

6. *Narrowing the Gap?*

How well are blacks, Latinos, and Asian groups in Southern California doing compared with whites? Or, more precisely, how much has the differential or gap in socioeconomic status between whites and minority groups been narrowed over the past three decades?

In this chapter we chart the relative progress of different race and ethnic groups in the four main components of socioeconomic status—educational attainment, occupation, income, and home-ownership. Because higher levels of education presumably lead to better occupations, which then make it possible to earn more money, income is probably the most important component of social class. Closely related are the wealth and security represented by owning one's home.

Most research on these matters has been at the national level. In such studies, regional variations in ethnic composition and metropolitan economic differences may be significant influences but are often not controlled. In contrast, our focus on only Southern California means that the results of this chapter are more directly interpretable.

The Remembered Past

The year 1960 is a good baseline from which to measure change in Southern California. It represents the way things used to be in the post-World War II years. It makes a good comparison with 1990 because important demographic, social, and economic changes occurred during the intervening years.

The 1940s and 1950s. Southern California in 1960 had been enjoying the fruits of an economic expansion that began

with the growth of defense industries in World War II and the influx of hundreds of thousands seeking such work. After the war men and women who had fought overseas wanted a return to steadier times, and many veterans chose to settle here after having glimpsed California during the war. The war's end unleashed a pent-up desire for goods and services that had not been available since the Great Depression. The seemingly insatiable demand for appliances, automobiles, and homes spurred consumer spending into the 1960s. Despite two recessions, the period from 1941 to the late 1960s was a time of widespread prosperity in Southern California, stimulated in no small way by the continued flow of federal dollars into local defense industries.

Not surprisingly, those were optimistic years. Most Southern Californians saw the region as promising a better life for both themselves and society. For many people life seemed very good indeed. Ozzie and Harriet seemed to personify the American family, Hollywood Boulevard meant movies and glamour, and life in the suburbs of Southern California was a dream being fulfilled.

If this golden era in Southern California is viewed from a different perspective, the domination of the region by English-speaking whites was almost complete in 1960. White proportions in Southern California had been greater in earlier decades, but in 1960 non-Hispanic whites still represented 82 percent of the population. All major decisions affecting life in the region were being made by white men. Most whites knew or cared little about the lives and troubles of blacks, Mexican Americans, and Asian Americans in their midst. The police often seemed to be protecting whites and their more powerful institutions, rather than the whole community. Discrimination in employment and housing

was normal practice. Black–white segregation in Los Angeles was the second highest of all large American metropolitan areas.¹ Immigration from other countries was also small during those years, and more than 80 percent of the people of Mexican origin in Southern California had been born in the United States.

Social changes since 1960. In subsequent decades the United States witnessed such profound changes that 1960 represents a watershed. Change was ushered in by the election of President John Kennedy, whose wider vision of American society and this country’s potential gave new hope to the poor and minorities. During the 1960s, however, the dreams of Southern California’s whites were becoming tarnished. The assassination of President Kennedy in 1963 was followed in successive years by the Berkeley Free Speech Movement, the Watts rebellion, the rising clamor over the Vietnam War, and racial tensions over busing.

At the same time, whites came to acknowledge the fact of racism, and some of them worked to broaden the scope of who would be included in the mainstream of society. The Civil Rights Movement gathered support among whites, especially Jews, and became politically effective. Most whites became aware for the first time of the Mexican American population as a result of television coverage of the marches and struggles of César Chávez and the United Farm Workers. Over the following decades antidiscrimination laws were enacted, courts upheld the rights of minorities, and programs like affirmative action were created to overcome injustices rooted in the past. By the early 1970s it appeared that the social and geographical separation of black and white America was beginning to diminish. The Watts riot of 1965 was becoming, in the minds of most whites, a vestige of the racism of another era.

The late 1960s saw the beginnings of two additional developments that came to change much of the face of Southern California. The first was the ethnic transformation of the region’s population, already explained in chapter 2. The second was a polarization of the job market that reduced the opportunities for high-school graduates but opened up new positions requiring either advanced education or very little in the way of education or skills.

Economic changes since 1960. In the late 1960s almost imperceptible changes in the work situations began to occur.² Opportunities for highly trained workers increased, while less-educated people experienced a decline in the income their labor could bring. Layoffs and later closings of all the large steel, aluminum, automobile, and tire factories in Southern California forced thousands of industrial workers into early retirement, unemployment, or lower-paying and typically nonunion jobs. At the same time, high-paying jobs opened up in sectors like aerospace, entertainment, and upper-level management, while low-wage jobs expanded in services and in those industries that competed on the basis of cheap labor. Clearly, employment opportunities were becoming more polarized in Southern California. However, the impact of this trend on the various racial and ethnic groups was unknown.

Both the demographic and economic shifts that characterized Southern California were ultimately the result of increasing economic interconnections between countries and the greater population growth in poorer parts of the world. The immigration of many educated and technically trained people; the production of automobiles, shirts, and camcorders by poorly paid workers in other parts of the world; and illegal immigration are all symptomatic of a global restructuring.

Between 1960 and 1990 the economy and population of Southern California continued to expand, but the pace was slower than it had been in earlier decades, especially in the older, more central areas. The overall growth—accompanied by the election of minority political candidates, an apparent nationwide reduction in racial prejudice, and the appearance of improved minority access to education and employment—has made it easy to believe that the differentials in education, occupation, and economic resources between whites and minorities have narrowed significantly since 1960. We now examine to what extent this has been the case.

Data and Methods

In this chapter and much of the next we look at only Los Angeles and Orange Counties. We had to restrict our analysis to these two counties because of limitations of the 1960 census tabu-

lations. In this way we held the geographical area constant for appropriate 1960 and 1990 comparisons.³ All tables and graphs in this chapter are based on the populations of Los Angeles and Orange Counties only.

People born in Mexico are distinguished from those of Mexican origin born in the United States. There are two reasons for this. First, immigrants from Mexico have had low socioeconomic status, but their adult children and grandchildren have raised their status—a demonstration of the process of assimilation over generations.⁴ Secondly, the proportion of immigrants (that is, Mexican-born) among the people of Mexican origin has increased a great deal since 1960, from one-fifth to almost two-thirds. The status of the entire Mexican-origin population (immigrants plus the U.S.-born) could be expected to decline because of this fact alone. Keeping the U.S.-born separate from the immigrants in comparisons over time eliminates this confounding factor. No comparable 1960 socioeconomic figures are available for Asian immigrants as opposed to U.S.-born Asians.

The use of ratios in tables. We used various percentages and medians to measure socioeconomic status. However, because our interest was in comparisons between minority groups and whites rather than in the absolute measures of status, we designed our tables to enhance the comparisons.

Most values shown in each table are ratios between the values of the status indicator for the minority group and for whites. Near the top of the tables are the actual percentages or medians for non-Hispanic whites. In this main portion of the table, the comparative value for whites is always 100, and all listed ratios for other groups represent a percentage of the white value. For any group, the actual income median or a percentage can be calculated simply by multiplying the figure for whites at the top of the table by the group's ratio shown in the main body (expressed as a decimal percentage).

Ratios measure the difference in status between whites and minorities. Thus, in the text the words “gap” and “differential” often appear. These refer to the difference between 100 and any particular ratio. Ratios close to 100 indicate small gaps with whites; lower ratios represent larger gaps.

The Educational-Attainment Gap

This analysis makes use of two appropriate and widely used educational-attainment indicators: the percentage of high-school graduates and the percentage of college graduates. In 1960, when people were much less educated, the former was probably the more important qualification for obtaining a good job. At that time more than half of non-Hispanic white men and women in Southern California were high-school graduates, yet fewer than 15 percent of white men and 8 percent of white women had graduated from a four-year college (Table 6.1). By 1990, however, so many more people were completing higher education that the percentage of graduates from four-year institutions had become a more significant measure of status.

In 1960 blacks and Hispanics were very unlikely to have graduated from college. Black men had graduated from high school at two-thirds the rate of white men, but their rate of college graduation showed a particularly wide gap with white men. The relatively high educational attainment of black women is evident in that fact that white women were half as likely as white men to be college graduates. However, black women had graduated from college at almost twice the rate of black men.

Of the other groups in 1960, Asians were either more highly educated than whites (ratios over 100) or had by far the smallest educational-attainment gaps. These groups, even more than whites, viewed education as the means by which to improve their status. Chinese men and women and Filipino women had unusually high proportions of college graduates.

The high average status of the Chinese shows the effect of the several thousand advanced students from China who were already in the United States at the time of the Communist takeover in 1949, as well as the high educational level of refugees.⁵ These new arrivals gave Chinese women something of a head start over Japanese women. Although after World War II many younger Japanese American women attended college, most Japanese women who immigrated during the 1950s were not highly educated and had come to California simply as wives of American servicemen.

Table 6.1 Educational-Attainment Ratios, 1960 and 1990

Group	High-School Graduates				College Graduates (4-year)			
	Men		Women		Men		Women	
	1960	1990	1960	1990	1960	1990	1960	1990
Percentage completion rate								
Non-Hispanic whites (14+)	53.9	–	54.4	–	12.1	–	6.6	–
Non-Hispanic whites (25+)	56.8	88.0	56.9	85.7	14.3	36.7	7.6	25.0
Ratio (percentage of non-Hispanic white completion rate)								
Non-Hispanic whites	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Blacks	67.6	83.9	73.4	87.0	33.1	42.8	60.6	57.2
Hispanics	47.7	46.4	44.3	46.3	28.0	19.1	25.0	23.2
Mexican Americans	53.3	75.5	50.0	66.5	25.3	28.3	24.5	31.2
Mexican immigrants	22.4	27.3	18.1	32.4	10.5	8.2	9.2	9.6
Japanese	121.3	103.9	120.6	105.1	101.7	119.1	93.9	119.6
Chinese	99.1	88.6	97.8	82.4	158.7	127.0	180.3	130.8
Filipinos	73.8	101.8	101.1	101.4	48.8	124.0	186.4	206.4

Sources: U.S. Bureau of the Census (1962a, 1963a, 1963b, 1992).

Notes: Comparative rates for 1990 and the 1960 Hispanic rate are based on the population aged 25 and older; other 1960 rates are based on the population aged 14 and older. Data are for Los Angeles and Orange Counties.

Among Filipinos, the high attainment of women is mostly due to the immigration of nurses during the 1950s. Under the auspices of the State Department's Exchange Visitor Program of 1948, U.S. hospitals and the American Nurses' Association recruited many graduates of nursing schools in the Philippines.⁶ In contrast, the low educational level of Filipino men is due to the large proportion who were migrant farm laborers in their younger days. Typically middle-aged in 1960, many of the men were still single; others had formed families with white women. This meant that Filipino women in Southern California included both U.S.-born daughters of these men and post-1946 immigrants.

The widest of all educational attainment gaps was between whites and Hispanics. The fact that Mexican Americans were between two and three times better educated than immigrants

from Mexico represented a dramatic improvement in status as a result of acculturation.

Changes from 1960 to 1990. During these decades all groups in Southern California improved absolutely in their educational attainment. But because the proportion of college graduates more than doubled for white men and tripled for white women, rates of college education among minorities had to increase at least as much in order to close the gap at all. Under these conditions black men and women have made remarkable progress educationally.

Asians continued to show the high educational level that had been so clearly evident in 1960. By 1990 all three Asian groups easily exceeded whites in percentage of college graduates. This

development was due to the continued emphasis on education among both Asian families who had been in the United States for generations and immigrants who had arrived since the mid-1960s. The status of Filipino men had almost reversed itself with the dramatic change in immigrant characteristics since the farm laborers had arrived in the early twentieth century. Filipino women, many of whom had graduated from college in the Philippines, continued to have unusually high proportions of college graduates—more than twice the rate of white women.

However, among Hispanics the relative status of immigrants closed hardly at all. In 1990 they were still less than half as likely as whites to have graduated from high school and only a quarter as likely to be college graduates. The relative attainment of Mexican immigrants was the lowest of all; they were less than a tenth as likely as whites to have graduated from college. The higher proportion of Mexican, Guatemalan, and Salvadoran immigrants in Southern California in 1990 compared with 1960 was probably the most important factor in the lack of educational progress for Hispanics relative to whites.

More meaningful in assessing the acculturation and progress of Hispanics is the status of those born in the United States—the Mexican Americans. Their high-school graduation gaps narrowed substantially, but college graduation rates remained large.⁷ In 1990 Mexican Americans were still graduating from college at less than a third the rate of whites. In contrast, black men made greater progress in closing the college-graduation gap with whites. This meant that the educational gap between blacks and Latinos had also grown, with blacks in Southern California constituting a measurably better-educated population than Mexican Americans.

The Occupational Gap

Professionals and managers, with administrators and executives included as managers, are the occupations most easily classified in terms of status. These represent the top rungs of the occupational hierarchy, often referred to as “high-status” or “upper-level, white collar” occupations.

Ethnic gaps in percentage working as professionals correlate closely with differentials in educational attainment. This is not

surprising because professional qualifications are based so strongly on formal education.⁸ In contrast, the qualifications of managers and administrators are often not based on educational attainment. Thus, inclusion of managers and administrators, in addition to professionals, means that our measure of occupational status is less directly dependent on educational attainment and represents a somewhat distinct dimension of status.

Asians in 1960 were somewhat underrepresented as professionals and managers compared with their high educational attainment (Table 6.2). Most of this was due to the legacy of discrimination by whites. During the 1920s and 1930s many white employers refused to hire U.S.-born Chinese, even university graduates, for the jobs and careers for which they had trained.⁹ Prior to World War II some whites seemed to believe that success in the professions was too difficult for Asians. In any case, exclusion limited Asian occupational advancement.

In 1960 gender differences in occupational status mirrored in direction and size the gender differentials already observed for education. White men and Japanese men were more likely than white women and Japanese women to hold high-status employment, but for blacks, Chinese, and Filipinos the advantages were reversed. Some gender differences were striking. Black and Filipino women were represented as managers and professionals at more than twice the rate of the men in their ethnic groups. Japanese and Chinese most closely approached whites in upper-level, white-collar employment, with Chinese women even exceeding white women in occupational status.

Progress since 1960. By 1990 the occupational gap had narrowed substantially for black and Asian men. All of these increased their proportions in high-status occupations faster than did whites in the 1960–1990 period.¹⁰ Japanese and Chinese men were even better represented as managers and professionals than were whites. Among black, Japanese, and Filipino women, the gap with white women also narrowed. Mexican American women narrowed the occupational gap substantially, and the men also showed some improvement since 1960 relative to whites.

Thus, since 1960 Southern California has seen an improvement in occupational status among white men and a very large

Table 6.2 Occupational-Status Ratios, 1960 and 1990

Group	Men		Women	
	1960	1990	1960	1990
Percentage in high-status occupations				
Non-Hispanic whites	30.0	37.5	19.3	35.4
Ratio (percentage of non-Hispanic white rate)				
Non-Hispanic whites	100.0	100.0	100.0	100.0
Blacks	24.5	46.9	49.5	69.0
Hispanics	32.7	23.7	34.0	34.2
Mexican Americans	30.1	38.6	31.7	53.4
Mexican immigrants	19.4	12.6	19.7	17.6
Japanese	84.6	108.7	72.2	93.2
Chinese	78.3	104.4	110.9	86.4
Filipinos	31.4	65.9	73.3	83.2

Sources: U.S. Bureau of the Census (1962a, 1963a, 1963b, 1992).

Notes: Data are for employed persons aged 16 and older. High-status occupations for 1960 were professional, technical, and kindred occupations; and managers, officials, and proprietors. For 1990 the two categories were executive, administrative, and managerial occupations; and professional specialty occupations. In both years engineers, teachers, and physicians were considered professionals. Proprietors and health technicians were included as high-status occupations in 1960 but not in 1990. Data are for Los Angeles and Orange Counties.

shift of white women into managerial and professional work. For most minorities the change has been even greater, resulting in a narrowing of the occupational gaps. The greatest improvement has been among blacks and Filipino men. All this constitutes clear evidence of progress toward greater socioeconomic equality. Those groups that showed the opposite trend (Mexican immigrants and Chinese women) had large numbers of recent immigrants with low educational levels and poor English-language skills.

The Income Gap

The indicator appropriate for our research is the annual personal income of men and women. Because its measurement is more fraught with potential hazards than is either education or occupational status, we must explain certain aspects of the data and our method for achieving good comparative ratios.

Quality of the data on income. Income data are for 1959 and 1989 because the census asked people to report their personal income during the previous calendar year.¹¹ Weaknesses in the data indicate that the ratios we present for Hispanic and black minorities, particularly for the latter, may be a little too high to reflect the reality of group economic differences. Part of this is due to the greater undercount of black and Latino men and of those with incomes below the median. Another important aspect is the fact that the income data for 1989 do not cover as large a proportion of black men as they did in 1959. This contrasts with an increase in the percentage of white men who reported income.¹² This racial divergence suggests that our 1989 black income ratio may be too high to reflect accurately the true economic disparity between black men's and white men's incomes.

The increased percentage of women employed in 1989 compared with those employed in 1959 did not affect the comparisons because the data are based on only people with income. Ethnic differences in the proportion of women working full time could affect the medians, but these were small and had little effect on comparisons between groups or trends.

Income distributions. Most income and other socioeconomic differentials described in this book are based on the average status positions of groups as measured by percentages and medians. However, such indicators cannot show the great range of status within ethnic groups. For this reason we look first at the frequency distributions of men's incomes (Fig. 6.1). (Income figures for women in 1959 are not available.) These graphs make clear the great extent to which the incomes of different groups overlap in the middle portion of the graphs. Except for the 1959 clustering of white men's incomes in the \$7-10,000 range and

the 1989 concentration of Mexican immigrants in very low-income categories, all groups include some men who earn low incomes and others with high incomes.

Figure 6.1 also demonstrates that the 1989 income distributions of black and Chinese men are bi-modal: those lines on the graphs show peaks at two different points separated by a trough. Others have also pointed out the growing socioeconomic contrast between poorer people and the more affluent within some Asian immigrant groups and among blacks.¹³

Measuring income ratios. Comparisons of income among groups are usually expressed in terms of median income. Fortunately, published volumes report the 1959 median personal income of men and women in most of the groups.¹⁴ Most 1989 medians were calculated from the PUMS file by a statistical program. Where medians were not available, we calculated them from nine or more income categories using the same method as the Bureau of the Census.

The actual distribution of white men's incomes within the various income categories in 1959 was sufficiently skewed to make the median not entirely satisfactory (Fig. 6.1).¹⁵ Japanese and Chinese men were somewhat similar to whites in their distribution, so their median-based ratios should be better measures. However, because the income distributions of Hispanic, black, and Filipino men were quite different from that of whites, the median-based ratios to white men's income were misleadingly high.

For this reason the ratios most severely affected were supplemented with estimates based on calculations of the Index of Net Difference (ND), a better statistic for comparing differences in frequency distributions.¹⁶ Calculations of ND in 1959 for Mexican American, Mexican immigrant, black, and Filipino men resulted in lower income ratios (Table 6.3).¹⁷ For those groups only we used ND-based ratios in the following text and graphs. However, we also provide the original ratios based entirely on medians.

The income-gap trend. The most important general result was that income gaps between whites and most groups either have remained stable or have increased since 1959. (If the

Table 6.3 Median-Income Ratios, 1959 and 1989

Group	Men		Women	
	1959	1989	1959	1989
Median income				
Non-Hispanic whites	\$5,600	\$31,255	\$1,969	\$16,574
Ratio (percentage of non-Hispanic white median income)				
Non-Hispanic whites	100.0	100.0	100.0	100.0
Blacks	66.8 (54) ^a	56.8	87.7	78.4
Hispanics	77.9	44.0	93.1	57.3
Mexican Americans	81.2 (73) ^a	61.4	97.2	72.8
Mexican immigrants	66.5 (54) ^a	39.2	80.9	52.5
Japanese	85.0	103.2	130.8	108.5
Chinese	72.0	64.2	123.3	74.0
Filipinos	65.2 (53) ^a	63.7	108.8	107.0

Sources: U.S. Bureau of the Census (1962a, 1963a, 1963b, 1992).

Notes: Where possible we used medians for 1959 as reported in census publications. For non-Hispanic white women, however, the median was adjusted from the published white median of \$1,957. By weighting according to population sizes, the effect of Hispanic women could be removed from the total of white women. All data are based on individuals age 14 and older who had income during the calendar year. Data are for Los Angeles and Orange Counties.

^aRevised ratios based on the Index of Net Difference (ND), estimated by interpolation from values of ND.

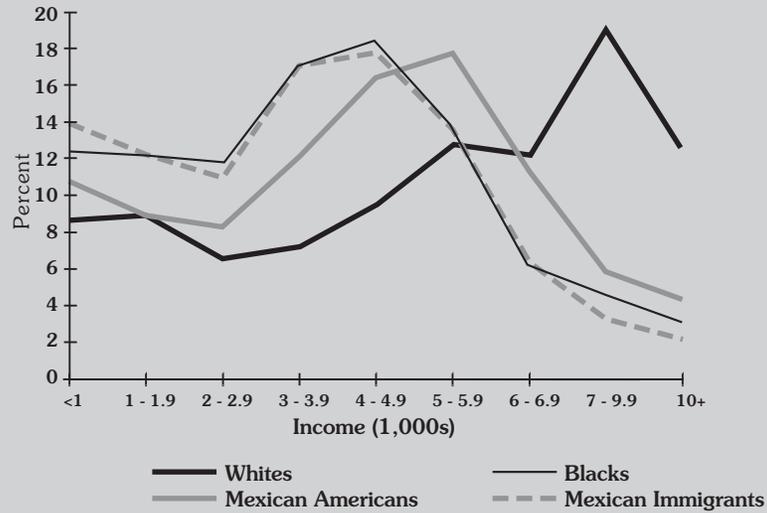
ND had not been used to improve the income ratios, even the white-black income gap would have been shown as clearly wider in 1989 than in 1959.) The single exception to the trend is Japanese men, whose 1989 median income exceeded that of white men. This is due in part to the higher incomes of many Japanese-born men who are executives of Japanese companies and are based only temporarily in Southern California.¹⁸

For all other groups, the greater income disparity in 1989 is a striking finding. It indicates that over the past thirty years, despite

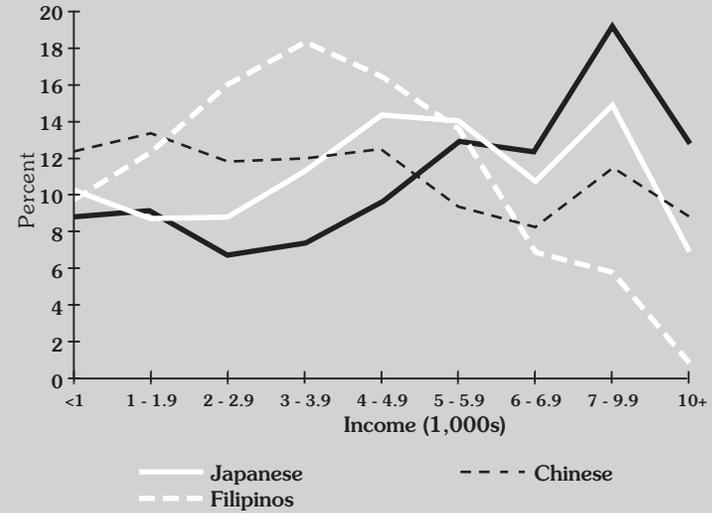
Figure 6.1

Men's Income Distribution by Ethnicity, 1959 and 1989

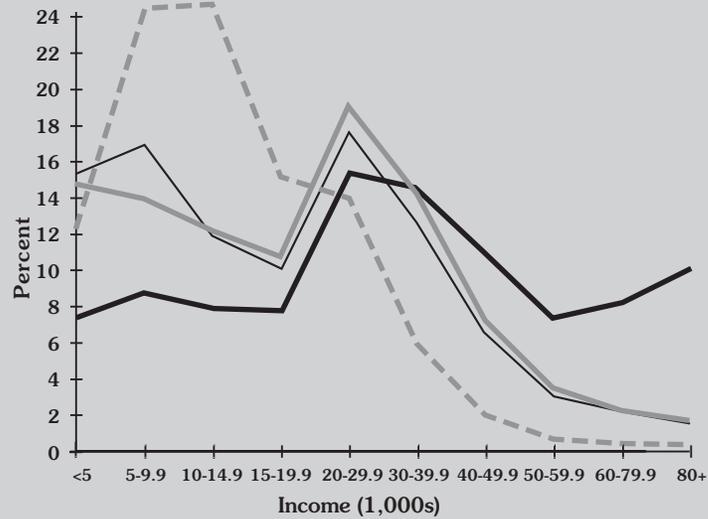
Whites, Blacks, Mexican Americans, Mexican Immigrants, 1959



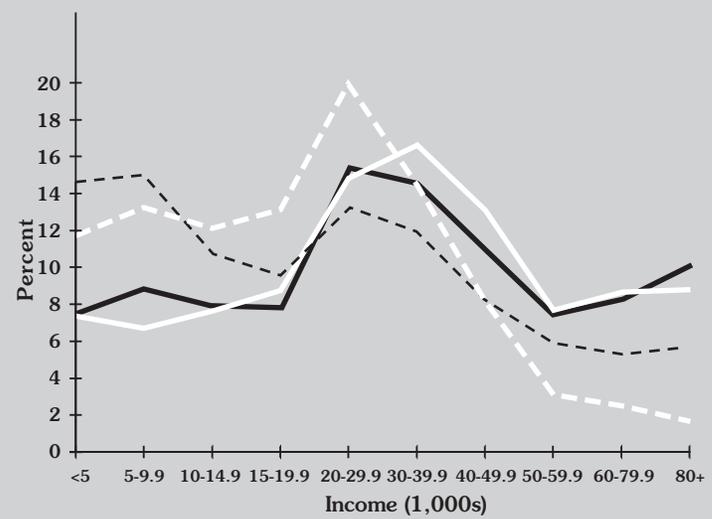
Whites, Japanese, Chinese, Filipinos, 1959



Whites, Blacks, Mexican Americans, Mexican Immigrants, 1989



Whites, Japanese, Chinese, Filipinos, 1989



Sources: U. S. Bureau of the Census (1962b and 1963b) upper left; (1963a) upper right; (1992) lower graphs.
 Notes: Data are percent of males aged 14+ with positive annual incomes. Data are for Los Angeles and Orange Counties.
 Percents are the percent of the ethnic group with income in each category.

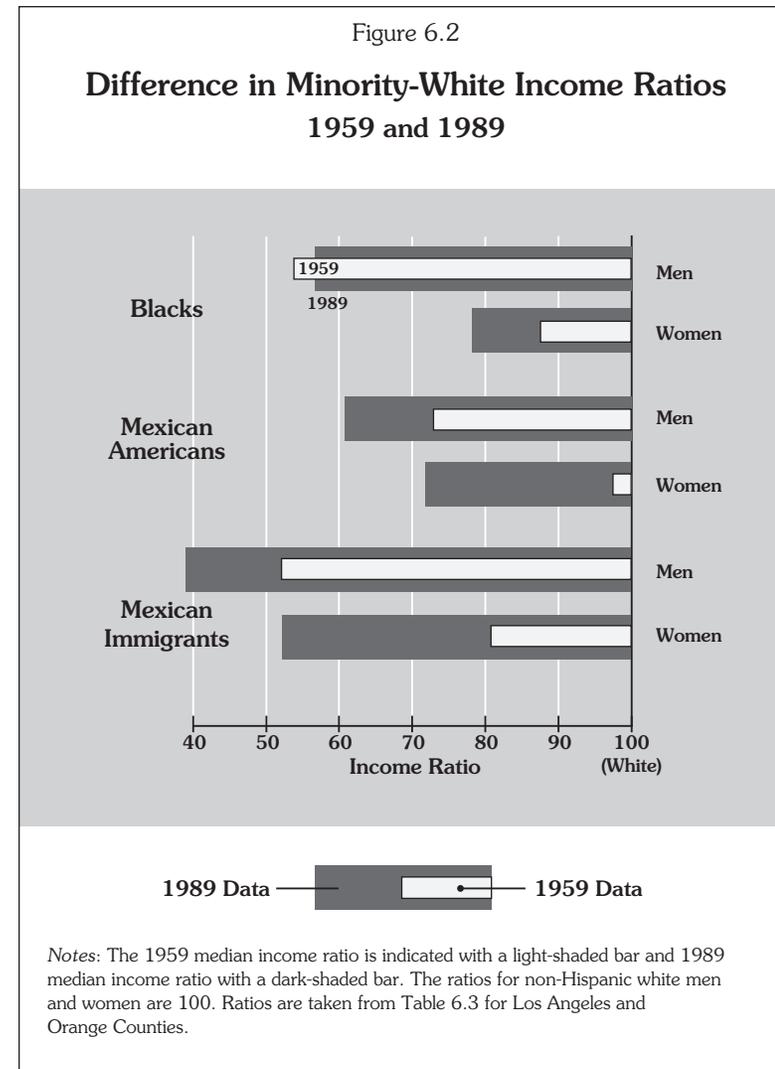
some convergence between minority groups and whites in education and occupational status, incomes were just as far apart in 1989 as in 1959. Admittedly, the changing characteristics of Asian immigrants have played a role in this trend, and in an absolute sense most of the groups have gained. However, in a relative sense clearly whites have benefited disproportionately from economic and demographic trends.

Changes in the income ratios of blacks, Mexican Americans, and Mexican immigrants are highlighted in Figure 6.2. Bars extending farther toward the left indicate lower ratios or greater gaps with whites. The fact that most income gaps have grown wider since 1959 is indicated by the greater length of the dark bars representing 1989 compared to the lighter narrower 1959 bars. Women of Mexican origin—both the U.S.-born and immigrants—show the greatest drop in income relative to that of comparable whites, but there is also no doubt about the decline among Mexican-origin men. Only black men show a slight narrowing of the income gap.

Apart from Figure 6.2, however, the drop in the percentage of black men reporting any income—from 88 to 82—between 1959 and 1989 means that black and white incomes have really not converged. Moreover, if the 1959 median income ratios had not been corrected for the skewed income distribution of white men by means of the Index of Net Difference, the growing disparity between the incomes of minority and white men over the 1959–1989 years would have appeared even greater than is indicated in Figure 6.2.

The fact that the income differential between whites and Mexican Americans in Southern California has grown substantially since 1959 may come as a surprise. A portion of the income gap in both years can be explained by the fact that working Hispanics are younger on average than are whites. As a result they have fewer of the years of working experience that normally translate into higher pay. In chapter 7, however, we demonstrate that this age difference is not a major factor behind the gap.

This growing income disparity between whites and those other Americans who are not immigrants appears egregiously inconsistent with a basic tenet of the American dream. Many of us assume that the processes of acculturation and economic growth will result in enough of an income gain among the chil-



dren and grandchildren of immigrants for the gap to narrow. However, that has not occurred here.

Thus, both immigrants from Mexico and Mexican Americans are doing less well relative to whites than they were in 1959. Moreover, the skewing of the 1989 incomes of Mexican-born men far below the median indicates that the ratio underestimates the real gap (Fig. 6.1 and Table 6.3). The trend is basically

the result of a growing disparity in education and skills between whites and Mexican immigrants, but other factors discussed in chapter 7 are also significant. In addition, many Mexican immigrants are residing illegally in Southern California, and studies have found that illegal residents earn about 6 percent less than do Mexican immigrants.¹⁹

Income Gaps in Relation to Education and Occupational Status

Because educational attainment, occupational status, and income should be interdependent in many ways, we have presented certain ratios in graphic form to clarify these relationships (Fig. 6.3). In these graphs college graduation is used as the measure of educational attainment because an advanced education has become so important for high-income employment. Bars extending above the 100 ratio (which represents whites) indicate status superior to whites.

1960. Ethnic groups differed sharply in the degree to which they were receiving the income commensurate with their educational and occupational attainment. To get an approximate indication of this, compare the length of bars for the three different measures of status for any one group (Fig. 6.3). If the education-occupation-income relationship for whites also characterizes the other groups, the three status bars in the graph will be similar in length and position above or below the 100 ratio.

Incomes for blacks and Mexican Americans in 1959 were higher than expected because in 1959 the economy was providing a larger share of jobs requiring little education. In the 1950s many people had been able to find and hold good jobs—often as blue-collar workers in unionized plants—without having even a high-school education. Many blacks were drawn to Los Angeles by the hope of work in defense industries, while the widespread shift from agriculture to industrial jobs during the 1940s and 1950s positioned Mexican Americans to take advantage of a growing manufacturing sector in Los Angeles.

The percentage of upper-level, white-collar workers was low among most minorities. Chinese women were exceptional in

being better represented in managerial and professional positions than were white women. Nevertheless, Chinese men and women and Filipino women showed much lower proportions in high-status occupations than would be expected from their educational attainment. In large part this is the result of discrimination by whites, which effectively barred many Asians from professional and other higher-status employment.

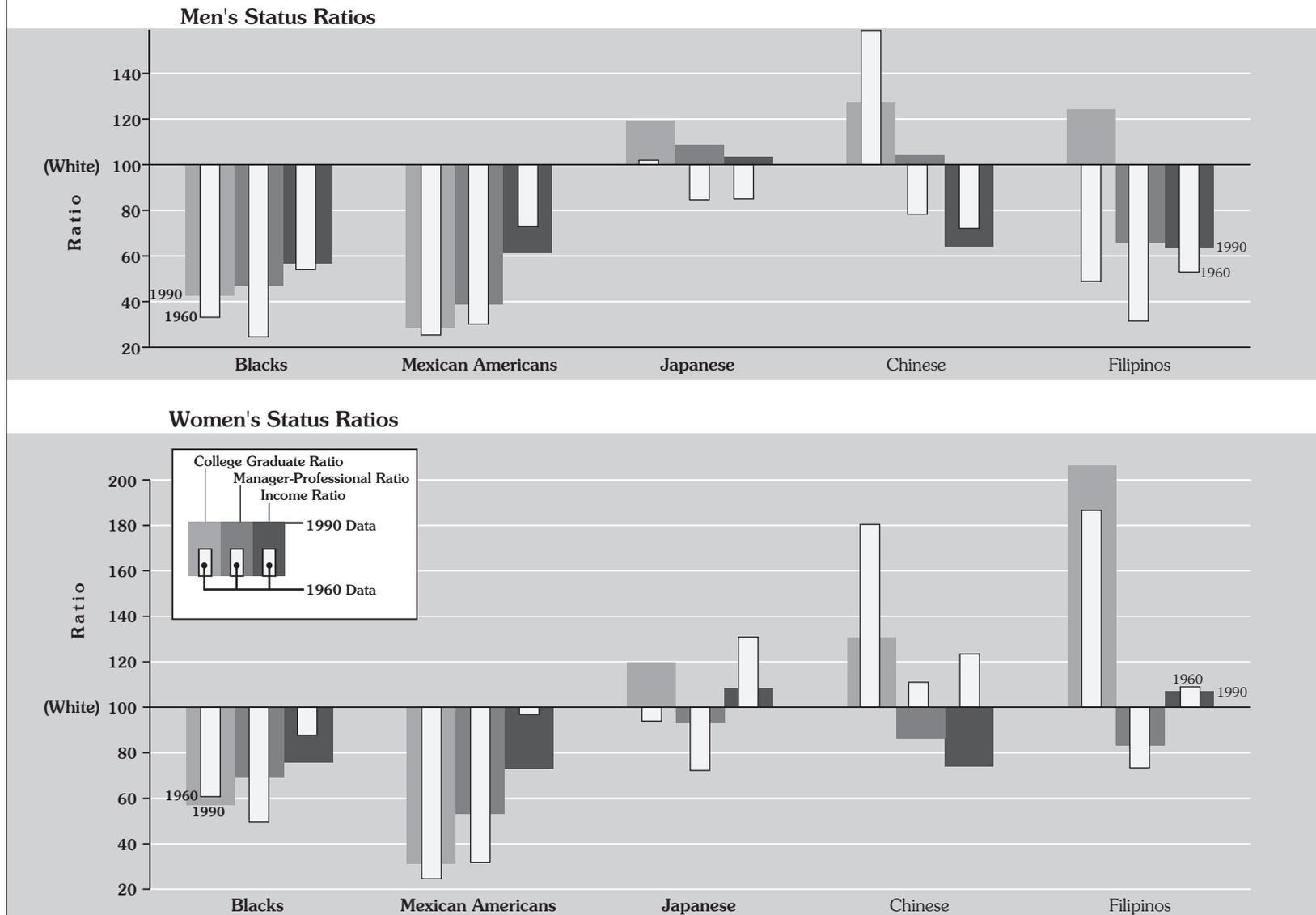
1990. Both blacks and Mexican Americans still had much lower percentages of college graduates than did whites. However, both groups had higher incomes than would be expected from their percentages of college graduates. Among blacks and Mexican Americans the occupational gap has narrowed somewhat since 1959. The wide gap in education suggests that there is a great need for further increases in rates of college graduation to raise these groups' average incomes.

The frustration that some blacks and Mexican Americans feel at the continuing large income gap may be somewhat mollified by the knowledge that, relative to whites and Asians, their groups had incomes that are higher than could be expected from their educational and occupational status. Indeed, Chinese and Filipino men have average incomes that are very similar to those of black and Mexican American men despite the much higher educational attainment of the Asian men (Fig. 6.3). Chinese women also had incomes commensurate with those of black and Mexican American women although the Chinese had much higher rates of college graduation.

Especially high rates of college graduation among Chinese and Filipinos have generally not resulted in higher incomes in the way they have for whites. Part of this is due to the recency of their immigration, with corresponding low levels of acculturation as well as the lack of recognition by U.S. employers of many degrees obtained overseas. Among Filipinos, the pattern is also related to the many individuals who work in technical occupations classified by the U.S. census as nonprofessional (see occupational niches in Table 8.4).

Japanese are closest to whites in socioeconomic status; there were only small inconsistencies in the size of the three gaps. The fact that most Japanese are not immigrants but are the children or grandchildren of immigrants suggests that greater acculturation

Figure 6.3
Difference in Minority-White Status Ratios
 1960 and 1990



Notes: The 1960 ratios are indicated with light-shaded bars and 1990 ratios with dark-shaded bars.
 Ratios are taken from Tables 6.1, 6.2, and 6.3, Los Angeles and Orange Counties.
 Income ratios for blacks, Filipinos, and Mexican Americans in 1960 are based on index of net difference rather than median. See text for explanation.

from their longer period of residence has played an important role. The change over the past half-century in the status of Japanese Americans is extraordinary. It would appear that employment and income discrimination against the Japanese in Southern California is no longer significant, although we show one likely exception in chapter 7.

The Homeownership Gap

Owning one's home in America has long been a symbol of success, and group differences in rates of homeownership reflect an important component of gaps in economic status. Because some immigrants to Southern California brought a great deal of money with them and were able to buy housing despite low post-migration incomes, wealth can be somewhat independent of median income. It differs from the previous indicators because it characterizes households, not individuals.

Despite dramatic increases in housing prices in Southern California between the mid-1970s and 1990, most gaps in homeownership rates have not increased since 1960 (Table 6.4).

The fact that the white-minority gap in homeownership rates has not become wider, whereas that of median income has increased, can be explained by the fact that minorities have become homeowners in less-expensive areas than those in which whites have bought houses. During the period of rapid housing inflation, prices increased much more in mostly "white" areas than in other areas. This is shown by the fact that in 1960 the median value of homes owned by blacks and Hispanics in Los Angeles and Orange Counties was about 80 percent that of homes owned by non-Hispanic whites.²⁰ By 1990, however, the median value of homes owned by blacks was only 56 percent of the median for non-Hispanic whites, and homes owned by Latinos averaged only 67 percent of the value of the homes owned by non-Hispanic whites.

Thus, to some extent the higher incomes of whites were being spent on more expensive housing. The net geographical effect was, of course, to maintain or perhaps increase residential separation between whites and other groups. Gaps in median income tended to reinforce areal differences between homeowners of different ethnic groups.

In terms of specific groups, the tenure gap between blacks and whites has been stable since 1960. The three Asian groups have increased their relative rate of homeownership over the past thirty years, and in 1990 both Japanese and Chinese owned their housing at slightly higher rates than did whites. For Japanese, this change was consistent with the fact that the median income of Japanese men grew faster than did that of whites. Among Chinese, however, the substantial increase in homeownership rate coupled with a decline in median income relative to whites suggests the role of wealth imported by immigrants.

Table 6.4 Homeownership Ratios, 1960 and 1990

Group	1960	1990
Percentage of homeowners		
Non-Hispanic whites	58.2	58.9
Ratio (percentage of non-Hispanic white rate)		
Non-Hispanic whites	100.0	100.0
Blacks	65.0	64.2
Hispanics	82.6	60.4
Mexican Americans	–	85.0
Mexican immigrants	–	53.6
Japanese	91.8	103.4
Chinese	72.1	108.0
Filipinos	83.7	89.2

Sources: U. S. Bureau of the Census (1962d, 1992, 1993a).

Notes: For 1960, published figures indicate a homeownership ratio of 70.0 for both Hispanic and nonwhite households. Values for blacks and specific Asian groups in 1960 were estimated from owner and renter numbers for the State of California from the 1 percent Public-Use Samples adjusted to the published nonwhite numbers. The 1960 figures for blacks and Japanese are good estimates because 52 percent of the state's population of both these groups lived in the Los Angeles and Orange Counties. The figures for Chinese and Filipinos are less reliable because only 20 percent of their state populations lived in these two counties. Data are for Los Angeles and Orange Counties.

The only group whose homeownership rate declined sharply since 1960 was Hispanics. This change is the result of the wider gap in median income, the increasing percentage of poor immigrants among Hispanics, and the higher proportion of young households.

Summary and Interpretation

Several findings have emerged from these analyses. White gains in educational attainment, occupational status, and income mean that minorities must advance even more rapidly than whites in order to realize any closing of the gaps. In most cases there has been much absolute progress, although our intended focus on gaps often obscures it.

By 1990 there were proportionately more college graduates among all three Asian groups than among whites. Filipino women had twice the proportion of college graduates as did white women. The contrast in educational attainment between Asians and both blacks and Hispanics was extreme.

In 1960, when only about 57 percent of white adults in Southern California had graduated from high school, the educational gap between whites and both blacks and Latinos was wide. Blacks and Mexican Americans narrowed their educational gap substantially in terms of percentage of high-school graduates, but rates of college graduation have changed more slowly. Among black women the gap even became wider.

With respect to high-status occupations, the gap narrowed a great deal between 1960 and 1990 for all except Mexican immigrants and Chinese women. In 1990 Japanese and Chinese men were more likely than white men to be managers or professionals. Improved educational attainment, government policies of affirmative action, and partial white acceptance of blacks and Latinos as managers and professionals has presumably made this possible.

Despite this educational and occupational progress, the income gap in Southern California did not decrease for blacks and grew much greater for Mexican Americans. In other words, the average income of blacks compared with whites has not improved since 1959, and the income situation of Mexican Americans has deteriorated substantially.

Although Chinese and Filipinos had higher rates of educational attainment than did whites in 1990, their incomes were much lower than whites' incomes. Clearly Chinese and Filipinos, a high proportion of whom are immigrants, cannot assume that an educational achievement leads directly to higher incomes in the same way it has for whites or for the longer-resident Japanese.

Homeownership rates for blacks and whites have been stable in Southern California. Asians have increased their rate of homeownership, whereas the average Latino household has become much less likely to be a homeowner.

These results confirm in very specific ways what many people may have sensed but have not been able to demonstrate. Most startling are that the black-white income differential has not narrowed and that the gap between whites and Mexican Americans has grown much wider. The reasons for these trends, despite some narrowing of the educational and occupational gaps for those groups, are the subject of the next chapter.

The large income gap may be an underlying but unexpressed source of resentment among some minorities. Whites have probably assumed that substantial economic progress on the part of minorities has accompanied well-publicized educational and occupational progress. Tensions between whites and minorities might be ameliorated, at least in a small way, if whites would acknowledge that the income gaps for minorities did not narrow in the way that most people had anticipated.

Notes

1. Two sources concerning social tensions at that time are Klein and Schiesl (1990) and Horne (1995). Residential segregation in 1960 is based on Allen and Turner (1996a), 19.
2. Soja, Morales, and Wolff (1989); UCLA Research Group (1989).
3. In the 1960 census, our analyses make use of the 25 percent sample data in the published volumes, from which most indicators of socioeconomic status could be calculated. For 1990 the 5 percent PUMS file was used. The 1990 census provides excellent data on the non-Hispanic white population, but an adaptation was necessary to obtain comparable data for

1960. In 1960 it would have been possible to use data for the white race group except that almost all Latinos were arbitrarily considered to be in that group. Their lower average status compared with non-Hispanic whites meant that figures for all whites would be misleadingly low as indicators for non-Hispanic whites. This problem was solved by returning to the original counts of individuals in various educational, occupational, and income categories and subtracting the numbers of Spanish-surname whites from the total whites in each category.

Although people of Mexican origin and other Hispanics were identified differently in 1960 and 1990, this represented an improvement in coverage (Bean and Tienda 1987), with no likely effect on measures of status. In 1960 Latinos were considered to be those with any of several thousand distinctive Spanish surnames. In addition, an origin in Mexico or another country was based on one's stated country of birth or, if born in the United States, on the birthplace of one or both parents. In 1990 there were two separate census questions regarding race and Hispanic origin, resulting in 28 percent of whites in Los Angeles County claiming a Hispanic origin and 42 percent of Hispanics identifying their race as white.

4. LaLonde and Topel (1992).

5. Chan (1991b); Daniels (1988), 300–8.

6. Ong and Azores (1994).

7. The relatively small improvement for U.S.-born men can be partly understood by the fact that both the second generation (children of immigrants) and later generations were included in the U.S.-born aggregation. Other research has shown more recently that only in the third generation (grandchildren of immigrants) do Latinos in Southern California move into white-collar professional and managerial occupations—a move closely linked to their shift from Spanish to English in everyday speech (McCarthy and Valdez 1986).

8. Lieberman and Waters (1988).

9. Takaki (1989), 265–68; Chan (1991a), 113–15.

10. In this chapter and chapter 7 the percentages of persons employed in managerial and professional occupations were calculated from a base that includes the experienced unemployed and those in the armed forces. This produced val-

ues that varied slightly from percentages that appear in published 1990 census tables because the tables did not include those groups.

11. Focusing on differentials between groups rather than the actual dollar values made it unnecessary to standardize income in constant dollars to compensate for inflation.

Ethnic differences in income sources may slightly increase income differences between groups. Earnings from rental properties, stocks, and savings accounts, which play a larger role in the income of whites than of blacks, should be reported as income on the census questionnaire (Levy 1995). However, interest and dividends are underreported in the census. In contrast, employer-paid medical coverage or retirement contributions, capital gains, government-paid low-income subsidies for medical care and housing, and noncash welfare benefits (food stamps and school lunches) are not to be reported on the census questionnaire. Unreported income by participants in the underground economy occurs, but its distribution is thought to be similar to that of reported income (Levy 1987). On balance, the results in Table 6.3 probably understate differences between whites and lower-status groups.

In another recent study of gaps in Southern California, income was restricted to wage, salary, and self-employment earnings (Waldinger and Bozorgmehr 1996). The effect of using earnings rather than total income was generally minor although it substantially diminished a few earnings gaps. We believe that total income results in a truer measure of the economic gap between whites and others.

12. To illustrate, of males age 14 and older in Los Angeles and Orange Counties in 1960, 92 percent of whites and 88 percent of blacks reported 1959 income. They were thus included. Unemployment was the major reason for exclusion from these data: at the time of the census, the unemployment rate among whites was 5.6 percent; among nonwhites, 9.4 percent. By 1989, among those age 15 and older, 95 percent of non-Hispanic white men but only 82 percent of black men reported income.

13. Wilson (1978); Liu and Cheng (1994); Grant, Oliver, and James (1996).

14. A median identifies only the middle point of a frequency distribution and does not take into account the nature of distribution above or below that point. Though widely used as a measure of the income gap, compared with the mean it usually minimizes differences between groups (Farley and Allen 1987; Lieberman and Waters 1988). The income of many whites has often been far above the median, as is illustrated in Figure 6.1.

15. Although the median income for white men was \$5,600 in 1959, that group had unusually high proportions in the \$7,000–\$9,999 range. Moreover, there were as many whites with incomes of more than \$10,000 as there were with incomes in the \$6,000–\$6,999 range. Data on women's income distributions in 1959 were not available for similar graphing. The 1989 income distribution for some groups showed a similar tendency, but it was minor (Fig. 6.1).

16. The index and its method of calculation are explained in Lieberman (1975). Assuming that cases from the groups are randomly paired, it measures the percentage of cases in each ordered category in which each group exceeds the other. The values are summed as the index, which ranges from 0 to 1, with 0 indicating that each group exceeds the other in the same number of cases. Thus, the larger the index, the greater the difference between the two groups.

17. Assuming the less-skewed distribution of 1989 as a standard, we estimated better ratios for certain 1959 income differences (Table 6.3) based on the relative ND of groups in relation to the 1989 NDs and ratios. The ND for white-black income of .348 in 1959 and .331 in 1989 indicates a very slight convergence in white-black incomes over the three decades. The ND for whites compared with U.S.-born men of Mexican origin was .206 in 1959 and .300 in 1989, demonstrating a substantial divergence in incomes. The ND for white and Filipino men was .399 in 1959, confirming this as the largest income gap in 1959.

18. The higher income of foreign-born Japanese men was determined from a separate analysis of PUMS data. For a brief discussion of these executive sojourners in Southern California, see the Gardena and Torrance section of the discussion of Japanese in chapter 5.

19. Borjas and Tienda (1993).

20. U.S. Bureau of the Census (1962d, 1993a).