture (Anglo female).

If they all, say, maybe have the same educational background, maybe they all have the same skills. But a lot of it has to do with communicating those skills. Are they equally proficient at filling out the job application? Are they equally proficient at calling up for the job appointment, to make the appointment for the job? And I think there are a lot of skills, I think especially in the inner city, that they don't know how to do. ... And I think, you know, so they could all be equally qualified, but there is no way that the employer knows that. And I think that that's where there's a big difference (Anglo female).

It's a subculture that exists within the Latino population and the Black population (Anglo female).

They [Blacks] talk funny ... they don't conform to the norm (Anglo male).

An attitude. They [Blacks] have an attitude (Anglo male).

They [Latinos] say they're not aggressive, at least that's what you hear (Anglo female).

Only one of the Anglo participants complained of experiencing "reverse discrimination" in the county agency in which she works. In general, reports of job discrimination from Anglo participants were based on issues of gender and age:

I work in a county system ... I've gone two levels in this system where, late 60s early 70s, the incentive was to hire black people. And, I don't know if it's discrimination, although I do know people who have been discriminated against because they are white (female).

My first sales job I worked for a company and I was the only female rep. And I found out through the guys that I was doing the same work and being paid less. And so I picked up my boss from the airport one night and I just challenged him. I said, "I'm aware of what's going on and I don't think it's fair" (female).

When I was an insurance underwriter, men were much more promoted and got better pay, and that's part of the reason that I hated it, and that I left. And they would hire these young men right out of school, that I would train, and they were making more money than me. And I got sick of it (female).

A lot of young kids come up out of school. I don't know, they don't think that we (the older people) can write. They don't think that once you hit 40 you can write anymore. I know a lot of writers like myself that have trouble getting pictures (male).

Thus, it appears that racial discrimination in the workplace is still an everyday fact of life for Latinos and Blacks. Although it appears to be of little or no direct concern for our Asian participants, this could have a great deal to do with their immigrant status and their heavy employment in ethnic communities. Still, being Korean appears to be a double-edged sword in Koreatown: none of our Korean participants have experienced discrimination directly; however, they are aware that some Koreans are passed over for cheaper Latino labor.

Finally, racial discrimination was much less salient among the Anglo participants. It seems that, in their opinion, lack of minority access to employment is the result of their own cultural dysfunction, rather than racial prejudice. At the same time, there was only one reported instance of "reverse discrimination" and no real sense of unjustified advancement on the part of minorities at the expense of their own group. In their experience, sex and age discrimination are more prevalent.

The Multiethnic Workplace

As the workplace grows more diverse, it becomes increasingly important to study interethnic relations in the arena of work. In an effort to learn about relations in the workplace, we asked participants to describe the racial/ethnic composition of their jobs. Most participants worked in multiethnic settings, with few reports of interethnic conflict. In fact, Blacks had no complaints at all regarding relations in their workplaces. The awareness of a racial division of labor was, in many cases, used to explain the absence of interaction and/or conflict: groups are separated by the jobs that they do; therefore, there is little need for contact:

My company employs many different ethnic groups: Chinese, Mexicans, Koreans, and Blacks (Chinese).

We all (blacks, Latinos, Koreans) get along fine at work, but I'm closer to the other Asians than the Blacks or other groups (Korean).

We don't have a problem, really. In the clinic, it's smaller. I can't speak for the hospital, but, and actually, I thought it was predominantly Black based. We've got a pretty good blend (Anglo female).

I think about 35 (employees) ... and it's a good mix (Black female).

One white and one Hispanic and the rest Black. We have some independent people here. It's not the regular type of go to work 9:00 to 5:00 (Black female).

It's a mix. It depends on what level. Management is predominantly white. Middle management you got some Latinos coming up and Asians and Blacks coming up. And like lower positions, like the manual work, the people who deliver the mail, who do the gardening, the cafeteria workers, are either Black or Filipino, some Latinos (English-speaking female).

In the management it's Caucasian, I'm the only Latino in middle management. But it's a small, privately-owned I'm the only Latino. In other words, I'm the only one who has, who can communicate with the workers to management (English-speaking male).

There's a little bit of everything—Germans, Americans, and Blacks (Spanish-speaking female).

Sometimes the type of work creates barriers to communication I think that sometimes, it's not a difference between the races, but between the type of work (Spanish-speaking male).

In discussions regarding relations with coworkers from particular groups, despite the very limited reports of conflict, there is recognition from several groups of various sorts of intergroup tension. These sources of tension included differences in language and cultural background, occupational status, and competition in the workplace:

I have contact with many different ethnic groups. Some are easier to get along with than others, depending on language and customs (Chinese).

Language is a definite problem. Sometimes I feel people pretend they don't understand me because my English isn't good or I don't understand them (Korean).

Most of the employees where I work are Chinese. It is always easier to get along with people who speak your own language (Chinese).

Because of my culture and way of thinking, it is hard for me to understand Latinos' lifestyles (Korean).

People speak their own language. Like Filipinos talking at their own desk They stand by their desk and talk in their own language ... sometimes I'll freak out. But you know, it doesn't really bother me unless it happens (Anglo female).

If we go to Mexico, we discriminate against the native Indians from Mexico, the Mulattos, so the discrimination is there. If we are not all the same color, then we are going to

discriminate, the richest against the poorest. They want to have more education against the ones who have less education. So, it's cultural, it's language, it's socioeconomic level. When we look at all the factors, sometimes we feel superior, so we feel important. In my workplace, some people are salespersons, some people are production people, some people work in maintenance, so at lunch time we go to a big room, the salespeople sit at the same table, the owners at another table. You usually don't see a salesperson sitting with a production person, or production people sitting with office people. But you always tend to associate with people from the same background with whom you understand better (Spanish-speaking male).

In middle management, there are a lot of clashes. Because everyone can't have a piece of the pie, the way it's set up It's not overt, but it's there in a lot of ways that, you can just see it, especially between Latinos and blacks (Anglo female).

There's a lot of conflict. Because everybody's trying to get ahead. And there's a lot of intragroup loyalty and a lot of extra-group dissidence (Anglo female).

The American women sometimes sell less, but even though, they were superior to us (Spanish-speaking female).

Negative attitudes and racial stereotypes emerged most clearly in the Chinese group. Participants agreed that Blacks are lazy, lack a work ethic, and rely on others to do their work; whites display an attitude of superiority:

Blacks in general seem to be overly lazy in my company. They don't want to work. I don't know why, because they are not treated badly (Chinese).

The same thing in my company. Blacks don't want to work at anything (Chinese).

Blacks have a definite attitude problem. Even if you want to promote them, they will not accept responsibility (Chinese).

Blacks seem to rely on others to help them do their work (Chinese).

It looks to me as though white people feel superior to us and make little or no effort to hide their feelings (Chinese).

Some whites have and display a definite attitude that all minorities are beneath them. This is troublesome at work where everybody should be trying to get along (Chinese).

Despite this assertion of white superiority, Chinese participants clearly prefer contact with whites or Latinos over Blacks:

It is definitely easier for Asians to communicate with each other and with Mexican employees. I think Mexicans share several common family values with the Chinese.

I come into contact mostly with whites. One of the reasons we get along so well is because we exchange common courtesies like saying hello.

I deal with a majority of white people. They seem to like to deal with Asians.

For Koreans, negative attitudes are a bit more subtle. Koreans expressed concern that Latinos and Blacks "with welfare mothers" are moving into

Koreatown. The fear is that these people lack the community ties that Koreans have. Probably because of language differences and possibly immigrant status, both the Chinese and the Korean groups feel more comfortable around other Asians. Finally, Korean participants agreed that relations with customers of diverse racial/ethnic backgrounds are better than those with coworkers of different backgrounds; this is possibly due to the importance of customer relations and the shorter duration of contact:

Sometimes I wonder what the Blacks and Latinos are saying behind my back. It may be nothing. I can't know for sure that anything is being said. It's just a feeling. Maybe it's because we speak different languages (Korean).

I have many Latino employees. They are always smiling on the outside, but I will probably never figure out what is on their minds (Korean).

I often wonder why Latinos and Blacks have to play their music so loud. Some of my other tenants complain. When I request that the music be lowered, they tell me that as long as they pay rent they have the right to play music as loud as they want. They resent it if I call the police (Korean).

There is a rumor going around Koreatown that says only Blacks and Latinos stay overnight. I think it is more than a rumor. Too many of us are leaving Koreatown for homes outside the area. We are giving the neighborhood to other groups who don't care about us.

The rumor is very convincing. Maybe that's why we had a hard time protecting our town when there was a riot. In order for us to keep Koreatown safe and clean, we must consider Blacks and Latinos living in our community before the problem gets out of control.

Customer relations with all ethnic groups are good. They have to be that way because we are a service business (Korean).

Perhaps one of the reasons I get along so well with people I am in contact with as part of my business is simply because I spend less time with them than with my coworkers (Korean).

Specific instances of interethnic conflict in the workplace are few; however participants across groups spoke freely about what causes tension, as well as about their beliefs regarding people from different racial and ethnic backgrounds than their own. The high incidence of self-employment—and unemployment—among the Black participants could be partly responsible for the absence of interethnic tensions. Language was a salient issue among Chinese and Koreans, but not for Spanish-speaking Latinos; one possible explanation for this is a tendency for the Spanish-speaking Latinos to be located at the lower end of the occupational scale where there is likely to be a higher concentration of Latino coworkers, or to be in positions where there is little need for communication. It is also possible that the Latino group is more fluent in English. Finally, among groups that do experience, or at least are aware of, interethnic tensions, negative racial stereotypes and cultural deficiencies are most often invoked as explanations.

IMPLICATIONS AND CONCLUSIONS

This investigation was launched as part of a larger research project to understand the changing labor market dynamics in the urban metropolis of Los Angeles. Our focus group discussions with a multi-ethnic pool of Los Angeles area residents identified strong themes of across-group continuity and between-group differences. By and large, these points of continuity and difference do not fit neatly into the diagnoses of urban inequality to be found in the liberal, conservative, discrimination, or multifactor research literatures. We talked with a diverse collection of individuals who are actively adapting to the changing social, economic, cultural, and political economy of Los Angeles. Their experiences, viewpoints, and voices cannot be easily pigeonholed.

One of the main continuities across groups includes the steps individuals take to locate employment and the types of qualities they seek in an ideal job. Whites, Blacks, Latinos, and Asians all recognize the crucial role of social networks and contacts. Members of each group have exploited an array of mechanisms to find employment. Included among these mechanisms were newspaper ads, walk-ins, employment services, college placement offices, and personal contacts and referrals. Although the exact mix of these approaches varied across groups, our results do not identify any obvious or glaring unturned stones that might account for the differential problem of unemployment across ethnic groups. In addition, members of each group largely seek a similar package of attributes in an ideal job. These qualities include a match with personal interests and skills, a collegial working environment especially in terms of relations with supervisors, chances for promotion, benefits, independence, and good pay.

When the issue was youth employment prospects, all groups saw value in seeking higher education. All groups viewed a first job as providing youth with basic work skills such as reliability and discipline. Members of each group also tended to report that there were reasonable opportunities for employment available to youth in their communities.

To a degree, members of all our groups recognized discrimination in hiring and promotion as an ongoing problem. But many of the group participants worked in multiethnic settings, and rarely did they point to serious problems or tensions growing out of a diverse ethnic mixture in the workplace.

Beneath these points of continuity, however, there were important differences in emphasis, priority, context, and experience. In many ways, it is these subtle distinctions that are the more interesting story. These differences point to how and, to a degree, why ethnic groups fare differently in the contemporary urban labor market. These differences only become evident, however, after viewing all 12 focus group discussions and listening carefully to occasional omissions, different points of emphasis, and the underlying assumptions they reveal.

Above all else, we come away from this research impressed with how different historical, structural, and cultural backgrounds create distinctive niches from which members of different groups engage the modern urban labor market. For example, the comparative affluence of whites relative, especially, to Blacks and Latinos but also to Asians, is evident in several ways. We use the term affluence to mean the apparent confidence and self-assurance of economic success that characterized our white focus group participants. In purely economic terms our Asian participants had higher earnings, yet they were considerably more anxious about their economic futures. For instance, the emphasis on finding creative expression in work was uniquely potent in the white focus group. That creative expression should rank so far ahead of discussion of hours, location, supervisors, coworkers, and, in particular, pay level and benefits suggests that these were conditions that were nonproblematic, that could be to a large degree taken for granted. No such assumption was evident among the Black, Latino, or Asian groups. In addition, Blacks often turned to public employment agencies in search of work or job training opportunities, whereas whites more often sought work through their college placement offices and, in one instance, a headhunter.

Similarly, it was a deeply implicit assumption among the white focus group participants that their children and children in their communities would go on to college and, perhaps, to professional degrees. These children were assumed to have a wide range of career options ahead. Indeed, this assumption was so strong that this group was the only one where volunteer community service was seen as an option to paid employment for teenagers. In addition, several participants reported turning to friends and acquaintances to get jobs for youth that wanted to work. There was also no sense whatsoever of membership in a community or group where youth were in trouble in the labor market.

The Chinese and Korean focus group participants approached the white level of affluence. This could be seen in the shared assumption that their own children and youth in their communities would attend college and probably pursue professional degrees. It could also be seen in the relative lack of concern that Chinese or Korean youth faced serious difficulties in the labor market. Yet, our Asian focus group participants differed from Anglos in their immigrant status and concern about discrimination. For instance, a key concern, especially among the Koreans, was that future generations move into the mainstream economy. They wanted to be sure that their children moved out of the ethnic economy and, further, that they took positions that fit their professional training and credentials. Many immigrant Koreans and Chinese had been unable to pursue careers in the professions they had held in their homelands and they wanted to be sure that their children did not have to make the same sacrifices that they had or have to work as hard as they did. And, as we noted above, the Koreans placed a remarkable premium on the monetary

returns to work, an emphasis that set them apart from even the Chinese (who were equally likely to be first-generation immigrants).

Like the Black and Latino groups, our Asian focus group participants related personal incidents of racial discrimination and thought with evident complexity about this problem. They saw discrimination as endemic in American society and often constraining their own attainments. Some of our focus group participants saw working for Asian co-ethnics as insulating them from the experience of discrimination. However, the Asian focus group participants, especially the Koreans, were inclined to see white discrimination against Blacks as a uniquely widespread and long-standing American problem.

The Latino and Black groups talked openly about experiences of discrimination, especially the Latinos, who emphasized segregation into certain low-level roles and blocked promotion opportunities. All of our minority group participants spoke of the subtlety of discrimination. They noted that whites were often very effective at masking a discriminatory intent. Both our Korean and Chinese group participants, for instance, complained that their lack of English language mastery, often cited by employers as a reason for failing to hire or to promote them, was actually a ruse for holding them back simply because they were Asian. Among our Latino group, a core concern was that whites communicated through subtle behavioral cues that Latinos were expected to "work for less," whatever the job. Blacks pointed to a range of actions that frequently appeared to be discrimination, including never being contacted again after submitting an application for jobs for which they were overqualified and being given misleading information by supervisors about how to obtain promotions.

The number of personal incidents of discrimination reported was higher in the Black and Latino groups than in the Asian groups. In each of the six groups that involved Latinos or Blacks, there was at least one person who had filed a formal discrimination complaint against an employer at some point. The experience of some degree and form of discrimination was considered so common, especially among the Blacks, that one person joked "Where do you want me to start?"

Despite the common thread of discrimination shared by Latinos and Blacks, these groups had differing opinions regarding appropriate jobs for young people in their communities. Latinos, both English- and Spanish-speaking, saw almost any form of paid employment as honorable. Among Blacks, however, there were mixed feelings on this subject. Several Black participants, especially Black men, voiced strong objections to jobs in fast food restaurants, as janitors, or other jobs that were stereotypical and "dead-end." They were adamantly opposed to seeing their children take jobs they regarded as beneath them. At one level, this is consistent with the conservative argument that Black reservation wage rates account for their high rates of unemployment, especially relative to rates prevalent among recent immigrants to the United States. At

another level, however, this reaction is entirely consistent with that observed among our Asian focus group participants, who clearly would never be comfortable with their children taking the low-level positions many of them had to take. Regardless of race, native-born American status appears to bring with it a strong presumption of having options other than menial labor.

An important shared concern of Blacks and Latinos, however, was that a sizable fraction of the current younger generation was in serious trouble. This concern did not emerge at all in the white or the Asian groups, except in reference to blacks and Latinos. Blacks and Latinos had similar descriptions and diagnoses of the problems. Many youth had unreasonably high pay expectations for a first job and, thus, ruled out many potentially available options. As focus group participants saw it, these expectations were in part the product of immersion in a media culture that emphasizes easy wealth and consumption and, at the level of direct personal experience, the everyday observation of conspicuous consumption by drug dealers and others involved in the underground economy. Both Latinos and Blacks spoke with a sense of urgency and deep anxiety about what these trends held for the future.

These patterns were observed in focus group discussions. As such, they must be regarded as suggestive. We now need carefully designed systematic surveys and interviews aimed at assessing the representativeness of these patterns. There are important data gaps that the current reliance on aggregate sources and site-specific ethnographies cannot fill. Our focus group results point in the direction of patterns that may importantly modify existing theoretical ideas and models of urban inequality.

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NOTES

1. Tape-recorded English-language translations of foreign-language groups were provided by both groups.
2. A 1.5 generation Korean is a young adult who was educated in Korea but is literate and fluent in both Korean and English.
3. The term "Americans" is used by the Chinese to describe Anglos.

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687 THEIMER

June 29, 1999

MEMORANDUM TO MICHAEL WALDMAN

FROM LOWELL WEISS
JEFF SHESOL

SUBJECT NEW MARKETS TOUR - PROPOSED EVENTS AND THEMES

Day 1: Monday, July 5, 1999

ky → non Thordy →

- Lowell
- Site 1: Downtown, ~~McKee~~ ^{Anneville}, Kentucky

Event: Walking tour of downtown

Visual: Dilapidated storefronts ? residential ?

Deliverable: BankOne grant
to KHC - \$1m

casual

- Site 2: ~~Woodcraft Co.~~ ^T McKee, Kentucky

mid south electric

Event: Informal conversation with employees

Visual: Employees demonstrate plant equipment or display products to President

- Site 3: Downtown crossing, Hazzard, Kentucky

Event: Address to people of Eastern Kentucky

Visual: Large outdoor crowd (1,000+); Independence Day BBQ, bunting, celebration

Message: Overview of key New Markets themes

- 1) widening the circle of opportunity
- 2) investing in communities the right way - the third way
- 3) mobilizing the private sector

Day 2: Tuesday, July 6, 1999

commercial storefront ?

Deliverable -
CDFI

- Site 1: Residential neighborhood, Clarksdale, Mississippi

Jeff non Thordy
Event: Walk to front porch of employee of Waterfield Cabinet Co.; meet with family

Visual: President on front porch with family

↳ has connection w/ CDFI

- Site 2: Waterfield Cabinet Co., Clarksdale, Mississippi

tour: meet workers ?

→ on factory floor

Event: Opening remarks and roundtable discussion with CEOs and local business owners

Visual: President flanked by CEO and local business owner

Message: Third way

no tie

June - TBD - Fri 10/3

Hugh McCall announcement - \$500m - when?

- Site 3: Walgreens, East St. Louis, Illinois

Event: Tour store with Jackie Joyner-Kersey; meet employees; buy Miles Davis CD
[Miles Davis was from East St. Louis]

Visual: President buys CD

speaking engagement - somewhere
- minor remarks - more of an OTR?
informal

- Site 4: Crazy Horse, SD - mt. Rushmore

Day 3: Wednesday, July 7, 1999

- Site 1: Pine Ridge Reservation, South Dakota

Event: Visit family in distressed housing; travel by motorcade with family to future home (family has just been approved for their first mortgage)

Visual: Family shows President kitchen in new home (under construction)

- Site 2: Pine Ridge Reservation, South Dakota

Event: Opening remarks at Tribal Conference

Visual: President speaks to CEOs, tribal leaders & community at large

Message: Bringing isolated communities into economic mainstream

2 speeches - 1 small
address community +
address to conference

- Site 3: Keys Community Center, South Phoenix, Arizona

Event: Visit Project Stride, a BankAmerica & EZ-funded job-training program (fills specific skill needs of local businesses)

Visual: President looks over shoulder of trainee at computer screen

helicopter
departure
- informal remarks

Day 4: Thursday, July 8, 1999

- Site 1: Watts, Los Angeles, California

Event: President walks same streets he walked in 1992

Visual: Same

Computers? see center?
job training / youth opportunities
- celebrities involved
- success stories since 1992
informal remarks

- Site 2: Anaheim Hilton and Towers Hotel, Anaheim, California

Event: Keynote remarks, CEO Conference

Visual: President at podium flanked by CEOs

Message: Looking ahead - challenging private sector to enter new markets and take responsibility for expanding the circle of opportunity

OTR
min.
P's head

Lowell

June
in Laconia
Mexican
Food

June

Jeff



Community Technology Centers' Network

United States

- Alaska
- Arizona
- Arkansas
- California
- Colorado
- Connecticut
- District of Columbia
- Florida
- Hawaii
- Illinois
- Indiana
- Kentucky
- Louisiana
- Maine
- Maryland
- Mass.
- Michigan
- Minnesota
- Missouri
- Montana
- Nevada
- New Hampshire
- New Jersey
- New Mexico
- New York
- North Carolina
- Ohio
- Oklahoma
- Oregon
- Penn.
- Rhode Island
- Tennessee
- Texas
- Vermont
- Virginia
- Washington
- Wisconsin

Europe

- Ireland
- Scotland
- Spain
- United Kingdom

California

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Areas of Expertise

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Professional Activities

Conducted diversity training for organizations including the American Medical Association, the American Dental Association and Philip Morris Companies.
Editorial board member, Housing Policy Debate, Urban Geography, American Behavioral Science Review and Annals of the Association of American Geographers.

Research & Publications

"Bridging Social Networks and Female Labor force Participation in a Multi-ethnic Metropolis," (with E. Bienenstock and W. Farrell), in L. Bobo and J.H. Johnson Jr. (eds.),
"Faultlines in the Metropolis: Race, Segregation, and Economic Inequality in Metropolitan Los Angeles," Russell Sage, forthcoming.

"Immigration Reform and the Browning of America: Tensions, Conflict, and Community Instability," (with Walter C. Farrell Jr. and Chandra Guinn), in Josh DeWind (ed.),

"America Becoming, Becoming American," Russell Sage, forthcoming.

"Growing Income Inequality in American Society: A Political Economy Perspective," (with W.C. Farrell Jr.), in J. Auerbach (ed.),
"The Growth of Income Disparity," National Policy Association, forthcoming.

“Race, Residence, and Economic Vulnerability in a Multi-ethnic Metropolis: The Case of the African American Male,” in L. Bobo and J.H. Johnson Jr. (eds.), “Faultlines in the Metropolis: Race, Segregation, and Economic Inequality in Metropolitan Los Angeles,” Russell Sage, forthcoming.

“African American Males and Capital Murder: A Death Penalty Mitigation Strategy,” (with W.C. Farrell and Marty Sapp), “Urban Geography,” forthcoming.

“North Carolina Communities in Transition: The Influx of Hispanics,” (with K. Johnson-Webb), North Carolina Geographer, forthcoming.

“Assessing the Employment Impacts of the Los Angeles Civil Unrest of 1992: Furthering Racial Division,” (with Walter C. Farrell Jr. and Dean Toji), Economic Development Quarterly, forthcoming.

“Unraveling the Paradox of Deepening Urban Inequality: Theoretical Underpinnings, Research Design, and Preliminary Findings from a Multicity Study,” in Thomas D. Boston (ed.), “Black Economic Thought,” Routledge, 1997.

“Mr. Porter’s Competitive Advantage for Inner-city Revitalization: Exploitation or Empowerment?” (with Walter C. Farrell Jr. and Geraldine R. Henderson), The Review of Black Political Economy, 1996.

Weekly article/commentary in the Milwaukee Courier with Dr. Walter C. Farrell Jr.

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LEVEL 1 - 112 OF 318 STORIES

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SECTION: Metro; Part B; Page 2; Metro Desk

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HEADLINE: FRIDAY REPORT / AN IN-DEPTH LOOK AT PEOPLE AND POLICIES SHAPING
SOUTHERN CALIFORNIA;
A CITY DIVIDED;
TWO DECADES AFTER THE CENTURY FREEWAY SPLIT LYNWOOD IN HALF, POVERTY AND OTHER
PROBLEMS BESET THE ALL-AMERICA CITY. BUT POLITICS AND CORRUPTION CHARGES, MORE
THAN THE ROAD ITSELF, RIP COMMUNITY APART

BYLINE: JACK LEONARD, SPECIAL TO THE TIMES

BODY:

Along the pockmarked streets, past peeling storefronts, the welcome signs
proclaiming Lynwood an All-America City provide a glimpse of its suburban past.

In 1961, when the city won the distinction, Lynwood seemed destined for a
long period of stability, echoing its Chamber of Commerce's boast that the city
was "the best place to live best."

And so it must have appeared to thousands of World War II veterans and their
families who had flocked to the city after the war. Lynwood's five square miles,
30 minutes south of downtown Los Angeles, offered blue-collar workers a slice of
the postwar American dream--big-name stores, an affordable home for raising a
family, a job at one of the many nearby factories.

But, with property covenants that excluded racial minorities from owning the
city's new homes, the dream was almost exclusively for whites.

"In the '40s and '50s, if you were black and were caught here after sundown,
you had a problem," said George Higgins, 78, who has lived in the city since
1939 and served as its mayor in the late 1970s.

Despite the sense of stability in the early '60s, all was about to change.
After the riots in nearby Watts in 1965, many residents decided to leave,
beginning the process of "white flight."

Then came the construction of the Century Freeway--Interstate 105--that now
carries motorists between Norwalk and Los Angeles International Airport. Homes
along the freeway's path were vacated, and many sat empty for a decade while
various battles raged in court. The freeway's route ran along the borders of
other cities. But in Lynwood, it ripped through the heart of the city. When
bulldozers finally hit town, they sliced the city in two, leaving a scene of
physical and economic devastation.

Los Angeles Times January 29, 1999, Friday,

About 1,000 Lynwood homes were demolished as part of the nation's costliest freeway project. Property values slumped. Businesses fled.

The freeway transformed the community from a prosperous blue-collar city into a poor one. It was a classic example of a public works project that seemed to symbolize progress but brought hardship to a community in its path.

Lynwood was never the same.

Shift in Population and Power Base

The freeway wasn't the only change that occurred in Lynwood. The demographics of the city, once known among neighboring minority communities as "Lily White Lynwood," shifted radically. Whites moved out. Blacks, then Latinos, moved in.

In the 1980s and '90s, the complexion of the City Council also changed, albeit slowly. By 1986, a majority of the council was African American. Eleven years later--14 months ago--Latino candidates won a majority of seats.

A quarter-century after freeway construction began, Lynwood today is a community of minority residents--nearly 80% of them Latino--facing significant problems of unemployment, poverty and crime.

Despite those issues confronting the city, two themes have remained constant in its politics for at least a decade: division on the council, and criticism from some residents that council members are more interested in taking care of themselves than dealing with the city's problems.

Over the years, recall attempts have been initiated against all but one of the current council members. In the last 10 years, angry residents have complained about their leaders on issues ranging from excessive travel to financial scandals to a street construction project that added property to a councilman's home.

More recently, the city has faced a financial crisis, forcing officials last year to find ways to cut the municipal budget. But, despite the financial hardship, council members have not trimmed their own budgets. Indeed, they have added to them.

Many residents were outraged to learn that their part-time council members last month voted at a morning meeting to boost their pay 100%, to \$ 41,500. In contrast, in this city of 66,000, the median household income is \$ 27,339, far below the \$ 40,344 countywide.

"It seems the only time council members have unity is when it benefits them," said resident Lawrence Marques. "It's about the only time there are smiles up there. It looks as if they want to jump up and down and give themselves high fives."

Some residents have also criticized the city-hopping, and sometimes country-hopping, habits of Lynwood's council members. Councilman Louis Byrd was once assailed for traveling to Gabon, in Central Africa, at a cost to the city of \$ 3,957. Others were angry last year when three councilmen attended a conference in Puerto Rico.

Los Angeles Times January 29, 1999, Friday,

According to city budget figures, Lynwood's legislative body outspends the Long Beach council by nearly 3 to 1 on travel and meetings, even though Long Beach is six times larger and far wealthier.

Other targets of criticism include the council members' use of city credit cards and per diem expenses. Although the credit cards are meant to help pay for necessary expenses quickly, council members are not required to produce receipts for purchases, and the only limit is the \$ 5,000-a-month cap imposed by the credit card company.

Under what is called per diem in Lynwood, elected officials receive a payment of \$ 100 for every out-of-town meeting they attend to cover possible out-of-pocket expenses.

Over one weekend last March, Ricardo Sanchez, who has since been appointed mayor, received \$ 200 for attending the Los Angeles Marathon and a Cesar Chavez parade, documents show. In one four-month-period, the city paid him nearly \$ 4,000 in per diem expenses.

Even when city finances are not the issue, council meetings are often raucous, divided affairs. In the last few months, opponents and supporters of Sanchez, now the target of a recall effort, have traded insults.

Racial tensions on the council have also been high, reaching a peak in the summer. Black and Latino members accused each other of "race-baiting." Black contractors filed an \$ 800-million civil rights lawsuit against the city and its three Latino councilmen, alleging that the three cut their city contracts for "racist" reasons.

Amid the turmoil, even explanations for the city's political divisions prove divisive. One camp blames racial agendas for the problems. But others say the fault lies in council members looking after their own interests before those of their constituents.

Protests at one council meeting illustrated the split. Inside the council chamber, residents and council members argued over a local newspaper article that quoted Byrd, an African American, as predicting an imminent race war--a statement that Byrd later denied making. Outside, a handful of residents stood waving placards that read: "It's not about race, Mr. Byrd. It's about corruption."

Latino Majority on the Council

The latest chapter in Lynwood's political turmoil began in November 1997, when voters swept three Latino candidates--one an incumbent--onto the five-member City Council, defeating one black member and filling a vacancy left by a white member, who had died while in office.

Members of the old council contended that the trio--Sanchez, incumbent Armando Rea and Arturo Reyes--violated election laws. Meanwhile, at least one of the Latino councilmen-elect pledged to "clean up" city government of alleged abuses. But two weeks before new council members were to be sworn in, the lame duck council met one last time.

Los Angeles Times January 29, 1999, Friday,

At the meeting, the old council approved extensions and new service agreements for three city contractors. In doing so, they rejected the advice of city staff and accepted terms drawn up by the contractors and handed to council members just moments before the meeting, according to court papers filed by the city in April.

Despite vocal opposition from most residents who spoke at the meeting, the old council approved the agreements 3 to 1.

"If you are going to do that, why have an open meeting?" one man said during the public comment period. "We may as well call this a dictatorship."

On the old council, only Rea dissented, accusing Councilman Paul H. Richards II of "rewarding your allies."

Richards replied that he was trying to protect the livelihood of people in the community. "This is not about chalking up points or paying people back," he said.

Court papers quote one administrator as believing that the contracts were "dubious and the terms were clearly unfavorable to the city."

Three weeks later, with the council's two black members absent, the three Latino councilmen terminated the newly approved contracts.

"It was not a racial thing," Reyes said, adding that approving last-minute contracts that were never on the public meeting's agenda was a violation of California's open government law.

In August, the contractors sued, alleging racial discrimination, and cited a long list of other instances of alleged racial policies, including the defunding of black-run organizations.

One defunded group was the Lynwood Business Institute, once a part of a controversial entrepreneur academy created in the early 1990s. Started with about \$ 2 million in city funding, the academy was designed to educate budding entrepreneurs and nurture their fledgling businesses.

But almost from the start, the organization ran into controversy over its finances. One of the academy's original participants was imprisoned after pleading no contest to charges that he stole hundreds of thousands of dollars from the institution.

The program was then restructured and its fiscal controls tightened. But controversy continued to dog the academy. Richards' sister, Adriana, served for years as director of the institute.

"I thought it was totally improper," said Rea, who was a councilman at the time.

Richards said he had nothing to do with his sister's hiring. "Her employment is none of my business," he said.

Charges and Countercharges

Los Angeles Times January 29, 1999, Friday,

Within months of taking office, the Latino councilmen were themselves coming under scrutiny.

A band of regular council meeting attendees who say they once supported Sanchez handed in recall petition signatures against him this week. They allege that Sanchez abused his position on the council, a claim he strongly denies.

"You know we're talking about corruption, stealing. I wouldn't do that to my community," he said. "It's not fair that an honest person who is doing something good for the community is getting screwed."

Of all the allegations, it is one involving a new driveway that has galvanized recall supporters, not least because it echoes an earlier scandal involving Richards.

In 1989, Richards voted with four other council members to declare the city's intent to close off Hulme Avenue at Imperial Highway right in front of his two-bedroom house.

When construction was completed two years later, early plans to build a simple cul-de-sac had radically changed. Instead, the city's contractor closed off Hulme Avenue and added significant portions of land to nearby properties. Of all the homes that gained land, Richards' property gained the most, assessment maps show.

Richards said he voted only once on the project.

"I was sort of confused on that," he said. "Thereafter, I was completely removed from every action," he said, adding that cleaning up after the project left him with out-of-pocket expenses.

Records show that Richards abstained from subsequent votes on the project. But in August 1992, the state Fair Political Practices Commission admonished him for violating conflict-of-interest laws.

"You should have disqualified yourself from this first vote," a commission investigator wrote. "By not doing so, you violated the Political Reform Act."

With that, the FPFC dropped the case, but some locals never forgot. When Rea, Reyes and Sanchez took their seats, they revived the issue. Last January, they voted as a bloc to have the city attorney investigate whether the closure of the intersection violated any laws. They also approved a traffic study to explore the feasibility of reopening the intersection.

"When Sanchez was running for council, that was the first thing we were going to do," said recall advocate Maria Santillan. "That was No. 1 on his list." And then a couple of weeks after his election, she contended, Sanchez had his own driveway improved.

A few weeks before the vote to investigate the Hulme Avenue closure, an independent city contractor finished laying and smoothing concrete at Sanchez's home, city records and interviews show.

Why the work was undertaken is unclear. Reyes and other recall proponents contend that Sanchez directed city officials to have workers lay a concrete

Los Angeles Times January 29, 1999, Friday,

driveway, stretching from the street to behind his house.

Sanchez denied ordering a new driveway for himself, saying the city did sidewalk repairs in front of his home as part of a street improvement project approved long before he joined the council.

"It's like any other project in our community," he said.

A Quarter-Century of Problems

High above the city's tidy homes and taquerias, thousands of Century Freeway commuters rush through the heart of Lynwood every day without giving the city a thought. Below them, residents and local politicians are still grappling with the problems the freeway brought with it.

Council members say they are working hard for the city. Richards said the council has helped build new youth and community centers, revitalize a community park and negotiate to keep St. Francis Medical Center from moving. Now, he said, it is lobbying the state Legislature to provide the city with a tax break to attract redevelopment.

But few people doubt that Lynwood has far to go before it is restored to the prosperity it enjoyed in the early 1960s. Residents complain of high utility taxes and streets that need repair. Unemployment estimates stand at 10.4% for the city, compared to 6.7% countywide. And some residents blame council members for the slow pace of progress.

"For 12 to 15 years, the community has remained stagnant regarding progress, compared to the neighboring communities," said Adolfo Lopez, one of the recall organizers.

It is a sentiment echoed even by the target of Lopez's recall.

"We've got a lot of streets that need to be fixed. We have a lot of projects that need to be done," Sanchez said at one council meeting while urging unity among residents. "And they're not getting done because we can't get our act together."

(BEGIN TEXT OF INFOBOX / INFOGRAPHIC)

Focusing on Lynwood

Construction of the Century Freeway, which cut across the heart of Lynwood and destroyed about 1,000 homes and businesses, helped set into motion vast changes in the city.

Lynwood, which was incorporated in 1921, occupies 4.9 square miles in southeastern Los Angeles County. Here are the city's demographic figures and a comparison with Los Angeles County overall:

	Lynwood	L.A. County
Population	66,343	9,236,000
Latino	79.3%	44.5%
White	0.2%	33.5%
Black	19.9%	9.6%
Asian	0.4%	11.9%

Los Angeles Times January 29, 1999, Friday,

Other	0.1%	0.5%
Median age	24.7	33.2
Avg. household size	4.35	2.96
Median household income	\$27,339	\$40,344
Median home price	\$125,000	\$190,500

Sources: Home prices from Acxion/Data Quick, 1998; other figures are 1998 estimates provided by Claritas Inc.

GRAPHIC: PHOTO: Lynwood council members, from left, Louis Byrd, Ricardo Sanchez, Paul Richards and Arturo Reyes at awards ceremony. PHOTOGRAPHER: ROBERT GAUTHIER / Los Angeles Times PHOTO: (Welcome to Lynwood) PHOTOGRAPHER: BOB CAREY / Los Angeles Times GRAPHIC: Focusing on Lynwood, MATT MOODY / Los Angeles Times

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HEADLINE: The Good News About Black America

BYLINE: By Ellis Cose; With Ana Figueroa, John McCormick, Vern Smith and Pat Wingert

HIGHLIGHT:

It's the best time ever to be black in America. Crime is down; jobs and income are up. White kids choose African-Americans as their heroes. But not everyone's celebrating.

BODY:

It was a stunning vision of racial equality, manifested in a simple yet stirring mantra: I have a dream. Though Martin Luther King Jr.'s cherished utopia has not arrived, it seems considerably less remote than it did in August 1963 when, from the Washington Mall, King challenged America to make his dream come true. African-Americans are no longer relegated, as he lamented, to a lonely island of poverty in the midst of plenty. By a wide array of measures, now is a great time--the best time ever--to be black in America.

Black employment and home ownership are up. Murders and other violent crimes are down. Reading and math proficiency are climbing. Out-of-wedlock births are at their lowest rate in four decades. Fewer blacks are on welfare than at any point in recent memory. More are in college than at any point in history. And the percentage of black families living below the poverty line is the lowest it has been since the Census Bureau began keeping separate black poverty statistics in 1967. Even for some of the most persistently unfortunate--uneducated black men between 16 and 24--jobs are opening up, according to a just-released study of hard-luck cases in 322 urban areas by researchers at Harvard University and the College of William and Mary.

More and more blacks have entered the realm of the privileged and have offices in (or tantalizingly near to) the corridors of corporate and political power. Some control multimillion-dollar budgets and reside in luxurious gated communities. They are, by any criteria, living large--walking testaments to the transformative power, to the possibility, of America.

I really think there is a new phenomenon out there, says Eddie Williams, head of the Joint Center for Political and Economic Studies, the nation's premier think tank on blacks and politics. According to the center, the number of black elected officials has nearly sextupled since 1970, and now stands at roughly 9,000. In a poll late last year by the Joint Center, blacks were more likely than whites--for the first time in the history of this survey--to say they were better off financially than in the previous year (51 percent compared with 31.5 percent). A new NEWSWEEK Poll confirms that the finding is not a fluke. Seventy-one percent of blacks (compared with 59 percent of whites) told NEWSWEEK's pollsters that they expected their family incomes to rise during

the next 10 years. Fifty-seven percent of blacks (compared with 48 percent of whites) foresaw better job opportunities ahead. As Los Angeles gangbanger turned music entrepreneur Darrin Butler, 28, sums it up, From where I'm sitting, everything is looking bright.

This sunniness is reflected in the country's popular imagination, which freely celebrates the appeal and accomplishments of African-Americans. Michael Jordan, Lauryn Hill, Colin Powell--pick your icon; if you are touched at all by American culture your idol is likely to be black. There have always been black successes and superstar achievers, but never before has black been quite so beautiful to so many admirers of every hue. When did you ever think you would see black men as the heroes of white children? asks Bobby William Austin, head of the Village Foundation, an Alexandria, Va.-based nonprofit that runs programs for young black men.

Today's upswing in black fortune is unfolding in a singular context, against the backdrop of a superheated economy that has been booming since April 1991. That expansion, the longest ever in a time of peace, has been a boon to Americans of every race. It would be a mistake, however, to credit the economy alone for the sense of hope sprouting in many black communities. Even as the strong economy has made bigger dreams possible, a strong resurgence of black self-confidence and self-determination has made their realization more probable. Indeed, blacks polled by NEWSWEEK credited black churches (46 percent) and black self-help (41 percent) for the upturn in black conditions. It would also be a mistake to assume that today's good times have brought good tidings to all blacks. They have not. More black men than ever languish in prisons. Black academic achievement stills lags that of whites. And suicides among young black men have risen sharply, reflecting a deep sense of hopelessness, says Jewelle Taylor Gibbs, a psychologist and University of California, Berkeley, professor. And fear is pervasive that an economic downturn--or the legal-political assault on affirmative action--could wipe out blacks' tenuous gains.

Nonetheless, for a community yet haunted by the memory of Jim Crow, this is a remarkable moment. One of the most dramatic signs of progress is the explosion of productive activity as once desolate inner-city neighborhoods, such as Chicago's North Lawndale, come to life. In 1966, this area on Chicago's West Side was so blighted that Martin Luther King rented an apartment there to call attention to it. Then things got worse. The area was largely incinerated by the riots that broke out in the wake of King's assassination in 1968. More than half of the population moved out between 1960 and 1990. Now new construction is shooting up. Homes are selling for as much as \$275,000 apiece. And the young black professionals flocking back to buy them talk of renaissance and hope reborn.

People wrote this area off. They didn't believe middle-class African-Americans would come back here. Now we're making this neighborhood work, says Demetrius Barbee. For Barbee, a Blockbuster executive, and her husband, Gerald, a medical-equipment technician, trading in a fancy North Lake Shore Drive address for a North Lawndale dream house was not merely a matter of getting good quality for a good price. It was an investment of hope in the very idea of a community coming back from the dead.

Homan Square, the development where the Barbees now live, resulted from a serendipitous confluence of events. Sears, having moved its onetime world headquarters out of the area, had plenty of well-maintained land it was

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willing to donate to the project. Mayor Richard M. Daley was eager to facilitate--providing, among other assistance, grants to first-time homeowners. And an important developer, the Shaw Co., saw the value of the enterprise. The Homan Square experiment in urban reclamation has covered six city blocks with 299 units of housing, 133 of them owner-occupied single-family homes. It has also spawned a health clinic, several new businesses and numerous other construction projects. Perhaps most important, it has inspired other developers. Just southeast of Homan Square sits a new shopping center anchored by a Dominick's supermarket and a 10-screen Cineplex Odeon Theater. A few blocks away, another town-house development has gone up. Central City Productions, a local black-owned entertainment company, plans to build a \$150 million, 337,000-square-foot television-studio complex. And other projects are pending.

Though few urban ghettos have seen a turnaround as promising as North Lawndale's, withered communities elsewhere are rebounding as well. In the Elmhurst area of Oakland, Calif., new buildings are rising from the rubble. Unlike in Chicago, where a major company took the lead, this turnaround effort--like others in New York, Chattanooga, Tenn., Savannah, Ga., and elsewhere--is community based. In the past year alone Allen Temple Baptist Church has generated more than \$20 million worth of new construction projects. The church plans to open a 60,500-square-foot Family Living Center this summer (with activities for everyone from children to senior citizens) and has broken ground for a 24-unit complex for AIDS/HIV patients.

This is a congregation that long ago decided to take matters into its own hands, says Doris Britt, a church member and director of admissions at UC Berkeley's School of Social Welfare. Longtime congregant Joe Villa traces the can-do attitude to the late '70s. As white homeowners and white-owned businesses and banks took flight, the church kept the faith. Determined to provide a place for community residents to bank, we contacted the National Credit Union Administration and figured out how to charter our own credit union, recalls Villa, who became its volunteer president. That credit union (which primarily serves church members) will be 20 years old next year and now holds more than \$10 million in assets--making it the largest African-American church credit union in the country. Community-based activists are not only initiating urban-renewal projects, but driving down teenage births and crime all over America, contends Angela Blackwell, founder of Policy Link, an Oakland-based research and advocacy organization. Poor people just got sick of it, she says. Others give more credit to government policies, including tough anti-crime measures and welfare reform. Kerman Maddox, chairman of the political-science department at Los Angeles Southwest College, in South-Central L.A., says his female students are taking school more seriously and are less likely to have babies. In the past, I'd say half my 18- to 22-year-old students had kids, says Maddox. The number has dropped dramatically. He believes welfare-reform provisions that no longer reward them for having more kids are the principal reason.

Whatever the motivations (and they are necessarily multiple), more young people are moving to take control of their lives; and the result seems to be a better shot at success. As Shykiesha Walker, the 17-year-old president of the Young Girls Keeping it Real Club, in Watts, puts it, We're just trying to keep ourselves out of trouble, achieve a higher goal in life.

Across the country, Piney Woods Life School, a private boarding academy in rural Mississippi, is stoking that hunger for success. Started at the turn of

the century to educate children of Mississippi field hands, it has evolved into a haven for mistreated or troubled black kids from across America. Many come from backgrounds similar to Kenyatah's, a 16-year-old junior whose parents, both junkies, kicked her out of their Washington, D.C., home at the age of 4. She ended up with relatives, also addicts, and spent time living on the street. Serendipity and a recommendation from a friend of her aunt brought Kenyatah to Piney Woods, and she is grateful for the change. Where I'm from, you don't learn anything [in school], she says.

At Piney Woods academics are stressed, and self-pity is not an option. Over the last several years, ACT scores for Piney Woods seniors have risen from an average of 9.8 to an average of 18.1--compared with a national average of 22. We've set a goal of having our young people exceed the national average on the ACT within the next three years, says school president Charles Beady Jr. Piney Woods graduates routinely go on to Ivy League colleges. Many also become ambassadors of deliverance, spreading the word that black children can triumph, no matter how or where their lives begin.

The significant reversal of black fortunes is a signal event, one that must be acknowledged and celebrated, says Joe Hicks, executive director of the Los Angeles Human Relations Commission. Yet, for the most part, blacks are not celebrating it, which raises an inevitable question: if the news in black America is so good these days, why are people not dancing in the streets? Why are civil-rights leaders not proclaiming it from the rooftops? Why has the dialogue on racial relations not fundamentally changed to accentuate the progress instead of the lingering problems?

Ward Connerly, the controversial black businessman and driving force behind Proposition 209, the ballot measure that eliminated affirmative action in California state government, thinks the reason has a lot to do with the fossilized attitude of many blacks--particularly those in the leadership class. Even though society has transformed itself, says Connerly, many African-Americans are locked into that mind-set of the '60s that society is racist... We just can't let go. Our leaders... can't let go. I won't say they have a vested interest in maintaining the status quo, although I think that's a possibility. Harvard sociologist Orlando Patterson agrees. In the aftermath of the civil-rights revolution, blaming racism made good politics and fashionable social science, he says. That era is ending, in Patterson's view, but, tragically, Afro-American leaders now seem trapped by the fire they started.

In African-American leadership circles, Patterson's indictment strikes a nerve. It even evokes limited agreement. Yvonne Scruggs-Leftwich, executive director of the Black Leadership Forum, an umbrella group of civil-rights organizations, concedes, We don't often enough acknowledge where there have been successes. Nonetheless, civil-rights leaders resent and reject the view that they are a bunch of self-serving doomsayers. We have celebrated the economy, the reduction in unemployment, the reduction in teen-pregnancy rates, says Huge Price, head of the National Urban League.

The problem is that although certain blacks are thriving, others are not. Many of those beneath the surface of socioeconomic viability, as sociologist Elijah Anderson describes them, are worse off than ever. Many blighted, black neighborhoods lack the equivalent of a Homan Square or an Allen Temple and are dying slow, painful deaths. And in that fact lies a leadership challenge and a philosophical dilemma. How can civil-rights leaders acknowledge the real and

evident progress without encouraging complacency? How can they keep the pressure on to move the glass from half-full to three-quarters full, in Price's words, if they give up the language of crisis and damnation? How do they avoid playing into the hands of those who would eliminate affirmative action, voting-rights enforcement and so many other things that are largely responsible for the black progress on display today? To the extent you proclaim your success, other people forget about you, worries the Joint Center's Eddie Williams.

Then there is the fear--one deeply felt not only among the black leadership class but among much of the black general population--that the good times may be transient. What happens, skeptics ask, when the economy hits bottom? Or if the attacks on affirmative action ultimately eliminate opportunities, only recently won, in both the private and the public sectors?

In addition, there is this cold reality: for every upbeat statistic that engenders joy, there is a dismal number--or a skeptical reading--that invites alarm. And there are millions of personal experiences that conflict with the rosy statistics. In 1998, the jobless rate for blacks 20 to 24 years old was 16.8 percent, down from 24.5 percent in 1985; but that means little to Travon Netherly, a student at L.A. Southwest College. Recently, says Travon, four of his brothers applied for a job at an Orange County amusement park. Despite the help-wanted ad in the window, all were turned away. My brothers were willing to take anything, even wear one of those Snoopy costumes, says Netherly, who bitterly adds, It don't take skills to be Snoopy.'

Eric Frierson, a 33-year-old data processor and Watts native, has equally pressing worries. Frierson did 11 years in Folsom penitentiary, but has managed to stay out of trouble for the past five years, and now volunteers for FACES, a community-outreach organization working in Watts's Imperial Courts housing projects. It is an area where buildings are pockmarked by bullet holes and bad company constantly beckons. They told me I can't be around no ex-cons, says Frierson, but everybody I know is an ex-con. All my brothers are ex-cons. Almost every black man you see is an ex-con. Who am I going to be with?

Frierson's plaintive question reflects a sobering reality. An estimated 70 percent of the young black men of Watts--those between the ages of 16 and 25--are on some kind of paper, meaning they're in jail, on parole or on probation. That specter of prison haunts countless other black communities across the nation. In some areas, prison time has become such a pervasive feature of life that it has totally undermined the hard-fought victory for black voting rights. One million four hundred thousand black men, or 13 percent of the total, are disenfranchised because of felony convictions, according to a recent report by Human Rights Watch and The Sentencing Project.

Some even question whether the much-vaunted black progress in education is as genuine as it seems. A study of higher education in 19 states done by The Southern Education Foundation shows that though the numbers of blacks in college overall are up, those of first-time, full-time freshmen are not. Numerous experts are also concerned about the impact of anti-affirmative-action measures. When California, Texas and Washington state eliminated affirmative action, all experienced huge drops in the numbers of blacks and Latinos admitted to their most selective state schools.

In earlier grades, the picture is also ambiguous. Twenty-six states have adopted exams high-school seniors must pass before they can graduate,

according to a new study from the Applied Research Center, an Oakland-based research and advocacy group. In virtually every state that has implemented high-school exit exams, a disproportionate number of those who have passed all other requirements but fail to graduate... are students of color, charged the report. Exit exams essentially punish poor students and those of color for attending substandard schools, concluded ARC. Less easily explained, this performance gap also persists in affluent and integrated communities, such as Shaker Heights, Ohio. (related article)

Welfare reform, likewise, does not bring exclusively good news. Clearly, it has taken recipients of all races (more than 2 million families) off the rolls, and given many a second shot at a productive life. Studies--and at this point there are no definitive ones--suggest that perhaps two thirds manage to get along reasonably well (often through a combination of part-time work, forays into the underground economy and help from their families). But many (probably most) don't find full-time permanent jobs. And it appears that whites do better than blacks. The racial difference is consistent with what we know about employer preference, says Melvin Oliver of the Ford Foundation. There are other likely reasons, as well, including the fact that black women are less likely to live where jobs are located. But like virtually everything else involving race, the reality of welfare reform is too complex to capture with one hackneyed truism, or with one simple set of statistics. In Wisconsin, which has more experience with welfare reform than any other state in the nation, thanks to a series of initiatives that began under Republican Gov. Tommy Thompson, that complicated truth is reflected in the divergent experiences of Cassandra Tucker and Sheri Totton.

Tucker, 29, and the mother of six, became a welfare recipient after her divorce five years ago. She is now a foreman at Central Overhead Door, and she credits Wisconsin's tough-love welfare policy with getting her there. Where the old welfare policy encouraged dependency, the new one promotes independence. You are special. You can do great things, one social worker told Tucker. She believed it and triumphed. After spending the summer of 1998 learning construction at a building-rehab site managed by the YWCA of Greater Milwaukee, she was hired for her present job.

Where Tucker found empowerment in welfare reform, Totton--so far--has found only struggle. Totton, also 29, lost her housing because she could no longer pay the rent, and now lives with her three daughters in a family shelter one block west of the YWCA that turned Tucker's life around. After eight years on public aid, the best job she could land was a part-time position at a local food bank. She's had a hard time juggling her job and school--neither of which she can afford to miss, since the penalty is a reduction in her welfare benefits. And it is far from clear that she will have the wherewithal any time soon to make the leap to self-sufficiency. A lot of stuff is confusing, she sheepishly admits. What the two women's stories make clear is that it's ultimately impossible to say whether things are better or worse without asking, better or worse for whom? Similarly, one must also ask, Compared with what?

Black executives inevitably compare themselves with their white peers, notes Sharon Collins, a sociologist at the University of Illinois at Chicago. And no matter how well the blacks are doing, they're not doing as well as their white counterparts. In fact, when blacks compare themselves with whites in virtually any arena, the picture is unsettling.

Black income, for instance, is at its highest level ever, and unemployment is lower than it has been in a quarter of a century. Yet black unemployment (at 8.9 percent) remains more than twice the rate for whites (3.9 percent). Among workers 20 to 24, the unemployment numbers are even more lopsided (16.8 percent for blacks, 6.5 percent for whites). Such high unemployment among blacks in a virtually full-employment economy says there's still something wrong, observes Wade Henderson, executive director of the Leadership Conference on Civil Rights. Labor-force participation figures are equally dispiriting, particularly for black teens. Only 40 percent of black males between 16 and 19 are in the labor force, compared with 57 percent of their white counterparts. And though black median income (for a family of four) reached a record high of \$34,644 in 1997, that was still \$21,378 less than the average for whites.

It is not, however, just the difference in numbers that makes so many blacks loath to believe American society is serious about racial equality. There are also the continuing reminders of racism. Even for those blacks for whom now is the best of times, bigotry remains more than a memory. For those who get brutalized by cops or stopped for Driving While Black (incidents that dramatically erupted recently in New Jersey and New York), it's impossible to feel truly accepted in America, points out Mary Frances Berry, chair of the U.S. Civil Rights Commission. Or, as economist Glenn Loury puts it: A lot of people are pissed off, and they're not all crazy.

That black schoolchildren are still wrestling with the ludicrous issue of whether academic achievement somehow makes them less black says volumes about the message of black-white difference that society continues to send. It is a message graphically underscored by the intense segregation that defines American living patterns. And it is continually bolstered by popular culture, particularly television, which keeps its dating shows racially segregated and its programming racially segmented. Hence, it's no wonder that blacks and whites generally watch totally different prime-time shows. And it's hardly surprising that even though the incidence of interracial marriages has grown greatly, marriages between blacks and whites are a fraction of those between whites and Hispanics or whites and Asians.

What all that says, in short, is that, for all the well-documented black success stories, and for all the heartwarming statistics, blacks remain, in substantial measure, a race apart in America: a race admired, even emulated, yet held at arm's length. It reflects a particular American schizophrenia. We embrace equality and yet struggle with it in reality. We have come so far, and yet we have not escaped the past.

In perhaps the most famous passage of his most famous book, *The Souls of Black Folk* (first published in 1903), the great sociologist and social activist W.E.B. Du Bois tried to explain what it meant to be a Negro in America. One ever feels his twoness--an American, a Negro; two souls, two thoughts, two unreconciled strivings; two warring ideals in one dark body, whose dogged strength alone keeps it from being torn asunder. What he did not say, but could have, is that America also has its unreconciled strivings, an impulse toward acceptance coexisting with a tendency toward exclusion, a reverence for equality that coexists with stirrings of racism.

The good news on black America is too clear to deny. In the past few decades, blacks' fortunes and prospects have soared toward the heavens. Blacks have entered virtually every sector of American society and breathed life into

Martin Luther King's extraordinary fantasy. It's too late to put the racial-justice genie back in the bottle. It's time to acknowledge what America and African-Americans together have accomplished and become. The bad news, however, is equally profound, and it can be summed up with two simple facts. Despite all the progress of the last several decades, we continue to talk about black America as a place and a people apart. And despite the lip service we pay to the concept of equality, we look with equanimity, even pride, upon a statistical profile of black Americans that, were it of whites, would be a source of horror and consternation. That is not likely to change soon; but until and unless it does, our great nation will never become the country of our finest dreams.

GRAPHIC: GRAPHIC: (Graph) Moving Forward, But Still Behind (Graphic omitted); PHOTO: Self-Help: 'I wanted to be a part of a neighborhood where African-Americans were turning it around,' says Chicago's Sidney Boyce ; PHOTO: Black income is at its highest level ever, and unemployment is lower than it has been in a quarter of a century; PHOTO: Homegrown Success: At the Piney Woods school, working with livestock builds self-esteem. Says president Beady: 'This is the kind of environment where they can realize their potential.'; PHOTO: Preaching Today: The church can be 'otherworldly,' says Oakland's F. Alfred Smith Sr. 'We're concerned with the nasty now and now.'; PHOTO: Still Dreaming: Black America may no longer be a 'lonely island of poverty,' but King's dream still waits; GRAPHIC: (Newsweek Poll) Feeling Better About the Future (Graphic omitted)

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RE/COMMENTS:

National Income

Jurisdiction	Percent of National	Percent Change 1993 -	Per Capita Income	
	1997	1997	1993	1997
NATIONAL	100%	19%	21220	25288
PINE RIDGE INDIAN RESERVATION, SD				
Jackson County SD	49%	21%	10178	12321
Shannon County SD	39%	21%	8060	9753
SOUTH PHOENIX, AZ				
Maricopa County AZ	97%	22%	20151	24601
PHOENIX, AZ				
Maricopa County AZ	97%	22%	20151	24601
Pinal County AZ	61%	10%	13947	15372
CLARKSDALE, MS				
Coahoma County MS	67%	21%	14019	17028
LOS ANGELES, CA				
Los Angeles County CA	102%	16%	22098	25719
EAST ST. LOUIS, IL				
St. Clair County IL	84%	21%	17467	21153
ST. LOUIS				
St. Clair County IL	84%	21%	17467	21153
Clinton County IL	85%	17%	18224	21398
Jersey County IL	77%	22%	15888	19375
Madison County IL	91%	19%	19428	23060
Monroe County IL	97%	28%	19205	24648
Franklin County MO	85%	22%	17584	21507
Jefferson County MO	78%	23%	16053	19733
Lincoln County MO	76%	25%	15455	19257
St. Charles County MO	99%	23%	20364	25017
St. Louis County MO	136%	22%	28180	34350
Warren County MO	77%	21%	16006	19354
St. Louis city MO	95%	19%	20059	23953
KENTUCKY HIGHLANDS				
Highlands Region Average	53%	21%	11087	13394
Clinton County KY	53%	20%	11317	13524
Jackson County KY	52%	25%	10494	13132
Wayne County KY	53%	18%	11451	13527

National Income

Jurisdiction	Percent of National	Percent Change 1993 -	Per Capita Income	
	1997	1997	1993	1997
NATIONAL	100%	19%	21220	25288

MISSISSIPPI DELTA				
Delta Region Average	67%	19%	14268	17003
Arkansas County AR	79%	22%	16488	20065
Ashley County AR	75%	23%	15486	18981
Baxter County AR	78%	16%	17128	19832
Bradley County AR	75%	19%	16046	19089
Calhoun County AR	54%	9%	12538	13650
Chicot County AR	62%	25%	12567	15702
Clay County AR	68%	24%	13765	17077
Cleveland County AR	65%	21%	13623	16487
Craighead County AR	77%	21%	16022	19456
Crittenden County AR	70%	20%	14742	17633
Cross County AR	63%	15%	13903	16000
Dallas County AR	73%	14%	16054	18370
Desha County AR	64%	28%	12721	16306
Drew County AR	66%	19%	14054	16722
Fulton County AR	54%	18%	11612	13731
Grant County AR	70%	19%	14971	17828
Greene County AR	66%	21%	13740	16679
Independence County AR	73%	19%	15429	18396
Izard County AR	60%	11%	13547	15088
Jackson County AR	69%	17%	15027	17537
Jefferson County AR	72%	18%	15360	18109
Lawrence County AR	63%	19%	13504	16014
Lee County AR	50%	19%	10716	12720
Lincoln County AR	49%	20%	10376	12412
Lonoke County AR	76%	19%	16273	19336
Marion County AR	61%	14%	13572	15454
Mississippi County AR	74%	24%	15038	18605
Monroe County AR	62%	20%	13075	15650
Ouachita County AR	69%	17%	14990	17544
Phillips County AR	58%	13%	13049	14758
Poinsett County AR	66%	21%	13864	16750
Prairie County AR	63%	26%	12558	15809
Pulaski County AR	102%	21%	21414	25889
Randolph County AR	61%	20%	12770	15360
St. Francis County AR	61%	20%	12804	15375
Searcy County AR	56%	17%	12184	14280
Sharp County AR	59%	17%	12838	15005

National Income

Jurisdiction	Percent of National	Percent Change 1993 -	Per Capita Income	
	1997	1997	1993	1997
NATIONAL	100%	19%	21220	25288
Stone County AR	62%	27%	12416	15717
Union County AR	88%	19%	18626	22127
Van Buren County AR	61%	18%	13003	15353
White County AR	65%	18%	13898	16408
Woodruff County AR	65%	17%	14027	16448
Alexander County IL	61%	23%	12600	15454
Fayette County IL	68%	17%	14717	17181
Gallatin County IL	74%	13%	16573	18667
Hamilton County IL	73%	16%	15859	18472
Hardin County IL	62%	12%	13972	15633
Jackson County IL	69%	22%	14272	17401
Jasper County IL	78%	21%	16420	19788
Johnson County IL	51%	12%	11579	12971
Massac County IL	72%	21%	14999	18147
Perry County IL	71%	21%	14858	17905
Pope County IL	56%	14%	12546	14255
Pulaski County IL	63%	12%	14120	15841
Randolph County IL	68%	18%	14608	17301
Saline County IL	73%	13%	16339	18527
Union County IL	70%	19%	14884	17779
White County IL	80%	15%	17709	20278
Williamson County IL	78%	19%	16522	19728
Ballard County KY	86%	26%	17250	21663
Caldwell County KY	68%	12%	15320	17125
Calloway County KY	80%	19%	16961	20208
Carlisle County KY	75%	16%	16205	18852
Christian County KY	58%	13%	13021	14651
Crittenden County KY	62%	13%	13748	15553
Fulton County KY	80%	18%	17177	20313
Graves County KY	78%	23%	16088	19851
Henderson County KY	87%	22%	18109	22069
Hickman County KY	73%	18%	15711	18537
Hopkins County KY	76%	15%	16726	19245
Livingston County KY	82%	20%	17204	20708
Lyon County KY	58%	20%	12147	14600
McCracken County KY	96%	21%	19949	24231
McLean County KY	69%	22%	14220	17328
Marshall County KY	80%	19%	17099	20318
Muhlenberg County KY	63%	18%	13487	15893
Todd County KY	74%	29%	14539	18707

National Income

Jurisdiction	Percent of National	Percent Change 1993 -	Per Capita Income	
	1997	1997	1993	1997
NATIONAL	100%	19%	21220	25288
Trigg County KY	67%	12%	15220	17067
Union County KY	71%	2%	17594	17918
Webster County KY	71%	12%	15994	17892
Acadia Parish LA	64%	19%	13623	16239
Allen Parish LA	55%	27%	11036	14018
Ascension Parish LA	85%	20%	17858	21480
Assumption Parish LA	68%	30%	13292	17302
Avoyelles Parish LA	58%	19%	12262	14609
Caldwell Parish LA	63%	13%	14097	15892
Catahoula Parish LA	58%	17%	12561	14640
Concordia Parish LA	61%	20%	12894	15511
East Baton Rouge Parish LA	93%	19%	19850	23561
East Carroll Parish LA	54%	20%	11330	13611
East Feliciana Parish LA	66%	16%	14383	16687
Evangeline Parish LA	60%	18%	12802	15153
Franklin Parish LA	56%	10%	12816	14142
Grant Parish LA	57%	15%	12460	14368
Iberia Parish LA	76%	28%	14972	19120
Iberville Parish LA	73%	17%	15692	18358
Jackson Parish LA	66%	14%	14745	16808
Jefferson Parish LA	94%	20%	19847	23850
Lafourche Parish LA	76%	31%	14654	19266
La Salle Parish LA	62%	14%	13747	15684
Lincoln Parish LA	74%	17%	15992	18672
Livingston Parish LA	73%	19%	15459	18376
Madison Parish LA	55%	14%	12139	13892
Morehouse Parish LA	63%	11%	14287	15914
Orleans Parish LA	93%	17%	20215	23553
Ouachita Parish LA	78%	20%	16381	19723
Plaquemines Parish LA	77%	20%	16289	19580
Pointe Coupee Parish LA	67%	19%	14274	16948
Rapides Parish LA	79%	16%	17196	20007
Richland Parish LA	61%	13%	13661	15370
St. Bernard Parish LA	76%	20%	15864	19113
St. Charles Parish LA	87%	20%	18210	21925
St. Helena Parish LA	58%	21%	12195	14744
St. James Parish LA	75%	20%	15651	18855
St. John the Baptist Parish LA	73%	19%	15465	18471
St. Landry Parish LA	68%	25%	13756	17253
St. Martin Parish LA	59%	26%	11827	14892

National Income

Jurisdiction	Percent of National	Percent Change 1993 -	Per Capita Income	
	1997	1997	1993	1997
NATIONAL	100%	19%	21220	25288
Tangipahoa Parish LA	65%	15%	14240	16393
Tensas Parish LA	64%	20%	13480	16175
Union Parish LA	71%	16%	15347	17847
Washington Parish LA	66%	20%	13990	16722
West Baton Rouge Parish LA	80%	19%	17020	20204
West Carroll Parish LA	55%	15%	11960	13802
West Feliciana Parish LA	52%	23%	10701	13122
Winn Parish LA	58%	16%	12597	14644
Bollinger County MO	56%	19%	11893	14114
Butler County MO	73%	24%	14945	18506
Cape Girardeau County MO	87%	22%	17964	21959
Carter County MO	58%	20%	12217	14614
Crawford County MO	66%	20%	13945	16697
Dent County MO	69%	26%	13953	17525
Douglas County MO	53%	17%	11465	13422
Dunklin County MO	70%	25%	14187	17696
Howell County MO	63%	15%	13854	15905
Iron County MO	60%	20%	12642	15158
Madison County MO	63%	18%	13489	15874
Mississippi County MO	66%	27%	13118	16606
New Madrid County MO	62%	25%	12669	15788
Oregon County MO	57%	19%	12084	14434
Ozark County MO	55%	11%	12666	14005
Pemiscot County MO	65%	31%	12626	16508
Perry County MO	75%	22%	15483	18894
Phelps County MO	72%	19%	15368	18295
Reynolds County MO	57%	21%	11932	14432
Ripley County MO	49%	12%	11075	12432
Ste. Genevieve County MO	74%	23%	15161	18712
St. Francois County MO	65%	21%	13571	16484
Scott County MO	77%	25%	15586	19440
Shannon County MO	51%	13%	11365	12881
Stoddard County MO	69%	22%	14265	17432
Texas County MO	55%	15%	12100	13972
Washington County MO	56%	24%	11396	14140
Wayne County MO	53%	19%	11268	13443
Wright County MO	51%	5%	12251	12915
Adams County MS	72%	19%	15307	18226
Amite County MS	49%	17%	10684	12483
Attala County MS	63%	24%	12947	16044

National Income

Jurisdiction	Percent of National	Percent Change 1993 -	Per Capita Income	
	1997	1997	1993	1997
NATIONAL	100%	19%	21220	25288
Benton County MS	54%	22%	11296	13741
Bolivar County MS	61%	20%	12823	15442
Carroll County MS	57%	23%	11797	14454
Claiborne County MS	50%	18%	10810	12702
Coahoma County MS	67%	21%	14019	17028
Copiah County MS	57%	22%	11808	14426
Covington County MS	64%	26%	12782	16121
DeSoto County MS	91%	27%	18180	23125
Franklin County MS	52%	18%	11070	13074
Grenada County MS	68%	19%	14410	17199
Hinds County MS	88%	19%	18642	22186
Holmes County MS	51%	21%	10647	12884
Humphreys County MS	61%	22%	12683	15444
Issaquena County MS	45%	0%	11484	11505
Jefferson County MS	42%	13%	9486	10729
Jefferson Davis County MS	54%	23%	11097	13603
Lafayette County MS	66%	20%	13936	16761
Lawrence County MS	61%	24%	12439	15372
Leflore County MS	69%	21%	14410	17487
Lincoln County MS	66%	22%	13601	16637
Madison County MS	87%	30%	16924	21990
Marion County MS	58%	21%	12104	14693
Marshall County MS	62%	20%	13101	15709
Montgomery County MS	62%	21%	13030	15787
Panola County MS	59%	18%	12621	14897
Pike County MS	64%	23%	13180	16177
Quitman County MS	53%	19%	11201	13323
Rankin County MS	89%	23%	18232	22478
Sharkey County MS	50%	13%	11074	12525
Simpson County MS	75%	30%	14549	18943
Sunflower County MS	49%	20%	10389	12484
Tallahatchie County MS	51%	23%	10512	12936
Tate County MS	71%	19%	15109	18038
Tippah County MS	63%	18%	13498	15884
Union County MS	69%	14%	15258	17412
Walthall County MS	54%	24%	11029	13658
Warren County MS	86%	23%	17682	21733
Washington County MS	66%	26%	13316	16720
Wilkinson County MS	54%	27%	10780	13662
Yalobusha County MS	67%	18%	14440	16997

National Income

Jurisdiction	Percent of National	Percent Change 1993 -	Per Capita Income	
	1997	1997	1993	1997
NATIONAL	100%	19%	21220	25288

Yazoo County MS	65%	22%	13557	16514
Benton County TN	68%	14%	15005	17070
Carroll County TN	69%	14%	15355	17570
Chester County TN	62%	21%	12902	15639
Crockett County TN	74%	17%	15991	18727
Decatur County TN	70%	22%	14408	17601
Dyer County TN	80%	16%	17356	20178
Fayette County TN	79%	24%	16135	20016
Gibson County TN	77%	17%	16635	19487
Hardeman County TN	62%	13%	13894	15665
Hardin County TN	67%	24%	13682	16933
Haywood County TN	70%	20%	14907	17825
Henderson County TN	75%	24%	15206	18897
Henry County TN	77%	18%	16447	19445
Lake County TN	46%	6%	11036	11705
Lauderdale County TN	67%	22%	13789	16888
McNairy County TN	67%	19%	14315	17026
Madison County TN	91%	24%	18633	23069
Obion County TN	82%	17%	17855	20816
Shelby County TN	108%	23%	22204	27300
Tipton County TN	71%	15%	15613	17925
Weakley County TN	71%	16%	15539	17977

APPALACHIA

Appalachia Average	71%	17%	15314	17972
Bibb County AL	67%	21%	13987	16988
Blount County AL	72%	19%	15172	18117
Calhoun County AL	75%	19%	15879	18855
Chambers County AL	71%	21%	14763	17896
Cherokee County AL	63%	13%	13968	15832
Chilton County AL	70%	21%	14694	17825
Clay County AL	74%	21%	15605	18822
Cleburne County AL	67%	13%	15153	17049
Colbert County AL	80%	21%	16713	20155
Coosa County AL	62%	16%	13432	15591
Cullman County AL	76%	19%	16082	19093
DeKalb County AL	76%	24%	15543	19318
Elmore County AL	75%	20%	15832	18945
Etowah County AL	76%	17%	16285	19126
Fayette County AL	71%	21%	14775	17938

National Income

Jurisdiction	Percent of National	Percent Change 1993 -	Per Capita Income	
	1997	1997	1993	1997
NATIONAL	100%	19%	21220	25288
Franklin County AL	70%	18%	15099	17775
Hale County AL	60%	18%	12830	15151
Jackson County AL	76%	17%	16422	19153
Jefferson County AL	102%	22%	21134	25772
Lamar County AL	69%	17%	14758	17330
Lauderdale County AL	77%	17%	16802	19576
Lawrence County AL	69%	20%	14546	17482
Limestone County AL	74%	10%	16936	18639
Macon County AL	57%	19%	12018	14324
Madison County AL	97%	17%	21049	24537
Marion County AL	68%	21%	14329	17301
Marshall County AL	77%	14%	17086	19512
Morgan County AL	88%	17%	19022	22346
Pickens County AL	64%	16%	14049	16259
Randolph County AL	68%	22%	14213	17308
St. Clair County AL	73%	22%	15136	18496
Shelby County AL	102%	20%	21530	25757
Talladega County AL	67%	20%	14082	16857
Tallapoosa County AL	78%	16%	17037	19769
Tuscaloosa County AL	81%	18%	17352	20514
Walker County AL	76%	15%	16657	19181
Winston County AL	74%	19%	15733	18696
Banks County GA	74%	18%	15884	18745
Barrow County GA	76%	20%	16085	19283
Bartow County GA	78%	18%	16786	19729
Carroll County GA	75%	19%	15839	18840
Catoosa County GA	68%	18%	14641	17259
Chattooga County GA	70%	19%	14920	17750
Cherokee County GA	95%	24%	19477	24149
Dade County GA	64%	20%	13460	16169
Dawson County GA	86%	21%	17957	21786
Douglas County GA	85%	22%	17710	21564
Elbert County GA	72%	19%	15159	18113
Fannin County GA	66%	19%	13874	16571
Floyd County GA	86%	18%	18351	21639
Forsyth County GA	116%	32%	22381	29437
Franklin County GA	85%	25%	17190	21462
Gilmer County GA	70%	11%	16032	17742
Gordon County GA	78%	19%	16710	19802
Gwinnett County GA	111%	22%	23020	28067

National Income

Jurisdiction	Percent of National	Percent Change 1993 -	Per Capita Income	
	1997	1997	1993	1997
NATIONAL	100%	19%	21220	25288
Habersham County GA	84%	23%	17356	21336
Hall County GA	92%	22%	19054	23208
Haralson County GA	72%	16%	15750	18274
Hart County GA	74%	19%	15660	18612
Heard County GA	59%	20%	12486	15019
Jackson County GA	77%	22%	16038	19526
Lumpkin County GA	75%	20%	15846	19024
Madison County GA	75%	23%	15283	18847
Murray County GA	65%	12%	14542	16342
Paulding County GA	63%	11%	14307	15879
Pickens County GA	87%	20%	18202	21894
Polk County GA	69%	20%	14532	17434
Rabun County GA	79%	28%	15597	19927
Stephens County GA	78%	22%	16205	19690
Towns County GA	77%	27%	15256	19422
Union County GA	73%	19%	15462	18402
Walker County GA	71%	16%	15405	17856
White County GA	86%	15%	18808	21650
Whitfield County GA	93%	18%	19973	23580
Adair County KY	60%	14%	13358	15179
Bath County KY	59%	25%	11941	14876
Bell County KY	59%	19%	12456	14839
Boyd County KY	87%	15%	19145	21983
Breathitt County KY	53%	4%	12869	13411
Carter County KY	59%	20%	12391	14863
Casey County KY	55%	22%	11423	13920
Clark County KY	84%	23%	17323	21364
Clay County KY	53%	21%	11001	13332
Clinton County KY	53%	20%	11317	13524
Cumberland County KY	53%	16%	11586	13390
Elliott County KY	43%	15%	9356	10799
Estill County KY	58%	27%	11453	14563
Fleming County KY	59%	11%	13493	15002
Floyd County KY	60%	15%	13256	15281
Garrard County KY	64%	13%	14400	16205
Green County KY	57%	9%	13105	14320
Harlan County KY	54%	12%	12261	13690
Jackson County KY	52%	25%	10494	13132
Johnson County KY	61%	18%	13134	15475
Knott County KY	53%	21%	11162	13514

National Income

Jurisdiction	Percent of National	Percent Change 1993 -	Per Capita Income	
	1997	1997	1993	1997
NATIONAL	100%	19%	21220	25288
Laurel County KY	65%	18%	13906	16478
Lawrence County KY	53%	16%	11509	13379
Lee County KY	51%	21%	10556	12796
Leslie County KY	58%	22%	12159	14790
Letcher County KY	55%	16%	12037	13982
Lewis County KY	50%	17%	10719	12553
Lincoln County KY	62%	21%	13003	15782
McCreary County KY	47%	19%	10006	11880
Madison County KY	72%	19%	15298	18249
Magoffin County KY	47%	16%	10176	11847
Martin County KY	59%	14%	13174	14988
Menifee County KY	52%	30%	10214	13252
Monroe County KY	70%	24%	14364	17779
Montgomery County KY	75%	31%	14445	18992
Morgan County KY	46%	24%	9385	11664
Owsley County KY	48%	25%	9608	12033
Perry County KY	63%	17%	13679	16010
Pike County KY	68%	18%	14579	17186
Powell County KY	53%	21%	11186	13517
Pulaski County KY	69%	21%	14458	17470
Rockcastle County KY	56%	21%	11648	14129
Rowan County KY	54%	19%	11594	13765
Russell County KY	60%	12%	13540	15125
Wayne County KY	53%	18%	11451	13527
Whitley County KY	59%	15%	12851	14830
Wolfe County KY	51%	16%	11030	12799
Allegany County MD	78%	21%	16376	19803
Garrett County MD	69%	17%	14807	17396
Washington County MD	82%	22%	17072	20800
Alcorn County MS	71%	19%	15225	18049
Benton County MS	54%	22%	11296	13741
Calhoun County MS	63%	19%	13371	15881
Chickasaw County MS	86%	19%	14110	16775
Choctaw County MS	53%	21%	11179	13479
Clay County MS	64%	17%	13764	16125
Itawamba County MS	69%	25%	14071	17538
Kemper County MS	58%	19%	12360	14694
Lee County MS	86%	24%	17539	21802
Lowndes County MS	72%	16%	15750	18326
Marshall County MS	62%	20%	13101	15709

National Income

Jurisdiction	Percent of National	Percent Change 1993 -	Per Capita Income	
	1997	1997	1993	1997
NATIONAL	100%	19%	21220	25288
Monroe County MS	61%	16%	13412	15499
Noxubee County MS	56%	29%	11000	14138
Oktibbeha County MS	62%	19%	13254	15772
Pontotoc County MS	63%	13%	14119	16014
Prentiss County MS	60%	18%	12795	15071
Tippah County MS	63%	18%	13498	15884
Tishomingo County MS	62%	19%	13253	15784
Union County MS	69%	14%	15258	17412
Webster County MS	60%	18%	12878	15158
Winston County MS	63%	26%	12614	15852
Yalobusha County MS	67%	18%	14440	16997
Alexander County NC	79%	15%	17369	19953
Ashe County NC	73%	21%	15246	18523
Avery County NC	81%	18%	17430	20546
Buncombe County NC	94%	19%	19894	23713
Burke County NC	75%	11%	17108	19019
Caldwell County NC	80%	19%	16981	20158
Cherokee County NC	64%	23%	13114	16127
Clay County NC	68%	20%	14258	17101
Davie County NC	103%	20%	21637	25941
Forsyth County NC	116%	22%	23957	29337
Graham County NC	62%	26%	12374	15603
Haywood County NC	79%	19%	16675	19891
Henderson County NC	95%	17%	20672	24093
Jackson County NC	71%	19%	15163	17995
McDowell County NC	73%	19%	15561	18577
Macon County NC	77%	24%	15858	19587
Madison County NC	69%	19%	14653	17380
Mitchell County NC	72%	23%	14892	18307
Polk County NC	103%	17%	22328	26039
Rutherford County NC	75%	18%	16171	19054
Stokes County NC	76%	15%	16753	19345
Surry County NC	82%	17%	17677	20683
Swain County NC	60%	22%	12458	15175
Transylvania County NC	86%	21%	18110	21860
Watauga County NC	73%	17%	15672	18409
Wilkes County NC	79%	16%	17175	19895
Yadkin County NC	78%	16%	17003	19806
Yancey County NC	64%	19%	13635	16158
Allegany County NY	65%	14%	14327	16338

National Income

Jurisdiction	Percent of National	Percent Change 1993 -	Per Capita Income	
	1997	1997	1993	1997
NATIONAL	100%	19%	21220	25288
Broome County NY	90%	16%	19605	22780
Cattaraugus County NY	71%	18%	15298	18039
Chautauqua County NY	76%	15%	16777	19260
Chemung County NY	84%	20%	17747	21312
Chenango County NY	72%	10%	16595	18295
Cortland County NY	73%	13%	16276	18432
Delaware County NY	72%	19%	15296	18151
Otsego County NY	77%	16%	16769	19526
Schoharie County NY	75%	19%	15983	19088
Schuyler County NY	67%	16%	14568	16893
Steuben County NY	83%	19%	17744	21092
Tioga County NY	78%	13%	17408	19639
Tompkins County NY	87%	19%	18350	21907
Adams County OH	56%	17%	12154	14162
Athens County OH	60%	17%	12943	15133
Belmont County OH	73%	19%	15446	18343
Brown County OH	73%	19%	15456	18405
Carroll County OH	68%	17%	14774	17222
Clermont County OH	87%	21%	18228	22020
Columbiana County OH	75%	20%	15680	18859
Coshocton County OH	74%	20%	15587	18773
Gallia County OH	68%	16%	14690	17097
Guernsey County OH	65%	16%	14213	16504
Harrison County OH	60%	12%	13578	15165
Highland County OH	69%	24%	14004	17323
Hocking County OH	68%	18%	14549	17099
Holmes County OH	63%	18%	13406	15872
Jackson County OH	65%	20%	13651	16392
Jefferson County OH	72%	13%	16136	18277
Lawrence County OH	64%	14%	14107	16101
Meigs County OH	58%	17%	12496	14597
Monroe County OH	64%	15%	14081	16163
Morgan County OH	63%	9%	14520	15805
Muskingum County OH	78%	15%	17098	19623
Noble County OH	61%	16%	13211	15331
Perry County OH	58%	14%	12847	14704
Pike County OH	62%	14%	13882	15783
Ross County OH	71%	16%	15433	17900
Scioto County OH	67%	20%	14029	16824
Tuscarawas County OH	77%	18%	16495	19384

National Income

Jurisdiction	Percent of National	Percent Change 1993 -	Per Capita Income	
	1997	1997	1993	1997
NATIONAL	100%	19%	21220	25288
Vinton County OH	58%	16%	12705	14684
Allegheny County PA	116%	19%	24561	29328
Armstrong County PA	80%	22%	16509	20149
Beaver County PA	86%	22%	17854	21732
Bedford County PA	68%	18%	14566	17175
Blair County PA	81%	19%	17270	20482
Bradford County PA	73%	15%	16189	18565
Butler County PA	88%	15%	19528	22363
Cambria County PA	78%	18%	16788	19812
Cameron County PA	88%	22%	18215	22313
Carbon County PA	82%	21%	17116	20634
Centre County PA	83%	21%	17445	21028
Clarion County PA	77%	22%	15897	19383
Clearfield County PA	75%	16%	16446	19091
Clinton County PA	73%	17%	15708	18340
Columbia County PA	78%	17%	16701	19621
Crawford County PA	76%	19%	16132	19227
Elk County PA	92%	19%	19620	23326
Erie County PA	87%	18%	18817	22120
Fayette County PA	74%	18%	15877	18672
Forest County PA	64%	20%	13482	16127
Fulton County PA	72%	25%	14506	18100
Greene County PA	67%	15%	14855	17039
Huntingdon County PA	64%	15%	14033	16185
Indiana County PA	76%	16%	16491	19160
Jefferson County PA	78%	16%	17060	19832
Juniata County PA	71%	15%	15632	18054
Lackawanna County PA	90%	19%	19192	22789
Lawrence County PA	79%	20%	16698	20051
Luzerne County PA	89%	20%	18720	22527
Lycoming County PA	80%	15%	17474	20111
Mc Kean County PA	81%	21%	16976	20555
Mercer County PA	79%	20%	16685	19950
Mifflin County PA	69%	16%	15139	17539
Monroe County PA	83%	15%	18223	20986
Montour County PA	110%	17%	23875	27830
Northumberland County PA	78%	16%	17130	19829
Perry County PA	78%	18%	16734	19697
Pike County PA	79%	14%	17384	19896
Potter County PA	78%	19%	16659	19745

National Income

Jurisdiction	Percent of National	Percent Change 1993 -	Per Capita Income	
	1997	1997	1993	1997
NATIONAL	100%	19%	21220	25288
Schuylkill County PA	82%	19%	17310	20646
Snyder County PA	93%	18%	19966	23559
Somerset County PA	75%	10%	17206	18971
Sullivan County PA	70%	8%	16459	17817
Susquehanna County PA	73%	11%	16737	18575
Tioga County PA	74%	18%	15750	18591
Union County PA	78%	9%	18064	19726
Venango County PA	95%	19%	20107	23902
Warren County PA	88%	15%	19276	22128
Washington County PA	98%	24%	19918	24686
Wayne County PA	75%	13%	16842	19016
Westmoreland County PA	93%	18%	19850	23458
Wyoming County PA	77%	14%	17198	19580
Anderson County SC	79%	19%	16835	20044
Cherokee County SC	70%	20%	14704	17626
Greenville County SC	98%	23%	20176	24761
Oconee County SC	84%	21%	17644	21349
Pickens County SC	77%	22%	15951	19459
Spartanburg County SC	84%	19%	17821	21182
Anderson County TN	88%	11%	19984	22130
Bledsoe County TN	56%	14%	12360	14114
Blount County TN	80%	12%	18043	20128
Bradley County TN	87%	22%	18050	22088
Campbell County TN	61%	19%	12826	15313
Cannon County TN	70%	15%	15448	17751
Carter County TN	61%	13%	13652	15482
Claiborne County TN	62%	18%	13260	15587
Clay County TN	60%	6%	14308	15122
Cocke County TN	62%	11%	14122	15703
Coffee County TN	81%	11%	18329	20388
Cumberland County TN	68%	21%	14187	17183
DeKalb County TN	76%	11%	17242	19181
Fentress County TN	64%	15%	14043	16213
Franklin County TN	73%	19%	15468	18420
Grainger County TN	59%	14%	13083	14941
Greene County TN	71%	19%	15034	17841
Grundy County TN	60%	17%	12912	15145
Hamblen County TN	82%	18%	17585	20743
Hamilton County TN	103%	20%	21758	26105
Hancock County TN	50%	21%	10408	12563

National Income

Jurisdiction	Percent of National	Percent Change 1993 -	Per Capita Income	
	1997	1997	1993	1997
NATIONAL	100%	19%	21220	25288
Hawkins County TN	68%	13%	15254	17210
Jackson County TN	63%	19%	13488	16055
Jefferson County TN	64%	10%	14844	16276
Knox County TN	98%	17%	21050	24688
Loudon County TN	80%	12%	17881	20111
McMinn County TN	69%	13%	15432	17512
Macon County TN	61%	5%	14690	15400
Marion County TN	72%	21%	15140	18327
Meigs County TN	57%	8%	13476	14512
Monroe County TN	64%	16%	13961	16187
Morgan County TN	51%	12%	11558	12965
Overton County TN	60%	16%	13044	15102
Pickett County TN	62%	11%	14190	15755
Polk County TN	68%	18%	14521	17098
Putnam County TN	81%	16%	17496	20364
Rhea County TN	62%	10%	14215	15647
Roane County TN	77%	11%	17683	19564
Scott County TN	56%	14%	12567	14287
Sequatchie County TN	65%	18%	14022	16486
Sevier County TN	80%	17%	17366	20264
Smith County TN	75%	16%	16238	18843
Sullivan County TN	88%	17%	18864	22133
Unicoi County TN	72%	14%	15976	18208
Union County TN	53%	11%	12075	13436
Van Buren County TN	54%	21%	11265	13610
Warren County TN	77%	24%	15691	19386
Washington County TN	86%	17%	18441	21637
White County TN	64%	11%	14471	16092
Alleghany County VA				
Bath County VA	88%	13%	19793	22372
Bland County VA	60%	17%	12970	15127
Botetourt County VA	87%	22%	17910	21922
Buchanan County VA	66%	19%	14026	16685
Carroll County VA				
Craig County VA	73%	23%	14925	18352
Dickenson County VA	61%	15%	13436	15495
Floyd County VA	62%	15%	13533	15575
Giles County VA	73%	17%	15705	18383
Grayson County VA	66%	17%	14381	16761
Highland County VA	80%	17%	17265	20146

National Income

Jurisdiction	Percent of National	Percent Change 1993 -	Per Capita Income	
	1997	1997	1993	1997
NATIONAL	100%	19%	21220	25288
Lee County VA	60%	21%	12535	15114
Montgomery County VA				
Pulaski County VA	71%	22%	14806	18036
Rockbridge County VA				
Russell County VA	63%	19%	13347	15919
Scott County VA	63%	17%	13630	15895
Smyth County VA	68%	12%	15351	17164
Tazewell County VA	70%	18%	15092	17786
Washington County VA				
Wise County VA				
Wythe County VA	74%	19%	15777	18737
Norton city VA				
Barbour County WV	52%	7%	12218	13070
Berkeley County WV	78%	16%	16975	19629
Boone County WV	70%	22%	14562	17735
Braxton County WV	59%	18%	12565	14839
Brooke County WV	69%	13%	15596	17568
Cabell County WV	85%	14%	18872	21469
Calhoun County WV	49%	8%	11415	12376
Clay County WV	50%	20%	10568	12653
Doddridge County WV	54%	15%	11895	13709
Fayette County WV	63%	16%	13772	15961
Gilmer County WV	61%	13%	13608	15329
Grant County WV	67%	7%	15815	16855
Greenbrier County WV	72%	13%	16201	18306
Hampshire County WV	58%	14%	12902	14700
Hancock County WV	83%	13%	18478	20874
Hardy County WV	70%	11%	15828	17638
Harrison County WV	80%	19%	17150	20339
Jackson County WV	67%	15%	14684	16895
Jefferson County WV	88%	22%	18304	22324
Kanawha County WV	97%	16%	21056	24489
Lewis County WV	61%	11%	13910	15489
Lincoln County WV	51%	18%	10868	12860
Logan County WV	65%	15%	14254	16383
McDowell County WV	53%	15%	11704	13482
Marion County WV	72%	18%	15567	18323
Marshall County WV	67%	12%	15139	17031
Mason County WV	63%	11%	14327	15909
Mineral County WV	65%	14%	14541	16555

National Income

Jurisdiction	Percent of National	Percent Change 1993 -	Per Capita Income	
	1997	1997	1993	1997
NATIONAL	100%	19%	21220	25288
Mingo County WV	63%	8%	14773	15923
Monongalia County WV	81%	12%	18319	20580
Monroe County WV	57%	8%	13364	14380
Morgan County WV	68%	12%	15291	17091
Nicholas County WV	58%	12%	13135	14743
Ohio County WV	93%	13%	20892	23641
Pendleton County WV	68%	14%	15019	17073
Pleasants County WV	75%	17%	16378	19086
Pocahontas County WV	67%	12%	15221	16999
Preston County WV	57%	7%	13441	14334
Putnam County WV	84%	19%	17872	21269
Raleigh County WV	73%	16%	15823	18421
Randolph County WV	67%	13%	15067	16979
Ritchie County WV	57%	11%	13089	14514
Roane County WV	56%	15%	12279	14102
Summers County WV	54%	14%	11927	13621
Taylor County WV	55%	14%	12261	13978
Tucker County WV	60%	8%	14032	15207
Tyler County WV	56%	8%	13076	14179
Upshur County WV	57%	13%	12796	14468
Wayne County WV	59%	14%	13124	14945
Webster County WV	48%	14%	10661	12156
Wetzel County WV	69%	11%	15806	17510
Wirt County WV	54%	15%	11846	13630
Wood County WV	88%	17%	19117	22312
Wyoming County WV	55%	16%	11913	13816
Alleghany, Clifton Forge + Covington VA	84%	26%	16837	21287
Carroll + Galax VA	67%	17%	14450	16909
Montgomery + Radford VA	70%	22%	14445	17676
Rockbridge, Buena Vista + Lexington VA	76%	22%	15708	19197
Washington + Bristol VA	77%	19%	16388	19484
Wise + Norton VA	72%	12%	16121	18082

PRESIDENT CLINTON'S NEW MARKETS TOURS
SOUTH LOS ANGELES
July 3, 1999

After the civil disturbances of April 1992, Los Angeles continues to move forward in revitalizing the conditions of its neglected communities. The growth and potential of South Los Angeles are directly related to regional growth and development, and South Los Angeles offers the metropolitan region new opportunities to address challenges of unfettered sprawl.

A GROWING POPULATION – IMMIGRATION AND GROWING LATINO BASE. South Los Angeles has continued to experience substantial population growth despite the outmigration of its middle-class residents.

- ✓ According to current estimates, South Los Angeles is composed of approximately one million residents.(14)
- ✓ Between 1980 and 1990, the population of South LA added 132,000 people, a growth rate of approximately 16 percent.
- ✓ The majority of the population growth has originated from massive immigration from Mexico and Central America over the past thirty years – transforming South LA from a predominantly African American population to a burgeoning Latino presence.
- ✓ Hispanics are currently approximated to be more than 50 percent of the area's population, with African Americans dipping to below 40 percent.(18)

WORKING POOR, NOT JOBLESS POOR – HIGH RATES OF LABOR FORCE PARTICIPATION.

Many people living in South Los Angeles are involved in full-or nearly full-time work.

- ✓ According to Dun & Bradstreet (1999) the overall economic base of South LA includes 27,000 establishments that employ more than 310,000 people
- ✓ Over 25 percent of South LA residents work in the manufacturing sector, while over 30 percent are involved in traditional blue-collar occupations such as crafts and precision production, machine and transport operation, and labor and handling. More than 30 percent of industry employment is in service-producing sectors.
- ✓ High degrees of labor force participation accompany the growing ranks of Latino immigrants. More than 80 percent of all Latino males in South Central Los Angeles are involved in the labor force.
- ✓ Of those households living below the federally defined poverty line (\$16,000), more than half have at least someone working in the household and are engaged in full-or nearly full-time work.

SOUTH LA IS AN AREA OF CONSIDERABLE ECONOMIC ASSETS AND OPPORTUNITIES – WITH A STRONG INDUSTRIAL MANUFACTURING BASE.

- ✓ In South LA, manufacturing is the largest employer next to the services sector, which represents 24 percent of the area's employment base.
- ✓ There are more than 2,700 manufacturing establishments in South LA – including apparel and textiles, metalworking and machinery, food processing, and furniture manufacturing.
- ✓ Although manufacturing companies make up just 10 percent of the area's establishments, they generate more than 84,000 jobs, or 27 percent of total employment.

THERE IS A SUBSTANTIAL MARKET DEMAND FOR CONSUMER GOODS AND SERVICES. A HUGE UNMET DEMAND EXISTS, FAR OUTSTRIPPING SUPPLY, FOR COMMERCIAL AND RETAIL GOODS AND SERVICES. The area contains a dense, growing population accompanied by high rates of labor force participation, aggregate disposable income levels are considerable.

- ✓ Aggregate income levels in South LA are currently estimated to exceed \$10 billion annually and, if trends hold, they are anticipated to reach \$11.8 billion by 2003.(30). Income for the area doubled between 1980 and 1990, as aggregate income levels rose from \$4.2 billion to \$8.4 billion.(29)
- ✓ Because many of the retail goods and services offered within the neighborhoods do not meet the types of goods and services demanded, most residents shop outside their neighborhoods. According to one

projection, the leakage of outside spending spurred by unmet demand in grocery store services alone exceeds \$400 million, which is spent in supermarkets and grocery stores outside South Los Angeles.

- ✓ Compared with the rest of LA County, South LA, per capita, has 65 percent fewer grocery stores, 40 percent fewer banks and other financial institutions, and 20 percent fewer clothing stores.(31)
- ✓ According to a 1995 RLA study, residents in one targeted South LA area spent roughly \$1 billion in retail grocery goods – and approximately \$412 million of this was spent outside the targeted market area.(32)
- ✓ Urban franchise concepts selling products such as athletic shoes, ethnic goods, luxury items, and mailbox services have proven viable once a thorough examination of local consumer preferences has been undertaken.(34) The Magic Johnson Theaters, opened in June 1995 ranked fourteenth in California and is among the top fifty in the country in terms of gross sales.(33)

ACCESS TO CAPITAL AND LABOR FORCE TRAINING AND DEVELOPMENT.

- ✓ The businesses that comprise South LA's economic base are severely underserved by financial institutions.
- ✓ *A substantial number of the area's businesses are small or mid-sized establishments.* More than 52 percent of the area's employers have ten employees or less.(46) Many of these urban businesses are generally overlooked or neglected by major banks.
- ✓ *Labor Force Training and Development.* As thousands of people come away from public assistance, they require an immense amount of job preparation to obtain work and become productive members of the labor force.

SOUTH LOS ANGELES IS STRATEGICALLY LOCATED FOR INDUSTRY AND TRADE. South LA is centrally located and lies adjacent to major transportation corridors, offering significant locational advantages for businesses.

- ✓ The greater Los Angeles region, as the largest industrial center in the country, possesses more than 15,000 manufacturing firms in neglected areas, employing approximately 360,000 people(23) This is far more than either the cities of New York or Chicago.(24)
- ✓ The Century Freeway, which lies on the southern border of South LA, offers a direct connection to Los Angeles International Airport.
- ✓ The development of high-speed rail along the Alameda Corridor will provide easy access to Downtown LA and the Port of Los Angeles. Alameda Avenue itself is a major transit corridor lined with a large number of warehouses and manufacturing companies.
- ✓ South LA is becoming uniquely positioned as a center for sports, culture, and recreation, due in part to recent developments such as the construction of the Staples Center, a soon-to-be refurbished Coliseum for a new NFL expansion team, and the newly built California Science Center, to name a few.

SIGNS OF RENEWAL. All across South LA, there are signs of revitalization and reasons for optimism.

- ✓ *Public/Private Partnerships* -- Governments are forming partnerships with businesses and nonprofits as a means to advance inner-city initiatives. Public/private partnerships have been instrumental in developing projects all across South LA.
- ✓ *Immigrant Entrepreneurialism* – A burgeoning immigrant economy is forming in South LA that is meeting the changing consumer demand of the area's shifting demographics. The growing Latino presence has driven the developments of new supermarkets and grocery stores catering to the tastes and preferences of these new ethnic markets
- ✓ *Community Economic Development Approaches* – Community-based development organizations are quietly, but significantly, strengthening the neighborhood assets and improving the community fabric of South LA. Faith-based community development has also been integral in fostering revitalization strategies.
- ✓ *Training and workforce development* will have to target a wide array of people: former welfare recipients, the unemployed, and the working poor, to name a few.

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- ✓ South LA is nearly six times as dense with 12,400 people per square mile, compared to 2,200 in Los Angeles County.(15)

Immigration and a Growing Latino Base.

- ✓ The majority of the population growth has originated from massive immigration from Mexico and Central America over the past thirty years. Consequently, the ethnic composition of South LA's population has transformed from a predominantly African American population to a burgeoning Latino presence.
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- ✓ Despite the presence of a large and growing market, South LA is woefully underserved. Compared with the rest of LA County, South LA, per capita, has 65 percent fewer grocery stores, 40 percent fewer banks and other financial institutions, and 20 percent fewer clothing stores.(31)
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19TH STORY of Level 1 printed in FULL format.

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May 10, 1999, Monday

SECTION: USA; NEW OPTIMISM; Pg. 1

LENGTH: 897 words

HEADLINE: South Central L.A. recasts its riot-torn image

BYLINE: Daniel B. Wood, Staff writer of The Christian Science Monitor

DATELINE: LOS ANGELES

BODY:

It could be a scene right out of any upscale American suburb:

At the corner Starbucks, business-suited patrons line up for \$ 3 and \$ 4 beverages. Briefcases sprawl. Laptop computers whir.

But this is not the demesne of well-heeled commuters. This is South Central L.A., and seven years ago, the community was torn by the costliest riots in US history.

"We don't need to beg companies to come here anymore," says Mark Whitlock, a local black activist. "We need to show them the economic opportunity is already here."

After waiting largely in vain for government to repair 10,000 lost businesses, for banks and corporations to make goodwill investments, leaders are taking a new tack. They're highlighting South Central's strengths and promoting their community as one of fiscal opportunity rather than ethnic challenge.

Block by block, job by job, the tactic is working, say observers, revitalizing the area and providing a model for California and the nation. "It finally is becoming clear how underserved and misrepresented South Los Angeles has been in its attempts to put itself back together," says Wayne Bradshaw, president of Family Savings Bank. "Just as Wall Street relies on perceptions that there is future benefit in investing in a company or industry, this community is starting to get word out that there is tremendous benefit in investing in South Los Angeles."

These days, local supporters are relying on facts to persuade skeptics of the advantages of South Los Angeles, which includes South Central. For instance, it is urban America's most stable population - about 1 million and growing - with \$ 10 billion in annual income, they say. It also has high rates of labor participation in the work force, and it is situated between downtown and two of the country's busiest ports, Long Beach and San Pedro.

In addition, a just-released study by Pepperdine University suggests that South Los Angeles is ripe for new businesses. The area has 65 percent fewer grocery stores, 40 percent fewer banks, 20 percent fewer clothing stores than the

The Christian Science Monitor, May 10, 1999

surrounding metropolis, according to the study. This results in a "leakage" of \$ 412 million in unmet demand that consumers must spend outside the community for basic goods.

"The Home Depots and Wal-Marts and Citibanks of the world are all rushing to Mexico City for investment without blinking an eye," says Jos Legaspi, a leading commercial real estate developer here. Noting that the Mexico City market has 22 million people within a \$ 55 billion economy, he says, "On a relative basis, South L.A. is four times bigger. That is a number people can react to."

The effort to recast South Los Angeles's image holds lessons for other American cities, say demographers.

"The widely held idea that this inner-city population is impoverished and transient is entirely false," says Alan Heslop, a demographer at the Rose Institute in Claremont, Calif., who has studied the area. "Its homeownership rates are higher than any other urban core in the country, and its patchwork of well-manicured neighborhoods belies the perception of decay and decadence that persists in the minds of outsiders."

But the comeback of South Los Angeles is also serving as a model within the region. "Every major metropolitan cluster in southern California has a mini-South L.A. in it," says Bob Farrell, chairman of a regional advisory body that counsels the Southern California Association of Governments. "By applying the same kind of systematic approach that leaders here are attempting, they will find the same principles apply."

Despite these welcome signs, many people here say prosperity remains a long way off. Perhaps the biggest hurdle to investment is legacy of the Rodney King riots. National broadcasts beamed pictures of the riots, which turned the area into a pock-marked moonscape of burned-out buildings and vacant lots. Yet today, there is little to remind visitors of the \$ 1 billion in physical devastation.

Still, the pictures of fires, police battles, looting, and shootouts linger. "Images die hard," says Clyde Oden, chairman of WATTS Health Systems Inc. "We have got to bury the deficit-based attitudes we have been carrying and begin to take an asset-based approach to the way we project ourselves to others."

Other problems persist as well: Some ethnic conflicts still simmer, many of the buildings here are decrepit, gangs still ply the streets, and underfunded schools deter corporations who consider quality-of-life issues for employees.

"They are trying to do some much needed boosterism, but you've got to be careful with that," says Eric Mann, director of the Labor/Community Strategy Center. "There is so much emphasis on benefiting from this capitalist myth of uplift that there are no progressive voices calling for entitlements, rights, and benefits for those who will always remain poor."

Yet there seems to be a new attitude here. Indeed, it's harder to find the pessimists.

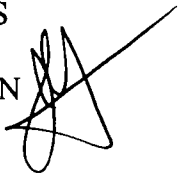
"It's a question of do you want to see the glass half empty or half full," says Earl Ofari Hutchinson, a black author and commentator. "If there is to be a sustained genuine renaissance in South Los Angeles, leaders and elected officials must first shed their grossly distorted biases and preconceptions."

July 2, 1999

MEMORANDUM FOR INTERESTED PARTIES

FROM: GOTTHEIMER AND GROSSMAN

SUBJECT: INNER-CITY POTENTIAL

A handwritten signature in black ink, consisting of a stylized 'A' with a long horizontal stroke extending to the right.

1. Currently, inner-city spending power stands at \$85 billion a year (this number does not include illicit income).
2. \$85B is 7 percent of total US retail spending.
3. More than 25 percent of the retail demand of inner cities is not being met.
4. The average retail demand per square mile in the inner city is two-times to six-times higher than the metro area as a whole.

[Source: Initiative for a Competitive Inner City]

See attached for more statistics.



INITIATIVE FOR A COMPETITIVE INNER CITY

Factoids

Overview

Programs

News

Contact

Employment

1. There are approximately 8 million households in America's inner city.
2. 54% of workforce growth over the next ten years will come from minority communities, which are heavily concentrated in cities and inner cities.
3. America's inner cities represent \$85 billion in retail spending per year, approximately 7% of U.S. retail spending.
4. Approximately 25% of inner-city retail demand is unmet by retailers in the inner city.
5. Average retail demand per inner-city square mile is 2-6 times greater than each metro area square mile.
6. Compared to the average U.S. household, inner-city African American households annually spend more in absolute dollars on apparel - 20% more on women's apparel, nearly 75% more on men's, and twice as much on children's.
7. In 1996, the Federal Government spent approximately \$16 billion on programs that affect urban business development, roughly \$9 billion of which affected inner cities.
8. New York's inner-city grocery stores outperform the regional average by 39%.
9. Business-to business service companies in inner-city Oakland are growing faster than their counterparts in the San Francisco commercial business district.
10. The urban core is home to 12,000 of the 60,000 companies located in the Kansas City metro area.
11. 80% of businesses surveyed in Kansas City's urban core reported that their workforce is "good" or "excellent". Two-thirds reported their turnover as "low".
12. Chicago's inner-city business base is estimated to include 15,000 businesses generating \$50 billion in annual revenue and 250,000 jobs.
13. Interviews with Chicago manufacturers formerly located in the inner city reveal that Chicago is losing many of its strongest industrial companies because it lacks sites for company expansion.
14. Boston's inner-city business base is estimated to include 4,000 businesses generating \$10 billion in local revenue and 100,000 jobs.
15. The inner city of Boston would require 67,000 jobs and approximately \$1 billion in additional income to attain income parity with the surrounding metropolitan area.
16. Baltimore's inner city contains approximately 10,000 businesses with average revenues of \$870,000.
17. The health care cluster accounts for approximately

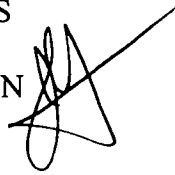
17. The health care cluster accounts for approximately 37,700 jobs in Boston's inner city.
18. Located in the inner city, Boston's Franklin Park Zoo has the opportunity to serve 1 million visitors annually and employ approximately 210 people.

July 2, 1999

MEMORANDUM FOR INTERESTED PARTIES

FROM: GOTTHEIMER AND GROSSMAN

SUBJECT: INNER-CITY POTENTIAL

A handwritten signature, likely of a member of the Gottheimer and Grossman firm, is written over the 'FROM' line.

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[Source: Initiative for a Competitive Inner City]

See attached for more statistics.



INITIATIVE FOR A COMPETITIVE INNER CITY

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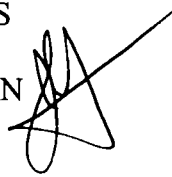
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Los Angeles Times

August 21, 1998, Friday, Home Edition

SECTION: Metro; Part B; Page 2; Metro Desk

LENGTH: 1884 words

HEADLINE: DOING ITS HOME WORK;
THE AGENCY OVERSEEING L.A. PUBLIC HOUSING SEEMS TO HAVE PUT ITS WORST DAYS
BEHIND IT, THOUGH AGING BUILDINGS AND DEMOGRAPHIC SHIFTS STILL POSE CHALLENGES.

BYLINE: LARRY GORDON, TIMES STAFF WRITER

BODY:

Surrounded by factories, train tracks and a fenced-off field contaminated with industrial wastes, the William Mead public housing development just east of Los Angeles' Chinatown may not be everybody's idea of home. But it is to Lucy Esquibel, who grew up there and lives there today with five children in a four-bedroom duplex facing a grassy play yard and communal laundry lines.

Sure, graffiti, gangbangers and pollution are still worries, and the heating and plumbing systems in the two- and three-story brick buildings are lousy. Yet new programs for youth recreation and adult job training have improved life for the 1,400 residents who, she stressed, appreciate the federally subsidized rents and strong sense of community.

"Any housing development is going to have problems. You are not going to satisfy everybody," said Esquibel, the tenant leader at the 415-unit complex that, like much of public housing in Los Angeles, was built in the 1940s and badly needs modernization. "But you've got to work with problems, not run or hide from them."

Her philosophy also could be the motto for the city Housing Authority, which administers William Mead and 19 other major public developments--with about 8,300 apartments and 26,000 residents--from the San Fernando Valley to the Harbor area.

Lawsuit Settled, Rebuilding Protested

The agency's problems include a recent \$ 1.3-million settlement of a federal lawsuit brought by Latino and African American tenants who alleged that they experienced racial threats and violence. The Aug. 7 agreement requires the authority to work toward easing ethnic tensions as the numbers of Latino residents rise in developments that used to be nearly all African American turf.

In addition, the authority faces uncertainties over its expensive and controversial plans to renovate or rebuild big swaths of its aging housing stock. Those plans involve complicated issues of tenant relocation.

Los Angeles Times August 21, 1998, Friday,

One such proposal received a boost this week with a \$ 20-million federal grant to help demolish and partly rebuild the 56-year-old Aliso Village on the Eastside, despite some residents' protests about leaving the 685-unit complex. A similar \$ 50-million construction project, designed to provide modern, more spacious facilities and reduce hiding spots for gangs, is well underway at the adjacent Pico Gardens and Aliso Extension and includes some townhouses that will be put up for sale.

Projects Have a Low Profile

Despite the lawsuit and the objections to its Aliso Village plans, the Housing Authority seems to be operating these days without the paralyzing furors that racked it during the 1950s and without the allegations of financial mismanagement that produced federal rebukes in the 1980s.

Stan Vosper, a Washington-based spokesman for the U.S. Department of Housing and Urban Development, which provides nearly all the funds for public housing, said Los Angeles' agency "is doing what it is supposed to be doing." In the past eight years, under Executive Director Donald Smith and his predecessor, Joseph Shuldiner, the authority has pulled itself out of previous management troubles, he added.

Compared to the situation in other big cities around the country, public housing has a low profile in Los Angeles, Smith and other experts note.

"That's probably because we have a very small, low inventory of public housing for a city of this size," said Smith, who has led the authority since 1994 and won credit for helping to form tenant-owned enterprises for construction and household moving.

Smith points back in time, to the furious political opposition in the 1950s that stopped major expansion here. In a 1952 election that reflected passions of the McCarthy era, voters rejected a plan to add 10,000 public housing units, including a proposed high-rise development in Chavez Ravine designed by the noted modernist architect Richard Neutra. Critics called public housing a symbol of "creeping socialism," while supporters saw it as a compassionate alternative to slums.

The next year, Mayor Fletcher Bowron lost his reelection bid mainly because of his support for public housing. A few years later, Chavez Ravine became home to a baseball team from Brooklyn.

Just three years ago, neighborhood opposition caused the agency to drop plans for scattered, modest-sized buildings in the San Fernando Valley and elsewhere. There was little hope of getting the permits, Smith recalled, even though the projects were designed to avoid the social segregation, crime and drab architecture of older public housing.

As a result of such opposition, Los Angeles, with the second largest municipal population in the nation, ranks 12th in the number of public housing units; the top three are New York City, with 160,000 units; Chicago, 40,000; and Philadelphia, 22,000.

On the other hand, Los Angeles has the second-largest number of low-income households subsidized by the federal Section 8 program, which is also

Los Angeles Times August 21, 1998, Friday,

administered here by the Housing Authority. The 42,000 local Section 8 families can rent private apartments and houses throughout the region, without next-door neighbors even knowing about their housing status.

Plus, even in the face of gang domination and leaky roofs, Los Angeles public housing, with its garden-apartment style, is considered a better place to live than the notorious high-rise projects of, say, Chicago.

Tensions Rise as Racial Makeup Shifts

The Los Angeles projects are 98% occupied, and there is a waiting list of about 20,000, officials said. Tenants generally pay a third of their incomes in rent, which averages \$ 190 a month citywide in the projects.

"L.A. doesn't have that same density as some of the high-rise communities. You just don't have those kinds of concentrations and problems in L.A.," said Sunia Zaterman, executive director of the Council of Large Public Housing Authorities, a Washington-based group.

However, Constance L. Rice, a Los Angeles attorney for public housing tenants in the recent lawsuit over racial tensions, stressed that the city faces big problems in easing the threats and violence suffered by blacks in Latino-dominated developments and by Latinos in primarily black projects.

Tenants' demographics are "in the middle of this huge turmoil and change, and the Housing Authority was not equipped to handle this transformation. But then, not many cities could," said Rice, who represented the NAACP Legal Defense and Educational Fund in the case. The Watts-Century Latino Organization and Watts Health Foundation were the main complainants for an estimated 300 residents.

The Housing Authority, while not conceding fault, agreed to pay \$ 1.3 million for possible restitution and to join a new blue-ribbon committee seeking improvements in race relations and security. Meanwhile, new lease rules approved last week are supposed to make it easier to evict troublemakers.

The demographic shifts citywide are aggravated in public housing "by the fact that you've got very low income people all put in densely populated situations," Smith said.

"Are the problems manageable? We think so. Are they solvable? To a certain extent, we think so. You can't solve all the problems, but we will bring a lot of resources to bear," he said.

Latinos now constitute about 70% of the city's public housing population, blacks 25%, Asians 4% and whites 1%. Although blacks remain in the majority in such South Los Angeles projects as Imperial Courts and Jordan Downs, their numbers are decreasing. The citywide tenant newspaper prints articles in English, Spanish, Cambodian and Vietnamese.

The racial case settlement did not trigger much discussion at City Hall. (The Housing Authority's seven-seat commission is appointed by the mayor but operates as a quasi-independent agency.) One reason is that 73% of the city's public housing is in just two council districts: the Eastside's 14th, represented by Richard Alatorre, and the 15th in the Harbor and Watts areas, represented by Rudy Svornich Jr.

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"I'm sure if you had one in every district, it would have a higher degree of attention than it does," said Daniel Cartagena, an aide to Svornich.

The 15th District, he said, includes an admirable public housing plan--the new Harbor Village, which is replacing the World War II-era Normont Terrace. Returning to a New Deal philosophy that public housing should not just be for the poorest of the poor on welfare, officials decided that about a third of Harbor Village would be condos and single-family houses for sale. Prices will range from \$ 90,000 to \$ 170,000. Officials report that the first phase of sales is going well.

Tenants Focus on Upgrades, Security

Yet Svornich's district also contains, Cartagena added, one of the agency's most troubled projects--Jordan Downs, where five members of a Latino family died in a 1991 arson fire set by drug dealers about whom they had complained.

The Housing Authority scored 94.23 out of 100 possible points last year in a HUD rating on such issues as vacancies, maintenance and finances. New York City and Oakland scored 99, Houston 95, Detroit 83, Boston 72, Chicago 62 and San Francisco 54. Officials say the Los Angeles grade shows major improvement from the "troubled" ranking it had at the decade's start.

"I think things have gotten better. The Housing Authority listens a little more to residents' needs. They pay a little more attention," said Maria Del Angel, an Eastside tenant activist recently named to the Housing Commission.

In interviews, tenants said their biggest concerns focus on modernization and security. Many units have just tubs, no showers, and the small kitchens are often inadequate for a big family, they say.

As for crime, residents say it depends on whether the housing development is the turf of one gang or is contested--and more dangerous--territory. Housing Authority police, who share jurisdiction with city police, report that serious crime at the projects has declined about 25% over the past four years, mirroring regional statistics. However, at the most troubled developments, the crime rates remain about 20% higher than in surrounding neighborhoods.

Still, if her neighbors had to find privately owned apartments, Esquibel says, they probably would wind up in worse housing conditions amid worse crime. And they would probably pay higher rents and not have easy access to the social programs, computer lab and health clinic offered at William Mead.

So Esquibel, a single mother and former gang member who works as a classroom aide in a nearby school, hopes that the fenced-off playing fields at the housing development will be cleaned of the industrial wastes and that the small rooms in her apartment will be renovated to include a shower and better ventilation.

"This is where I'm at," she said, "And this is where I want it fixed."

(BEGIN TEXT OF INFOBOX / INFOGRAPHIC)

L.A.'s Biggest Projects

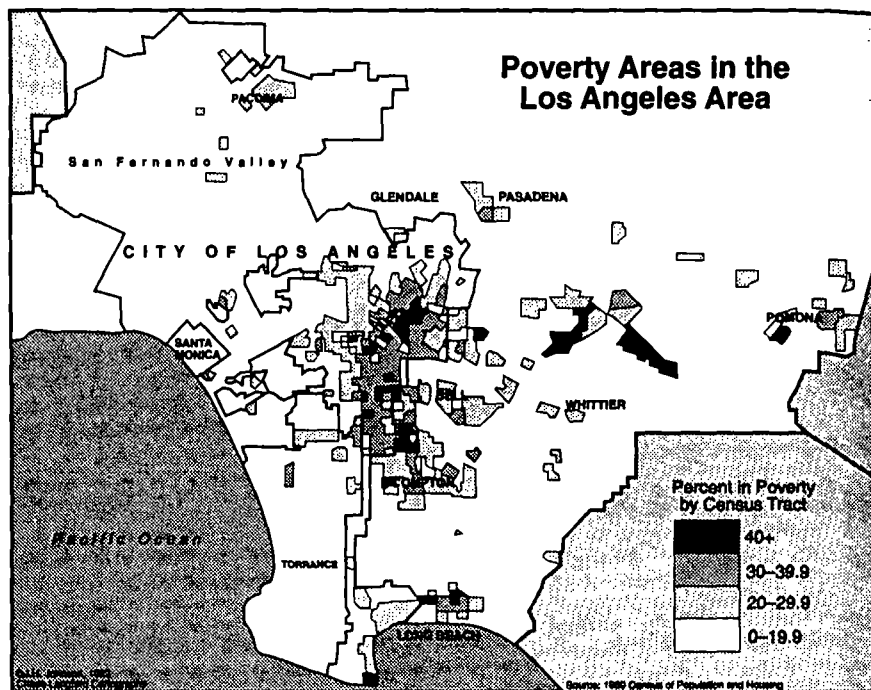
The 12 largest public housing developments in the city of Los Angeles range in size from 284 units at Rancho San Pedro to 1,057 at Nickerson Gardens. The Pico Gardens-Aliso Extension complex on the Eastside is being demolished and rebuilt; nearby Aliso Village is scheduled for similar work.

Source: City of Los Angeles Housing Authority

GRAPHIC: GRAPHIC-MAP: L.A.'s Biggest Projects, REBECCA PERRY / Los Angeles Times
PHOTO: Melva Atayde distributes fliers about medical services at San Fernando Gardens. PHOTOGRAPHER: RICARDO De ARATANHA / Los Angeles Times PHOTO: LAPD Sgt. Ted Maillet gets a high five from a boy at Imperial Courts. PHOTOGRAPHER: GARY FRIEDMAN / Los Angeles Times PHOTO: William Mead tenant leader Lucy Esquibel talks with daughter Elena and other children. PHOTOGRAPHER: PERRY C. RIDDLE / Los Angeles Times PHOTO: Barricades at Jordan Downs were erected in April to deter drive-by shootings PHOTOGRAPHER: PERRY C. RIDDLE / Los Angeles Times PHOTO: Two young residents of Mar Vista share a laugh. PHOTOGRAPHER: GENARO MOLINA / Los Angeles Times

LANGUAGE: English

LOAD-DATE: August 21, 1998



SOURCE: Data from U.S. Bureau of the Census, *1980 Census of Population and Housing, Census Tracts* (Washington, DC: U.S. Department of Commerce, 1981).

Figure 9.4 Poverty Areas in Los Angeles Area

net in minority communities. Perhaps most devastating for the South Central Los Angeles area has been the defunding of community-based organizations (CBOs). Historically, CBOs were part of that collectivity of social resources in the urban environment which encouraged the inner-city disadvantaged, especially disadvantaged youth, to pursue mainstream avenues of social and economic mobility and discouraged dysfunctional or antisocial behavior. In academic lingo, CBOs were effective "mediating" institutions in the inner city.²¹

During the last decade or so, however, CBOs have become less effective as mediating institutions. The reason for this is that the federal support they received was substantially reduced. In 1980, when Mr. Reagan took office, CBOs received an estimated 48% of their funding from the federal government.²² As part of the Reagan Administration's dismantling of the social safety net, many CBOs were forced to reduce substantially programs that benefited the most disadvantaged in the community. Inner-city youth have been most adversely affected by this defunding of community-based initiatives and other safety-net programs.

It should be noted, moreover, that the dismantled social safety net has been replaced with a criminal dragnet. That is, rather than allocate support for social programs that discourage or prevent disadvantaged youth from engaging in dys-

functional behavior, over the past decade the city has pursued a policy of resolving the problem through the justice system.

Given this shift in policy orientation, it is not surprising that 25% of prime-working-age young blacks are in jail, on probation, or otherwise under the supervision of the justice system. Although reliable statistics are hard to come by, it is estimated that at least 25% of the young black males in Los Angeles have a criminal record. What are the consequences of this? Incarceration breeds the scarlet letter of unemployability.

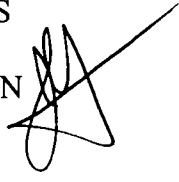
Educational initiatives enacted during the past decade were designed to address the so-called "achievement gap" in the third policy domain. There is some evidence which shows that such policies have had some effect, and the increasing reliance on special education classes and are more likely to be subjected to extreme disciplinary sanctions.

The effects of these policies in the South Central Los Angeles Unified School District (LAUSD) are evident in the data on high school dropouts. In 1988, the dropout rate for high schools in South Central Los Angeles was 63%, higher, between 63% and 79% (figure 6). The dropout problem is not limited to the South Central Los Angeles dropouts, as compiled by LAUSD, approximately 63% of the dropouts in South Central Los Angeles dropped out of school (figure 6).

Twenty years ago it was possible for a young man to find a well-paying job in heavy manufacturing. Today, however, those types of jobs are scarce, as we noted previously. Juxtaposing the economic conditions and the discriminatory aspects of education, a substantial pool of inner-city males is created. These individuals are, in effect, idle. They are a population which is most likely to be involved in crime, to participate in a range of other criminal activities, and it is this population of idle, minority

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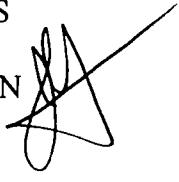
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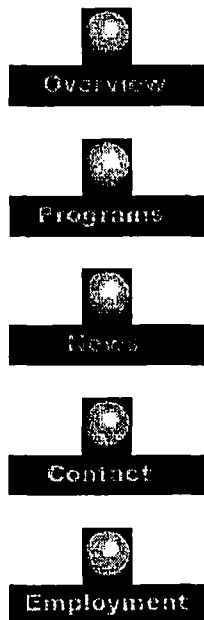
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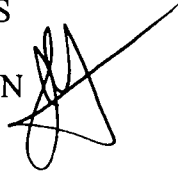
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10. The urban core is home to 12,000 of the 60,000 companies located in the Kansas City metro area.
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15. The inner city of Boston would require 67,000 jobs and approximately \$1 billion in additional income to attain income parity with the surrounding metropolitan area.
16. Baltimore's inner city contains approximately 10,000 businesses with average revenues of \$870,000.
17. The health care cluster accounts for approximately

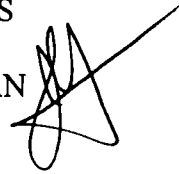
17. The health care cluster accounts for approximately 37,700 jobs in Boston's inner city.
18. Located in the inner city, Boston's Franklin Park Zoo has the opportunity to serve 1 million visitors annually and employ approximately 210 people.

July 2, 1999

MEMORANDUM FOR INTERESTED PARTIES

FROM: GOTTHEIMER AND GROSSMAN

SUBJECT: INNER-CITY POTENTIAL

A handwritten signature in black ink, appearing to be 'AG', is written over the 'FROM' and 'SUBJECT' lines of the memorandum header.

1. Currently, inner-city spending power stands at \$85 billion a year (this number does not include illicit income).
2. \$85B is 7 percent of total US retail spending.
3. More than 25 percent of the retail demand of inner cities is not being met.
4. The average retail demand per square mile in the inner city is two-times to six-times higher than the metro area as a whole.

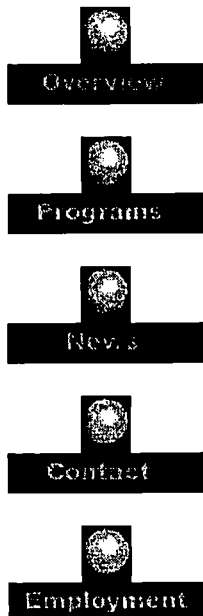
[Source: Initiative for a Competitive Inner City]

See attached for more statistics.



INITIATIVE FOR A COMPETITIVE INNER CITY

Factoids



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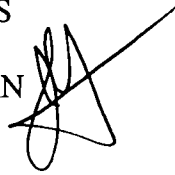
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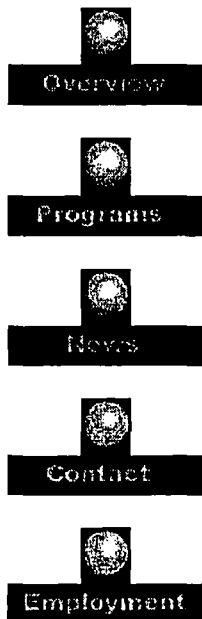
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