

ASSESSING THE IMPACT OF SYSTEMIC RACIAL INEQUALITY

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Racial Economic Inequality: Going in the Wrong Direction

- While we expect racial inequality to decline over time, there continues to be mounting evidence to the contrary
- The wage gap between whites and blacks increasing since 1979, even though racial disparities in educational attainment and test scores have been *decreasing*
- Wealth disparities between blacks and whites have quadrupled *since* the 1990s
- I want to turn our attention to systemic racial inequality
- Residential segregation (black/white) has not dropped substantially since the civil rights movement
- School segregation: Public schools have resegregated; school segregation has returned to levels that existed at height of segregation; 23 BILLION FUNDING DISPARITY between predominantly white and minority schools

A Systems Approach to Assess the Impact of Systemic Racial Inequality

- I propose a different way to measure the role of systemic inequality
- Systems theory argues that:
 - racial inequality is a system of dynamically related subsystems/domains;
 - disparities across subsystems are mutually reinforcing,
 - the domains are dependent on one another to function
 - we cannot know the full effects of one domain without understanding how it is acted upon by the other domains.

(Reskin 2012, Tilly 1998, Bonilla-Silva 1994)

Metropolitan Structural Racial Inequality Dataset

- To analytically measure systemic racial inequality, I built a longitudinal dataset of structural characteristics of over 200 metro areas to measure simultaneously the impact of multiple domains of racial structural inequality on racial income inequality from 1970-2017.
- Cities are sites of construction of inequality
- Cumulative effects over time

metropolitan residential segregation	census tract dissimilarity indices for the metro area
school segregation	dissimilarity indices of schools in the metro area
net assets	household net assets imputed using Survey of Consumer Finances data
arrest rates by race	ratio of black arrest rate to white arrest rate
occupational segregation	dissimilarity index of occupations in the metro area
joblessness	percent of black men who are either unemployed or not in the labor force
black/white income inequality	ratio of mean black/white household income
political ideology	state citizen and government ideology measures (Berry et al 1998)
minimum wage rate	wage rate set for the metro area or state
unionization	percent of workers covered by union contract
policing levels	metropolitan expenditures on policing
racial attitudes	state-level racial resentment score based on survey of racial attitudes

A Different Approach to Analyzing Systemic Racial Inequality

- A different approach to analyzing racial economic inequality: Structural Equation Modeling (SEM)
- SEM has several advantages that will allow us to comprehensively measure system-level inequality
 - can simultaneously model multiple outcomes at the same time
 - can estimate the complex relationships *among* the independent variables
 - can estimate both direct and indirect effects of the structural variables on inequality

Effects of racial structural inequality in cities on white/black income inequality: 1960-2010: Fixed-Effects Analysis

- Conventional analysis to assess whether change in the structural factors over time affects white/black income inequality
- The education ratio affected the income ratio favoring whites
- As school segregation over, the income ratio favoring whites increased
- These findings highlight the cumulative influence over time of structural inequality in cities

TABLE 3

FIXED EFFECTS 1960-2010

Variables	Coef.	Std. Err.
Educ ratio	0.56**	(.16)
Net assets ratio	0.00	(.00)
Res segregation	0.00	(.00)
School segregation	.01**	(.00)
Arrests ratio	.00**	(.00)
Jobless ratio	-.57**	(.08)
Political ideology	.00	(.00)
Occupational segregation	1.37**	(.24)
Min. wage	.047**	(.01)

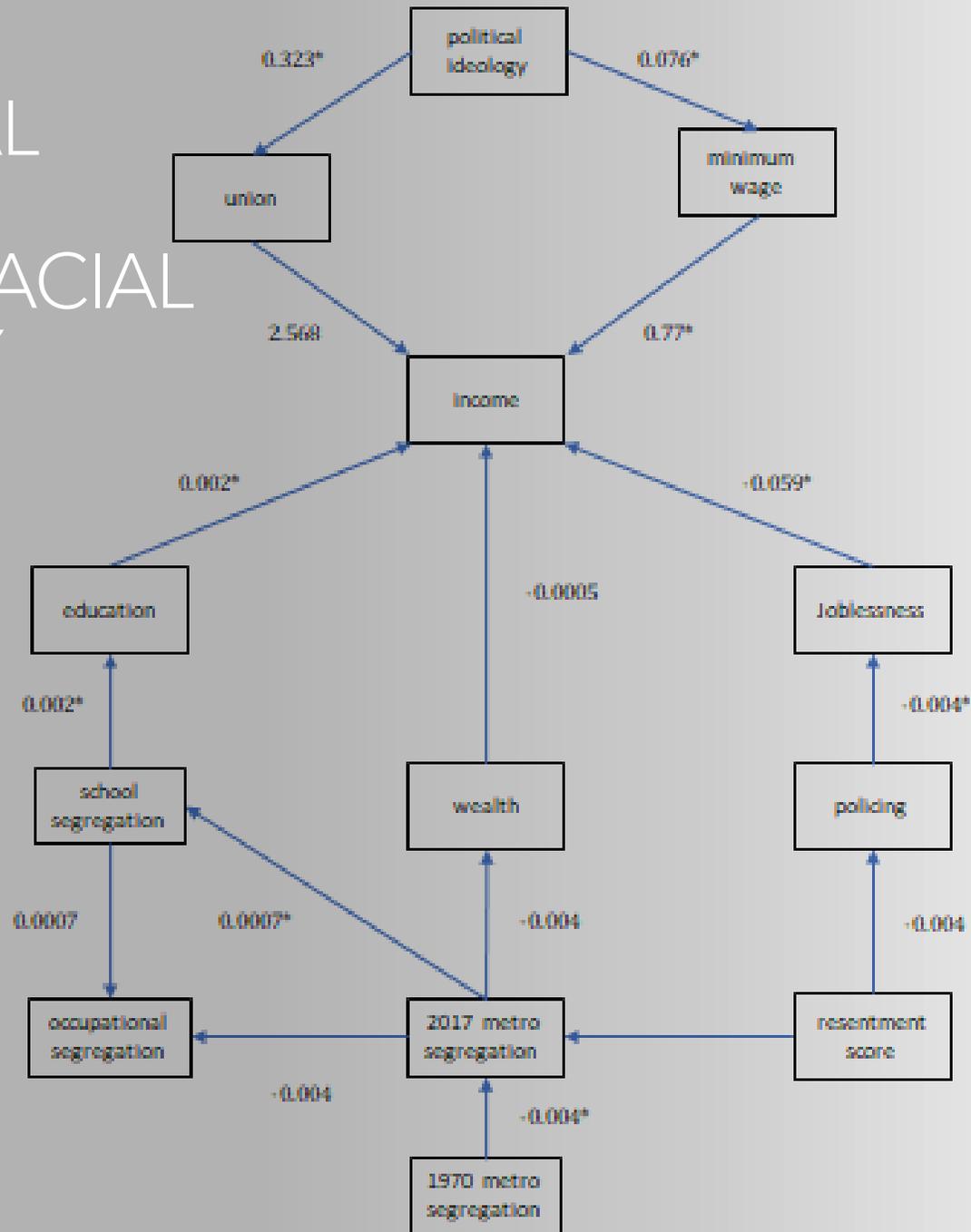
**p<0.01, *p<0.05

Exploratory Analysis of Structural Measures in 2017

- First part of SEM is exploratory analysis to identify associations among structural factors
- Two clusters of structural measures emerged
- Use these clusters to inform the model



STRUCTURAL MODEL OF SYSTEMIC RACIAL INEQUALITY



Policy Recommendations

- These findings offer several implications for policy:
- Need to shift focus from individual-level programs (training) to focus on system-level inequality
- Change our understanding of the problem; rather than an inevitable decline in inequality, a system was put in place to maintain inequality, effectively
- Accordingly, interventions need to be *disruptive*, dismantling system-level inequality
- Policy interventions at the local level may be more effective as evidence suggests mechanisms that create inequality operate in the local economy--important role of community development policy, regional policy
- System of Silos of policymaking built into federal and state agencies designed to address solitary problems (housing, employment) may be less effective addressing a complex problem composed of multiple domains.
- Necessity of nteragency coordination
- I propose a new agency tasked with coordination of efforts to reduce racial inequality across federal, state, and local, as well as sectors