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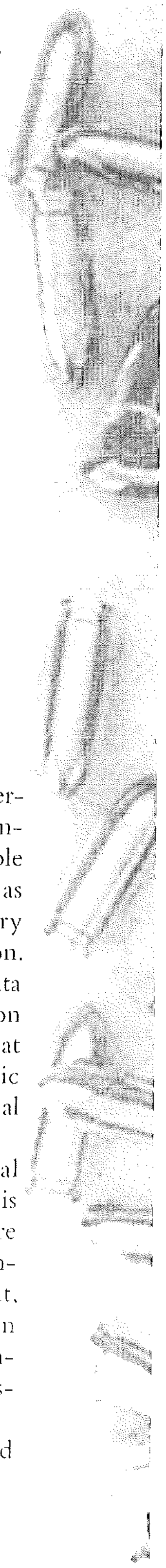
RACE, ETHNICITY, SOCIAL STRUCTURE, AND CRIME



LEARNING OBJECTIVES

The objectives of this chapter are to examine the broader structure of American society with respect to race and ethnicity and to analyze the relationship between social structure and crime. As we learned in Chapter 2, people of color are disproportionately involved in the criminal justice system, as crime victims, offenders, persons arrested, and persons in prison. In very general terms, there are two possible explanations for this overrepresentation. The first is discrimination in the criminal justice system. We explore the data related to this issue in Chapters 4 through 10. The other possible explanation is the American social structure, which involves patterns of inequality that are criminogenic. In this chapter, we will discuss the social and economic inequalities in American society and their relationship to crime and criminal justice.

We should first define what we mean by social structure. Social structure is "a general term for any collective social circumstance that is unalterable and given for the individual." The analysis of social structure reveals *patterned relationships between groups of people* that form the basic contours of society. The patterned relationships are related to employment, income, residence, education, religion, gender, and race and ethnicity. In combination, these factors explain a person's circumstances in life, relationships with other groups, attitudes and behavior on most issues, and prospects for the future.

This chapter explores the very complex relationship among social and economic inequality, race and ethnicity, and participation in crime.

After you have read this chapter:

1. You will be able to knowledgeably discuss inequalities in income and wealth with respect to race and ethnicity.
2. You will better understand the nature and extent of inequality in American society with respect to racial and ethnic minorities.
3. You will be able to explain whether the social and economic gap between whites and people of color is narrowing or growing.
4. You will understand how inherited wealth perpetuates inequality in terms of opportunities for employment and education.
5. You will understand what we know about the relationship between social and economic inequality and crime, and how the leading theories of crime help explain that relationship.
6. You will be knowledgeable about the impact of social and political reform efforts designed to reduce inequality, including the civil rights movement and different antipoverty efforts.

A SNAPSHOT OF COMING HOME FROM PRISON: SOCIAL INEQUALITY AND CRIMINAL JUSTICE

What happens when a young man comes home from prison? Where does he live that first night? What kind of resources does he have? What happens in the first weeks and months? Does he go right back to involvement in crime? Where does he stand at the end of a year?

The following is a snapshot of one hypothetical young African-American male who just returned home to Cleveland, Ohio, after a term in the state penitentiary. It is adapted from a report by the Urban Institute on people reentering society from prison in Cleveland, Chicago, and other cities. The report is one of many published by the Urban Institute on the subject of reentry.

Let's call our hypothetical person Fred Jones, a 26-year-old African American from Cleveland who just returned home after two years and two months in prison. Fred spends his first night with a family member or members. Upon release, he has no money, and in fact has some sizeable child support debts. He will tell people that over the next year support from family members will be the most important factor in helping him stay out of prison, far more important even than having a job. But some of Fred's friends have a different family situation. Some of their family members are involved in crime, and this will affect their chances for successful reentry.

After a year back in society, Fred will be among the more than half of his fellow returnees who still do not have a full-time legal job. When he left prison, he did not have either a valid driver's license or a Social Security card, as is the case with many offenders reentering society. Getting these basic forms of identification, moreover, is a challenge. Fred has no car, and public transportation to the department of motor vehicles is weak. So he has to rely again on family or friends to get there.

Instead of a full-time job, Fred will be among the one third of the people leaving prison who support themselves with "off the books" or "under the table" work. That kind of work provides some income, but it is typically part-time, irregular work, with no benefits such as health insurance and no real prospects for advancement. And Fred's job prospects were not so good to begin with. Along with 55 percent of the other returnees, he has only a high school diploma (and was never a star pupil), and like 42 percent of the group, he had never worked 40 hours a week before going to prison.

One of Fred's major problems is his health. Along with 59 percent of his peers, he has some kind of physical illness, and he is among the 30 percent who suffer from depression. And like almost 30 percent of his peers, he has a history of drug usage.

Along with about two-thirds of his peers, Fred reports that his parole officer has been helpful with him making the transition from prison over the first-year home. But like 30 percent of the group, after one year out he reports that he has committed another crime, with half involving drug possession. After only one year out, 15 percent of his peers were back in prison.

Fred's situation and experience in his first-year home from prison highlight the impact of social and economic factors on his life and his future. Cleveland is a city where the old economy of blue-collar jobs has been hit very hard. Fred arrives home with little education and work experience and is initially very dependent on family members (who themselves are struggling to get by), living in an environment with few job opportunities, debts, and poor health, especially his mental health, and the immediate presence of family, friends, or residents in the neighborhood who are involved in crime.

In short, people like Fred who leave prison on parole face many challenges regarding simple day-to-day living, such as finding a place to live and getting a job. Meanwhile, no matter how determined he is to establishing a productive law-abiding life, he has family members, friends, and people in the neighborhood who invite him back into a life of crime. All poor people face the same challenges; the ex-offender just has some additional burdens. And as we shall learn in this chapter, African Americans, Hispanics, and Native Americans disproportionately face these challenges.

SOURCE: Adapted from Christy A. Visher and Shannon M. E. Courtney, *One Year Out: Experiences of Prisoners Returning to Cleveland* (Washington, DC: Urban Institute, 2007).

INEQUALITY AND CRIME

It's Not Just the Criminal Justice System

If we are serious about both understanding racial and ethnic disparities with respect to crime in America, we need to look beyond the criminal justice system. Marc Maurer, director of The Sentencing Project, lists four factors that contribute to racial and ethnic disparities in crime rates. He cites "disproportionate crime rates," "disparities in criminal justice processing," "the overlap of race and class effects," and the "impact of 'race neutral' policies."[1] This chapter focuses on the second on those factors, the deeply embedded social and economic inequalities in American society.

Something as simple as owning a telephone, to take just one example, can affect the quality of justice a person receives. Maurer explains that before trial a person who has a cell phone or even a home-based landline can allow the court to stay in touch with him and thereby increase the chances of pretrial release. The poor person who cannot afford any kind of phone is more likely to both be unable to afford bail in the first place and then be less likely to be released before trial. As we will learn in Chapter 5, remaining in jail before trial increases the chances of being convicted and then being sentenced to prison. A criminal conviction has enormous consequences, especially on a person's ability to get a job.

In short, from small things, such as having a phone, large adverse consequences can grow.

Inequality in America: Long-Term Trends and the Recession

Economic and social inequality is directly related to crime. Social and economic inequality explains a great deal about who commits crime, who are the victims of crime, who is arrested and prosecuted, and who goes to prison. Does inequality *cause* crime? No. All poor people do not commit crime, and poverty does not make someone become a criminal. But poverty *correlates* with crime. Poverty involves circumstances that contribute to criminal behavior.

The United States has had long-standing patterns of social and economic inequality by race and ethnicity. African Americans, Hispanics, and Native Americans are much worse off by every measure than non-Hispanic whites and Asian Americans. In this chapter, we will explain how those factors directly affect crime and criminal justice and account for much of the much-publicized disparities in the prison population.

Two Societies?

Almost 50 years ago, the Kerner Commission, which was appointed to study the riots of the 1960s, warned that "our Nation is moving toward two societies, one black, one white—separate and unequal."[2] Twenty-four years later, political scientist Andrew Hacker published a book on American race relations titled *Two Nations: Black and White, Separate, Hostile, Unequal*.[3] Hacker's subtitle indicates that the Kerner Commission's dire warning has come true: instead of moving toward greater equality and opportunity, since the 1960s we have moved backward.

Economic inequality has steadily worsened. The gap between the very rich and ordinary Americans has grown tremendously. By 2015, the richest 1 percent of Americans controlled half of all the wealth in the country; the richest 10 percent controlled 88 percent; and the bottom 50 percent of Americans controlled only 1 percent of all the wealth. As we will discuss later, wealth includes income, savings, property, and all other tangible assets. The economic well-being of both middle-class and poor Americans has declined since the 1970s.[4]

Second, the recession that struck in 2008 accentuated the long-term trends. Unemployment rose significantly in 2008–2009 but has fallen steadily since then (although not as fast as most economists and political leaders want). Job opportunities, however, have grown in relatively lower paid service industries, while better paying blue-collar industrial jobs have fallen. These trends have hit African Americans and Hispanics particularly hard. The unemployment rate for African American in 2015 was twice the rate for non-Hispanic whites (8.8 percent vs. 4.3 percent) and 37 percent higher for Hispanics (5.9 percent vs. 4.3 percent).[5]

ECONOMIC INEQUALITY

There are three important patterns of economic inequality in America: (1) the large gap between rich and poor, without regard to race or ethnicity; (2) the large economic gap between white Americans and communities of color, particularly African Americans and Hispanics; and (3) the growth of the very poor—a group some analysts call an underclass—in the past 40 years. (We discuss the concept of an underclass later on pp. 127.)

The standard measures of economic inequality are *income, wealth, unemployment*, and *poverty status*. We will discuss all four in detail. There is also increased social science interest in the concept of *well-being*, which includes the quality of a person's family life, the social and physical environment, and personal safety.[6]

Income

Median family income is a standard measure of economic status. It measures how much money a family earned during one year. U.S. Census Bureau data reveal wide gaps between racial and ethnic groups. In 2014, the median household income for all American households was $53,657. But as with all economic indicators, strong racial and ethnic disparities exist. Asian-American household had the highest median family income at $74,297, followed by non-Hispanic whites at $60,256, Hispanic households at $42,491, and African-American households at $35,398.[7] Historical trends put these figures in perspective. African Americans made significant progress relative to whites in the 1950s and 1960s, when the American economy was growing, but since then, according to the National Research Council, "the economic status of blacks relative to whites has, on average, stagnated or deteriorated."[8]

The median household income figures mask two important issues. First, as we will discuss shortly, there is a very large and growing gap between the very rich and the rest of Americans. Second, there are significant differences in median income *within* racial and ethnic groups. One of the most significant developments over the past 40 years has been the growth of an African-American middle class that is doing much better than its lower-income counterparts.[9] A similar class difference exists within the Hispanic community. These cleavages are the result of two factors. First, the civil rights movement opened the door to employment

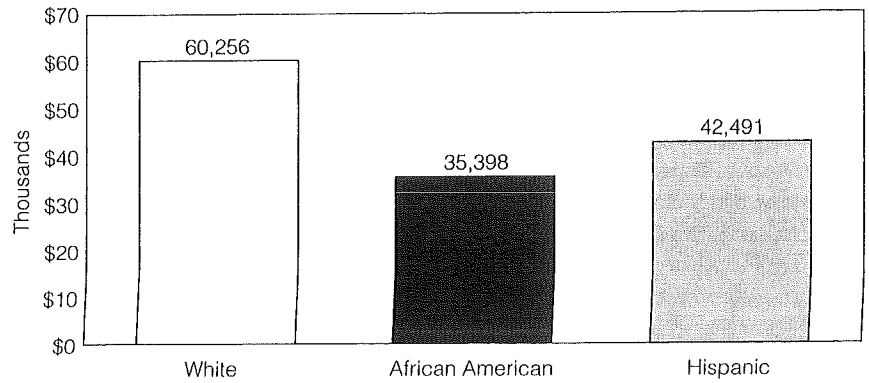


FIGURE 3.1 Median Household Income, by Race and Ethnicity, 2014

SOURCE: U.S. Census Bureau, Income and Poverty in the United States: 2014 (Washington, DC: Department of Commerce, 2015). https://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-252.pdf\.

for African Americans and Hispanics in careers from which they previously had been excluded: white-collar, service, and professional-level jobs. Second, the end of blatant housing discrimination has allowed middle-class African Americans and Hispanics to move out of segregated neighborhoods. This process, however, has resulted in a *concentration of disadvantage* in the older neighborhoods, with, as we will explain shortly, a resulting concentration of factors that are criminogenic. The concentration of disadvantage, for example, means that a teenager is surrounded by a concentration of bad peer influences: other kids who are involved in drugs, guns, gangs, and crime.

Among both African Americans and Hispanics, then, there is a greater gap between the middle class and the poorest than at any other time in our history. Later, we will see how changes in housing patterns among people of color have resulted in a greater concentration of disadvantage in certain areas. This has a direct impact on crime in poor neighborhoods.

Wealth

Annual income is only part of a person's or a family's economic status. Wealth includes all the assets you own: your home (or homes, for some people); your cars; other property (the rent you earn from a rental property is counted as income, but the value of the property itself is counted as wealth); your savings, including stocks and bonds; and so forth.

At the basic level, the family that owns a house, for example, has far more wealth than the family that rents an apartment or house. The person or family that has a large stock portfolio has far more wealth than people with no savings at all.

The relative wealth of different groups of Americans has been changing significantly in recent years. Three trends stand out. The wealth of the very richest

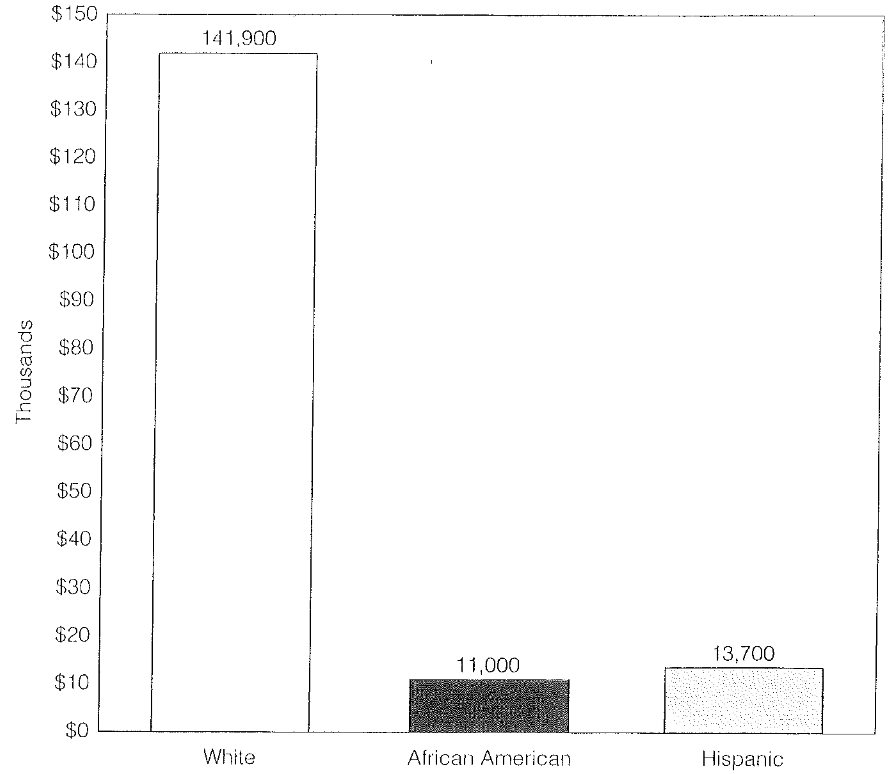


FIGURE 3.2 Median Family Wealth, by Race and Ethnicity, 2013

Americans has soared; the wealth of middle-income Americans has stagnated and even begun to decline; and the wealth of the poorest has actually declined. Between 2000 and 2011, which includes the years of the great recession (2008–2009), the average net worth of all American households declined by 6.8 percent (or a total of $5,046). But different racial and ethnic and income-level groups had very different experiences.[10]

Non-Hispanic whites experienced an increase of 3.5 percent in that period, but only those households in the top 60 percent enjoyed that increase. African-American households saw their net worth decrease by a substantial 37.2 percent between 2000 and 2011. Most of that was experienced by the poorest 40 percent of African-American households. The upper 40 percent (the African-American middle class) experienced an increase in net worth of 5.4 percent. The overall net worth of Hispanic Americans, meanwhile, decreased by 42.1 percent, a greater decline than for African Americans. Most of that loss was among the bottom 60 percent of households; the top 40 percent enjoyed gains of 17.9 percent.[11]

Several points need to be emphasized. First, the gap between whites and both African-Americans and Hispanic households increased in the decade of the 2000s.

Non-Hispanic white households had 17.5 times the net worth as African Americans in 2011, compared with 10.6 times in 2000. And non-Hispanic whites had 14.4 times the net worth as Hispanics in 2011, compared with 8.1 in 2000.[12]

The reasons for the huge gap in net worth are easy to understand. Middle-class households are able to save each month; the poor struggle to get by day-to-day and week-to-week, and unable to put aside any savings. The middle-class family is able to buy a house, which counts as wealth, and typically increases in value. A family can use its savings to send its children to college, which gives that generation a head start in life over their less-fortunate peers. Students who graduate with no student loan debts, because their parents could pay for college, begin with an enormous advantage over those with large student loan depts. Middle-class people typically buy homes in neighborhoods where property values are rising. Lower-middle-class families, regardless of race, are often able to buy homes at neighborhoods where property values grow slowly and might even be stagnant. As a result, their wealth does not increase very much. Poor people, of course, cannot buy a house at all and as a result continually fall behind in terms of wealth.

The absolute decline in the wealth among the poorest Americans has dramatic implications for crime and criminal justice. As families grow poorer, they are less able to move to a better neighborhood, thereby exposing their children to the bad peer influences of high-crime neighborhoods (the concentration of poverty effect). As the National Crime Victimization Survey consistently finds, living in higher crime neighborhoods means they are more likely to be victims of both violent and property crimes.[13] And being the victim of a crime imposes dollar costs that the poor are the least able to cope with: medical car, loss of days from work, a car or television that needs to be replaced, and so on.

The 2008–2009 recession had a devastating effect on many families. The more important source of wealth for most Americans is the value of their home. In the pre-2008 housing boom, many people bought homes that were more expansive than they normally would have, because they expected the value to quickly increase. The crash, however, caused housing values to plummet, wiping out all of their home-related savings. Many people were forced into foreclosure, leaving them far worse off than ever.

Wealth plays an important role in *perpetuating* inequality. Savings can cushion a family against temporary hard times, such as loss of a job or an unexpected medical crisis. The construction worker or plumber who is without work for an extended period of time because of an economic slowdown may lose his or her home, and as a result slide down the economic scale. In the next section, we will discuss the impact of inheritance in transferring wealth from one generation to the next, and in the process perpetuating inequality.

The gap between whites and African Americans remains wide, despite the tremendous changes over the decades as a result of the civil rights movement and a series of both liberal and conservative economic policies designed to increase opportunity. The National Research Council found "persisting disparities between black and white Americans" over the course of several decades. Later in this chapter, we will examine the impact of the civil rights movement and other social and political changes on the problem of persistent inequality.

The "Family Thing": Emergency Assistance and Inheritance

Families (and sometimes friends) are important sources of support for people during times of financial emergencies. When the car breaks down or needs new brakes, or there is a family medical crisis, people turn to those closest to them. People whose relatives or friends have savings and can help out are better able to survive a temporary financial crisis. African-American families are actually more likely to receive financial support from family and friends: 15.9 percent of all African-American families, compared with 0.4 percent of Hispanic families, and 6.5 percent of white families. In part, this is because they have fewer personal resources (savings, for example) than whites. But African-American families receive the second lowest average amount of family help. Whites receive an average of $589, compared with $383 for nonimmigrant Hispanics, $278 for African Americans, and $208 for immigrant Hispanic families.[14]

Inheritance is sometimes called the "family thing," and it is extremely important in perpetuating disparities in wealth from one generation to the next. The media, however, present a very distorted picture of the reality of inheritance in America. It focuses on the very wealthy, and "rich kids" who inherit fortunes, or entire businesses, or trust funds. The reality for most Americans is very different.

In a powerful analysis of the gap between whites and African Americans, Thomas Shapiro argues that "inheritance is a frightful conveyor and transmitter of inequality." In a series of family interviews, he found that 25 percent of white families enjoyed an inheritance from parents or other family members, compared with only 5 percent of African-American families. And that is only part of the story. One study found that among those inheriting *anything*, whites averaged $144,652, whereas African-American families averaged only $41,985.[15] The Federal Reserve, meanwhile, estimates that the average white American family inherits only $20,000 from their parents, whereas the average African-American family inherits a mere $2,000.

Inheritances provide many advantages. An inheritance can help tide over a young person who is still trying to find a job and career. It helps to buy a house. Shapiro argues that almost half of all whites (46 percent) made the down payment on their houses with help from family or other sources in addition to their own savings. Only 12 percent of African Americans enjoyed that extra help.[16] A house in a middle-class neighborhood is more likely to increase in value than one in an economically marginal neighborhood—thereby increasing a family's wealth over time. Some inheritance can help with college expenses, either for the child or later for that person's children.

The Growing Gap between the Very Rich and the Rest of Americans

The gap between the very richest Americans and most Americans in terms of both annual income and total wealth has been growing dramatically over the past few decades. Many commentators today talk and write about a *crisis of inequality*, particularly with regard to the gap between the richest 1 percent and the rest of Americans.

TABLE 3.1 Wealth Inequality in the United States, 2014

Percentage of the Population	Percentage of All Wealth
Top 1%	43%
To 2–4%	29%
Remaining 85%	28%

SOURCE: Nicholas Kristoff, "An Idiots Guide to Inequality," *New York Times*, July 22, 2014.

The most dramatic change in inequality in the past few decades is that the very rich own an increasing share of all wealth. It is now estimated that the richest 1 percent of Americans own half of all the wealth in the country, while the bottom 50 percent of Americans control only 1 percent of all wealth. By 2016, the United States is the least equal of all industrialized countries. The middle class control only 19.6 percent of all wealth, compared with 39.9 percent for middle-class Germans and 49 percent for middle-class Japanese.[17]

The problem with the gap between the richest 1 percent and the rest of Americans is not necessarily that the 1 percent has too much, but that ordinary Americans do not have enough to get by, be able to handle financial emergencies, educate their children as well as they might, and be able to move up in the world.

Unemployment

The unemployment rate is another standard measure of economic well-being. The rate fluctuates month-to-month and year-to-year with the health of the national economy. Whatever the national rate, for decades there has been a racial and ethnic gap in unemployment. In January 2016, the official national unemployment rate was 4.9 percent. For whites the rate was 4.3 percent, compared with 3.7 percent for Asian Americans, 5.9 percent for Hispanics, and 8.8 percent for African Americans. Historically, going back into the 1950s, the African-American unemployment rate has consistently about twice the white's unemployment rate, during times of prosperity and times of recession.[18]

The unemployment situation for African-American teenagers (16–19 years old) is particularly acute. For both boys and girls, the unemployment rate in January 2016 was 25.2 percent, compared with 14.4 percent for whites and 18 percent for Hispanics.[19]

The high unemployment rates for all racial and ethnic groups is a matter of great concern, as criminologists consistently find that unemployment correlates with involvement in delinquent behavior, gang activity, and participation in more serious crime, and the likelihood of adult criminal careers. Involvement in crime peaks during the teenage years. Arrests peaked at age 18 for both burglary and robbery in 2014.[20] Providing meaningful employment opportunities in those years would have a direct impact on overall crime rates. The concentration of high rates of teenage unemployment in low-income neighborhoods, moreover, creates a critical mass of peer influences that help to introduce young people into criminal activity.

The official data on unemployment do not tell the whole story, however. The official unemployment rate counts only those people who are *actively seeking employment*. This problem is similar to the official FBI UCR data on the crime rate, which only counts crimes that are reported to police. The official unemployment rate does not count three important groups: (1) *discouraged workers* who have given up and are not looking for work; (2) *part-time employees* who want (and probably need) full-time jobs but cannot find them; and (3) workers in the "underground economy," who are paid in cash to avoid paying taxes and Social Security withholding. During a recession, when job opportunities are scarce, it is even more likely that people will not bother to look for work. Many economists believe that people of color are disproportionately represented among those not counted by the official unemployment rate.[21]

The unemployment situation with regard to Native Americans is possibly the bleakest of any group. A 2013 report found 15 Native American tribes where the unemployment rate was over 80 percent. The Rosebud Sioux Tribe, with a total population of 26,237 tribal members, had 14,428 members available for work, with 11,909 unemployed, for an unemployment rate of 83 percent.[22]

Later in this chapter, we discuss the major theories of crime as they relate to race and ethnicity. For virtually every theory, the teenage unemployment rate is particularly relevant in terms of the likelihood of participation in crime. The peak years of criminal activity for Index crimes occur when people are between the ages of 14 and 24. Arrests peak at age 18 for violent crimes and at age 16 for property crimes. The persistently higher rates of unemployment for African-American and Hispanic teenagers help explain their higher rates of criminal activity compared with those of whites.

For all people, one important consequence of unemployment is that losing your job can affect your health. Being laid off from your job imposes new stress: the shock of being laid off, the loss of self-esteem and social status, and the worry about finding another job. Families need to spend down their savings and as a result be less able to cope with the next experience of unemployment. The sudden decline in income may cause the family to relocate to a less-expensive neighborhood, disrupting family and social relations. If the family has to relocate to a poor, high-crime neighborhood, the children will be exposed to crime-involved peers.[23]

TABLE 3.2 Unemployment Rate, by Race and Ethnicity, July 2016

4.3%	8.4%	5.4%	3.8%
White	African American	Hispanic	Asian

Box 3.1 The Low-Income Trap: Payday Loans

Some low-income people facing an unexpected financial squeeze turn to so-called payday loans. Every year, about 12 million Americans take out these loans, where they borrow against an expected paycheck. They do it to pay for the cost of car repair, an unexpected medical expense, or to pay the rent or phone bill, and so on. The fees for payday loans (which can be considered interest rates) are exorbitant and often trap the borrowers into continuing loans as they borrow to pay off the previous loan. A Pew Research Center study found that the average payday loan borrower takes out eight loans of $375 per year, with an average fee of $55 each. Thus, borrowers are paying almost $500 in fees for loans totaling $3000. In some states, where state regulations on lending are weak, the fees average $100 on a $375 loan.[24]

Middle-income people with savings for emergency, or with family members who can help out, do not have to turn to payday loans, and consequently do not either pay the very high fees or run the risk of a cycle of loans. Social and economic factors explain the likelihood of taking this option. The odds of turning to payday loans are 57 percent higher for renters than homeowners, 103 percent higher for people who are separated or divorced compared with people who are married, and 105 percent higher for African Americans compared with whites or Hispanics.

In short, payday loans provide quick relief for low-income people when a financial emergency arises. But they involve high "fees" that are in effect interest rates that serve to trap them into still more difficult economic situations.

Poverty Status

The economic status of racial and ethnic groups is also measured by the percentage of families in poverty. The federal government first developed an official definition of poverty in 1964 that was designed to reflect the minimum amount of income needed for an adequate standard of living. In 2014 the official poverty threshold was $24,230 for a family of four. That year, 14.8 percent of all Americans (46.6 million people) were below the poverty line, up from 12.5 percent in 2004. A strong racial and ethnic gap exists here as with other economic indicators. Among non-Hispanic whites, 10.1 percent were below the poverty line, compared with 12 percent of Asian-American, 23.6 percent of Hispanics, and 26.2 percent of African Americans.[25]

Insurance Coverage

Another important measure of well-being is insurance coverage. The 2010 Affordable Care Act (generally referred to as Obamacare) significantly expanded health care coverage. In 2014, 33 million Americans (10.4 percent of the population) had no health insurance. That represented a significant decline from 41 million uninsured (13.3 percent of the population) in 2013. Significant racial and ethnic variations in health insurance coverage remained in 2014, however. While 9.7 percent of non-Hispanic whites were uninsured, 19.9 percent of African-Americans and 24.4 percent of Hispanics were uninsured.[26]