



National Poverty Center Working Paper Series

#06-11

June, 2006

The Dynamics of Discrimination

Devah Pager, Princeton University

This paper is available online at the National Poverty Center Working Paper Series index at:
http://www.npc.umich.edu/publications/working_papers/

Any opinions, findings, conclusions, or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the view of the National Poverty Center or any sponsoring agency.

The Dynamics of Discrimination

Devah Pager — Princeton University

In 1927, a New York clothing manufacturer advertised for help with a notice typical of that time period: “White workers \$24: Colored Workers \$20.”¹ At the time, ads like these were common, with the explicit understanding that whites were to be paid more than people of color. Today, of course, such overt forms of discrimination have all but vanished. The Civil Rights Act of 1964 bars discrimination on the basis of race, color, religion, sex, or national origin, rendering previously common forms of unequal treatment illegal. With the shifting legal context, the social context of discrimination has transformed dramatically as well. Today the vast majority of Americans endorses the principle of racial equality and repudiates acts of racial discrimination. And yet, despite these progressive developments, a range of social science evidence indicates that significant discrimination persists in contemporary society. Whether conscious or unconscious, exposed or covert, among individuals or institutions, systematic differences in the treatment of whites and minorities contribute to the economic marginalization of minority groups. This chapter examines the ways in which discrimination continues to operate by asking four basic questions: (1) What is discrimination? (2) How can we identify discrimination when it takes place? (3) What causes discrimination? (4) How can we reduce the incidence of discrimination? In answering these questions, we will examine the range of evidence available from social science research, as well as considering the factors that are not adequately captured by existing measures of discrimination.

WHAT IS DISCRIMINATION?

¹ This example is taken from Schiller, 2004:190. See also Table 1 in Darity & Mason, 1998.

Racial discrimination, according to its most simple definition, refers to unequal treatment of persons or groups on the basis of their race or ethnicity. In defining racial discrimination, the National Research Council differentiates between differential treatment and differential effects, creating a two-part definition: “(1) *differential treatment on the basis of race* that disadvantages a racial group and (2) *treatment on the basis of inadequately justified factors other than race* that disadvantages a racial group (differential effect)” (NRC, 2004:39-40). The second component of this definition broadens its scope to include decisions and processes that may not themselves be racially motivated, but have the ultimate consequence of systematically disadvantaging minority groups. Beyond more conventional forms of intentional discrimination, institutional processes such as these are important to consider in assessing how valued opportunities are conditioned by race.

HOW CAN WE IDENTIFY DISCRIMINATION WHEN IT TAKES PLACE?

Discrimination has long been a fascinating and frustrating subject for social science. Fascinating because it is a powerful mechanism underlying many historical and contemporary patterns of inequality; frustrating because it is elusive and difficult to measure. Over a century of social science interest in the question of discrimination has resulted in numerous techniques aimed to isolate and identify its presence, and to document its effects. Below I consider some of the dominant methods used to study discrimination, examining their primary contributions as well as their possible limitations. In thinking about each of these methods, the primary question we seek to answer is: How do we really know when or where discrimination is at work?

“I know it when I see it.” Perceptions of Discrimination in Everyday Settings

To some, discrimination is as easy to spot as a train wreck in daylight. We notice subtle cues in the ways others are treated around us, or in the ways we ourselves are treated. The curt exchange with the shop clerk, the security guard who keeps a watchful eye, the cab driver who doesn't stop. Whether due to age, gender, race, disability, sexual orientation, or any other stigmatized identity, most of us can think of at least one instance in which we, or someone close to us, was treated unfairly on the basis of a single status distinction. In these instances, it doesn't take a social scientist to certify the case as discrimination.

Social scientists have capitalized on the insights and interpretations individuals have of their own lived experiences by asking people about their own encounters with discrimination. Numerous surveys have asked African Americans and other racial minorities about their experiences with discrimination in the workplace, in their search for housing, and in other everyday social settings (Smith, 2001; Schuman et al., 2001). One startling conclusion from this line of research is the frequency with which discrimination is reported. A recent Gallup poll, for example, found that nearly half of all black respondents reported having experienced discrimination at least once in one of five common situations *in the past month*.² Further, the frequency with which discrimination is reported does not decline among blacks higher in the social hierarchy; in fact, middle class blacks are as likely to perceive discrimination as are working class blacks, if not more (Feagin & Sykes, 1994; Kessler et al., 1990). Likewise, a 2001 survey found that more than a third of blacks, and nearly twenty percent of Hispanics and Asians, reported that they had personally been passed over for a job or promotion because of their race or ethnicity (Schiller, 2004).

What can we make of these findings? One important conclusion is that African Americans and other minority groups perceive discrimination to be pervasive in their lives. This

² These situations include: shopping, at work, dining out, using public transportation, with police.

is an important finding in its own right. Research shows that those who perceive high levels of discrimination are more likely to experience depression, anxiety, and other negative health outcomes (Kessler et al., 1990). But what we don't know from this line of research is to what extent these trends represent merely *perceptions* versus an accurate depiction of reality. While some instances of discrimination leave little room for doubt, many others can be subject to misinterpretation or distortion. A curt shop clerk might have been having a bad day; the security guard may be vigilant with all passersby; the cab driver may simply not have seen the pedestrian waving him down. What may be blatant evidence of discrimination from one vantage point could be a simple misunderstanding from another.

The problem with relying on perceptions for our measure of discrimination is not only that some cases may be blown out of proportion. The opposite can be just as much of an issue—acts of discrimination are often imperceptible to the victim. Due to social norms and legal sanctions, contemporary forms of discrimination are rarely overt, leaving countless instances of discriminatory action entirely invisible to the very individuals who have been targeted.³ While highly relevant to the concrete lived experiences of individuals, the use of perceptions can only provide one incomplete account of the prevalence of discrimination. In order to get closer to the source of discriminatory action, researchers have turned their attention to the potential discriminators themselves.

“I’m not racist, but....” Self-Reports and Attitude Research on Discrimination

Rather than relying on the perceptions of victims, another line of social science research focuses on the general attitudes of dominant groups for insights into when and how racial considerations

³ Likewise, research suggests that individuals may underestimate and/or suppress the incidence of discrimination in their own lives, even when conscious of high levels of discrimination against their group (Crosby, 1984; Taylor et al., 1990)

come into play. The most well-developed line of work in this area is the long tradition of survey research on racial attitudes. Similar questions have been asked for several decades on national polls such as Gallup, the General Social Survey, among others, gauging white Americans' views on issues of race relations and racial inequality. Because the same questions have been asked over many years, we are able to chart changes in the expressed racial attitudes of Americans over time. And indeed, according to these items, much has changed in race relations since the times of Jim Crow. In the 1940s and 1950s, for example, fewer than half of whites on surveys believed that white students should go to school with black students or that black and white job applicants should have an equal chance at getting a job. By the 1990s, by contrast, more than 90% of white survey respondents would endorse the principle that white and black students and job applicants should be treated equally by schools and employers (Schuman et al., 2001). These changes in attitudes over time indeed suggest a substantial decline in prejudice, and imply that overt forms of racial hostility and discrimination are no longer acceptable among the majority of the American public.

One of the main criticisms of attitude research is of its vulnerability to social desirability bias, or the pressure for respondents to give “politically correct” responses to questions even if this means distorting or lying about their true beliefs. In charting trends in racial attitudes over time, it is hard to separate the changing beliefs of respondents from the increasing pressures to provide socially appropriate (non-discriminatory) responses. Indeed, some critics question the interpretation of trends in survey measures as indicative of meaningful change in underlying racial attitudes. Pointing to the lack of support for policies aimed to achieve the widely-supported principles of equality—such as bussing programs to achieve racial integration in schools or affirmative action programs to support diversity in higher education and the

workplace—these researchers question the endorsement of principles of equality as superficial (Kinder & Sears, 1981; Bobo et al., 1997; McConahay, 1986). If not linked to support for meaningful social change, what exactly do these attitudes tell us about the state of race relations today? Of course, policy attitudes are the product of multiple influences, including but not limited to attitudes about race (Sniderman et al., 1991). Nevertheless, the discrepancy between attitudes of principles versus policy raises important questions as to the meaning of survey responses.

Further pointing to the persistence of racialized attitudes, white Americans continue to express strong negative stereotypes about racial and ethnic minorities. Though less likely to attribute group differences to biological sources than in earlier eras, the persistence of cultural stereotypes remains an important feature of contemporary race relations. Smith (1991), for example, reports on a series of 7-point scales assessing a range of characteristics associated with Whites, Jews, Blacks, Asian Americans, Hispanic American, and Southern Whites.⁴ Racial and ethnic minorities are consistently rated more negatively relative to whites. Blacks were rated most negatively, with particularly strong stereotypes as lazy, violence-prone, and welfare-dependent. Hispanics were a close second in negative ratings, falling behind even blacks on associations with characteristics such as poor, unintelligent, and unpatriotic. Asians are seen in a moderately negative light, roughly comparable to views of Southern whites. The dimension on which Asians score most negatively was in assessments of patriotism. Overall, these measures indicate that perceptions of difference across racial/ethnic groups remain pervasive in American society, with racial and ethnic minorities viewed in a consistently negative light relative to

⁴ Respondents were asked to rate members of a designated group on a continuum between two polar statements (e.g., Rich/Poor). Respondents were asked about ratings for each group sequentially, without direct comparisons between groups. For other investigations of the content of racial stereotypes, see

whites.⁵ To the extent that these attitudes translate into differential treatment, persistent racial stereotypes and prejudice may be one source of contemporary discrimination.⁶

Though little research has focused on views of non-whites, some evidence suggests that dynamics among minority groups show similar signs of racial bias. Black respondents demonstrate rankings very similar to those of whites, with whites rated most favorably, followed by Asians, blacks, and then Hispanics (Yoon, 1995).⁷ It is not the case, then, that whites are the only group influenced by negative racial stereotypes. Likewise, Bobo and Hutchings (1996) find that a substantial proportion of blacks, Asians, Hispanics, and whites perceive members of other groups as zero-sum competitive threats for social resources. In explaining these perceptions of group threat, the authors point to varying levels of racial alienation, prejudice, beliefs about the sources of inequality, as well as simple self-interest. Together, these analyses suggest that discrimination (by whites or other racial groups) may be motivated by competition among groups, in addition to any influence of prejudice or racial stereotypes.

“Everything but the kitchen sink.” Statistical Analyses of Large-Scale Datasets

Perhaps the most common approach to studying discrimination is by investigating inequality in outcomes between groups. Rather than focusing on the attitudes or perceptions of actors that may be correlated with acts of discrimination, this approach looks to the possible consequences of discrimination in the unequal distribution of employment, housing, or other social and

⁵ Likewise, despite the progressive changes in racial attitudes generally, Devine and Elliot (1995) find that the content of racial stereotypes has changed little over time. What has changed, rather, is the conscious effort on the part of non-prejudiced individuals to inhibit the activation of these stereotypes (Devine, 1989). While these conscious strategies have successfully resulted in a substantial reduction in the expression of racial bias, actions taken under pressure remain vulnerable to the influence of implicit racial attitudes (Macrae, Hewstone, & Griffiths, 1993).

⁶ For a discussion of the relationship between attitudes and behavior, particularly those related to prejudice and discrimination, see Merton, 1949; LaPiere, 1934; Pager & Quillian, 2005.

⁷ Korean merchants has demonstrated strong preferences for hiring Hispanic workers, but not blacks, resulting in part from perceptions of work ethic and dependability across these groups (Kim, 1999; Min, 1996; Yoon, 1997; Weitzer, 1997).

economic resources. Using large-scale datasets from the Census or other large samples of the population, researchers can identify systematic disparities between groups and chart their direction over time. Persistent inequalities in employment, home ownership, or mortgage rates, for example, or high levels of residential or occupational segregation, indicate trouble in the social system. While the cause of these disparities cannot be automatically attributed to discrimination, they provide clues for further investigation. Particularly in cases where discrimination cannot be reduced to the specific actions of any one individual, such as more complex, institutional sources of discrimination (discussed below), it is only by observing aggregate outcomes that these more subtle and expansive sources of discrimination can be identified.

But statistical analyses can provide more than descriptive estimates of inequality. Indeed, these analyses can further move toward isolating the effects of discrimination. Using statistical techniques to control for a wide range of factors, these models can estimate the causal effect of race on a wide range of social and economic outcomes among individuals with otherwise equivalent characteristics. For example, a widely cited study conducted by economists at the Boston Federal Reserve Bank analyzed mortgage applications from 3000 individuals in the Boston area in 1990. Statistically controlling for differences in the consumer's credit history, current financial status, loan type, and a wide range of other relevant variables, the study found that black and Hispanic clients were 82 percent more likely to be turned down for a loan relative to statistically equivalent white applicants (Munnell et al., 1996). By taking into account the complex array of factors that contribute to mortgage decisions—including all those factors that lenders themselves claim to be determinative—this study reveals the systematic ways in which race continues to shape access to opportunity.

In response to the Boston Fed study, some critics have questioned whether omitted variables or statistical misspecifications may have inflated the estimates (for reviews, see Ladd, 1998:48-53; Ross & Yinger, 2002, ch.6). Though the results have held up under extensive scrutiny, these debates point to the primary limitation of statistical studies of discrimination. It is difficult to effectively account for the multitude of factors relevant to inequality outcomes, leaving open the possibility that the disparities we attribute to discrimination may in fact be explained by some other unmeasured cause(s).⁸ While sophisticated techniques exist to minimize these concerns, there ever remains some degree of uncertainty. Thus while the strength of this line of research is the strong statistical power to detect differences between groups, its limitation is in the ability to conclusively explain them.

Experimental Approaches to Measuring Discrimination

Experimental approaches to measuring discrimination excel in exactly those areas where statistical analyses flounder. Experiments allow researchers to more directly measure causal effects by presenting carefully constructed and controlled comparisons. For example, Correll and colleagues (2002) had subjects play a videogame in which they had to identify and shoot armed targets, while refraining from harming unarmed figures. The experiment randomly varied whether particular figures that appeared in the videogame were seen as white or black. The results revealed that subjects were quicker to pull the trigger when armed targets were black, and more likely to shoot unarmed targets in error when the target was black. This experiment powerfully illustrates the ways in which deeply embedded stereotypes about black criminality

⁸ These concerns are even more evident in statistical analyses of racial differences in labor market outcomes where, even after controlling for education, work experience, region, and a wide range of factors associated with labor market success, a whole host of employment-related characteristics typically remain unaccounted for. Characteristics such as reliability, motivation, interpersonal skills, and punctuality, for example, are each important to finding and keeping a job, but these are characteristics that are virtually impossible to measure using survey data.

guide behavior, facilitating action that is consistent with stereotyped expectations. The implications of this study clearly extend to the potential for mistreatment in real-world contexts, such as the recent shooting of Amadou Diallo, an unarmed black man shot by New York City police. Whether conscious or not, stereotypes of black criminality color snap-decisions about whether a target is armed, dangerous, and whether extreme action is warranted.

In addition to highly controlled laboratory experiments conducted by social psychologists, field experiments offer a direct measure of discrimination in real-world contexts. In these experiments, typically referred to as audit studies, researchers carefully select, match, and train individuals (called testers) to play the part of a job/apartment-seeker or consumer. By presenting equally qualified individuals who differ only by race or ethnicity, researchers can assess the degree to which racial considerations affect access to opportunities. Audit studies have documented strong evidence of discrimination in the context of housing searches (Yinger, 1995), car sales (Ayres & Siegelman, 1995), applications for insurance (Wissoker et al., 1998), home mortgages (Turner & Skidmore, 1999), in the provision of medical care (Schulman et al., 1999), and even in hailing taxis (Ridley et al., 1989).

For example, between 2000 and 2002 the Department of Housing and Urban Development conducted an extensive series of audits measuring housing discrimination against blacks, Latinos, Asians, and Native Americans, including nearly 5,500 paired-tests in nearly 30 metropolitan areas. The results of the study show clear evidence of bias across multiple dimensions of housing searches, with minorities substantially disadvantaged relative to similar whites. Among renters, blacks and Latinos experienced adverse treatment in roughly 1 out of 5 cases. Minority renters were told about fewer units and were shown fewer units relative to similarly positioned whites. Similar overall patterns were found for Asian and Native American

renters, though the results were less consistent.⁹ Among homebuyers, blacks, Hispanics, and Asians each experienced adverse treatment in roughly 20 percent of cases. Adverse treatment included differences in reports of housing availability, inspections, assistance with financing, and encouragement from the real estate agent (see HUD, 2002, 2003a). And while overall levels of discrimination declined on many dimensions since 1989, the level of geographic steering (away from white neighborhoods) experienced by black and Hispanic homebuyers actually increased over time.¹⁰ Far from being a thing of the past, active discrimination by realtors and rental agents remains an important source of residential segregation and inequality between groups. As we will see below, these dynamics have important implications that extend well beyond the specific context of housing, forming one link in a much larger system of discrimination.

One limitation of experimental methods in general, and audit studies in particular, is that only a narrow range of characteristics can be included in any one study. Because experiments rely on carefully controlled research designs, researchers must limit their focus to a small number of experimental characteristics (e.g., race), holding other characteristics constant (e.g., gender, age, educational attainment, etc.). A few recent audit studies, however, have incorporated more complex designs, allowing race to vary according to other dimensions of interest. For example, a study by Marianne Bertrand and Sendhil Mullainathan (2003) examined the effects of race on employment, and the ways in which increasing skill can condition the effects of race. In this study, the researchers mailed resumes to employers in Boston and

⁹ Asian renters experienced a similar overall mean level of discrimination, but because of high levels of variation across tests the difference was not statistically significant. Native American renters did not experience adverse treatment on most dimensions, but were significantly more likely to be denied information about the availability of housing units relative to whites (HUD, 2003a,b).

¹⁰ Unlike trends for homebuyers and for African American renters, the results of the recent HUD study indicate that discrimination against Hispanic renters has not declined. In fact, Hispanics are now more likely to experience discrimination in seeking rental units than are African Americans (HUD, 2002). Native American homebuyers also experienced significant steering away from white neighborhoods, though no measure from an earlier time point is available for comparison (HUD, 2003b).

Chicago using racially-identifiable names to signal race (for example, names like “Jamal” and “Lakisha” signaled African Americans, while “Brad” and “Emily” were associated with whites).¹¹ White names triggered a callback rate that was 50 percent higher than that of equally qualified black applicants.¹² Further, their study indicated that improving the qualifications of applicants benefited white applicants but not blacks, thus leading to a wider racial gap in response rates for those with higher skill. The results of this study suggest that employers are more likely to overlook or dismiss evidence of objective skills among black applicants, while responding favorably to the same information among whites.

Another recent series of audit studies compared the effects of race to the stigma of being an ex-offender. In these studies, young men posing as job applicants filled out applications for entry-level jobs in Milwaukee and New York City, presenting fictitious resume reflecting equal qualifications. In some cases, the applicants also indicated they had recently been released from prison for a felony drug charge.¹³ The results demonstrated that employers were roughly twice as likely to hire a white applicant as an equally qualified black applicant and, further, were just as likely to hire a white applicant just released from prison as they were an equally qualified black or Hispanic applicant with no history of criminal involvement (Pager, 2003; Pager & Western, 2005). By calibrating the effect of race against the stigma of a felony conviction, these studies provide a concrete estimate of the magnitude of discrimination in low wage labor

¹¹ For a similar study testing a wider range of ethnic/gender groups, see Discrimination Research Center (2004). Also, see Figlio (2004) for a non-experimental, but clever study of the effects of racially identifiable names on teachers’ expectations of students (comparing sibling pairs in which one sibling has a racially identifiable names while the other does not).

¹² Whites received callbacks in 10.06 percent of cases compared to a callback rate of 6.70 percent for blacks. Callback rates were slightly higher for women than men, but overall levels of discrimination differed little by gender.

¹³ In most cases, application forms ask applicants to report, “Have you ever been convicted of a felony? If yes, please explain.” For more information on how testers reported criminal background information, see Pager (2003).

markets. Not only do blacks have to work twice as hard to receive equal treatment to whites, they have no better prospects than does a white individual just returned from prison.

Each of these studies provides a window into the dynamics of race in contemporary society, and offers compelling evidence for the persistence of discrimination across a wide range of domains. Though each method has certain limitations, the consistency of findings across studies provides strong evidence for the persistence of discrimination. Employers, lenders, real estate agents, and other key gatekeepers continue to use race as a factor in their decisions, shaping opportunities in ways that systematically disadvantage minorities. Understanding the sources of discrimination in contemporary society remains an important goal for academics and policy makers who wish to address this important social problem.

WHAT CAUSES DISCRIMINATION?

Given the compelling evidence that discrimination remains an important factor in shaping access to contemporary opportunities, how can we explain the underlying basis for the differential treatment we observe? At the aggregate, all forms of discrimination produce the same consequences—excluding potentially qualified individuals from opportunities solely on the basis of their group membership. In each case, however, discriminatory decisions can be the product of a complex set of considerations, and it is helpful to consider the multiple influences underlying these decisions.

Dating back to the early writings of Gordon Allport and Theodore Adorno in the 1950s, the historical literature on discrimination largely emphasized the role of prejudice, or a deep distaste or hatred for members of an out-group. Personal feelings or attitudes about members of minority groups, for example, were seen as the predominant source of racial discrimination (Pettigrew, 1975; Allport, 1954; Becker, 1971). Indeed, as described above, contemporary

research indicates that negative racial stereotypes remain pervasive, and many whites show signs of resentment when asked about federal efforts to improve the status of racial minorities (Kinder & Sanders, 1996). It would be a mistake, though, to assume that all discrimination, or even the most common forms of discrimination, represents the expression of deeply felt prejudice or animosity toward African Americans or other racial minorities. In fact, as mentioned above, most researchers studying racial attitudes would agree that the level of explicit/conscious racial prejudice in this country has declined precipitously since the 1950s. Few would argue that levels of racial hostility remain as strong today as they were half a century ago.

If by discrimination we don't mean racial animus, what other factors may help to explain the persistence of discrimination in contemporary society? The economics literature on discrimination has increasingly emphasized a process referred to as *statistical discrimination* (Phelps, 1972; Arrow, 1972; Aigner & Cain, 1977). Statistical discrimination refers to a process by which individuals are judged according to the real or perceived characteristics of the group to which that individual belongs. For example, a police officer may use race as a proxy for criminality; a doctor may use race as a proxy for treatment compliance; mortgage lenders may use race as a proxy for risk of loan default. Because criminality, treatment compliance, and default risks are difficult to observe directly, evaluators rely on indirect information inferred from group membership. Even rational, non-prejudiced decision-makers, then, may wind up systematically favoring whites over non-whites if their estimate of overall reliability among whites is higher.

What remains contested in this literature, however, is the degree to which these group-level attributions reflect accurate assessments. According to standard economic arguments, statistical discrimination represents a rational and efficient mechanism for dealing with the

problems of information shortages. Though a reliance on group averages may lead certain individuals to be unfairly dismissed, the strategy should produce an efficient distribution of decisions overall. Competing arguments, on the other hand, argue that statistical discrimination is largely based on exaggerated and distorted differences between groups (Tomaskovic-Devey & Skaggs, 1999; Bielby & Barron, 1986). Though mean differences may exist between groups on some valued characteristics, these differences are inflated in their application, leading to much larger differences in individual evaluations than would be warranted by actual group-level characteristics (Rothschild & Stiglitz, 1982). Indeed, when asked to rate the characteristics of stereotyped groups (according to dimensions for which objective information is available), individuals tend to exaggerate group differences and to underestimate the level of within-group dispersion (Ryan, 1995; McCauley, 1995). To take one example, a 1991 survey asked, “Of all the people arrested for violent crimes in the United States last year, what percent do you think were black?” The modal response to this question was “60 percent,” an exaggeration by roughly 35 percent of the actual proportion.¹⁴ Likewise, Americans on average estimate that blacks make up roughly 50 percent of the nation’s poor, nearly double the actual proportion black (Gilens, 1999). The degree of overestimation for these characteristics differs little for residents of urban and rural communities, or areas with either high or low concentrations of blacks. Pervasive racial stereotypes, amplified through selective media portrayals, can thus substantially distort the “evidence” according to which group attributions are formed. Rational-actor models emphasizing the utility of statistical discrimination may thus be missing a substantial degree of bias built in to the “otherwise-rational” inference process.

¹⁴ This survey item comes from the 1991 National Race and Politics Survey, <http://sda.berkeley.edu:7502/archive.htm>; The proportion of violent arrests that were blacks was 45% in 1990 (FBI, Uniform Crime Reports, 1990).

Further, researchers disagree over the degree to which inaccurate group assessments can persist over time. Perfect-market models assume that inefficiencies will be automatically eliminated over time, as relevant actors discover their practices to be suboptimal and correct for necessary modifications (Oettinger, 1996). Factors such as segregation, imperfect information flows, and negative feedback effects, however, impede awareness of changes and work to preserve existing outcomes (Tomaskovic-Devey & Skaggs, 1999; Whatley & Wright, 1994). As labor economist Kenneth Arrow (1998) argues, “Each employer has a very limited range of experience, and so prior beliefs can remain relatively undisturbed. Indeed, to the extent that discrimination takes the form of segregation, then there will in fact be little experimentation to find out abilities.... The very fact of segregation will reinforce beliefs in racial differences” (p.97). Segregation limits whites’ exposure to nonwhites, thus reducing opportunities to recalibrate group assessments and preserving outdated attributions. Without direct contact, media representations may be the most common source of information available to employers (or the general public) about the characteristics of blacks today. Unfortunately, media coverage of black millionaires has not kept pace with coverage of blacks in poor neighborhoods or behind bars (Entman & Rojecki, 2000).

Perhaps more disturbingly, even with exposure to accurate information about group members, stereotypes demonstrate a stubborn resistance to change. Creative social psychological experiments have demonstrated the numerous ways in which individuals unconsciously resist the integration of counterstereotypic information through biases in the gathering, processing, and recall of information (Fiske, 1998; Bodenhausen, 1988; Trope & Thomson, 1997). The heuristic value of stereotypes shapes perception in ways that privilege evidence confirming of stereotypes while discounting that which is contradictory. Though

sometimes efficient when dealing with accurate expectations, these processes can lead individuals to retain false beliefs far longer than optimal.

Understanding the processes that shape discrimination remains an important goal for social scientists. Overall, the evidence suggests that overt forms of prejudice and discrimination have declined, but subtle and unconscious forms of bias remain pervasive. Unfortunately, these unconscious sources of discrimination remain among the most difficult to identify, legislate, and change.

Structural Discrimination

The majority of research on discrimination, and indeed each of the mechanisms discussed above, focuses on dynamics between individuals. It is easiest to conceptualize discrimination in terms of the actions of specific individuals, with the attitudes, prejudices, and biases of majority group members shaping actions toward minority group members. And yet, it is important to recognize that each of these decisions take place within a broader social context. Recognizing the ways in which these contexts shape individual and group outcomes represents a critical component of understanding the underlying dynamics of discrimination. In some cases, the distinction is blurry. When an employer discriminates against a minority job seeker, does this represent an individual act of discrimination, motivated by the prejudices and assumptions of that particular employer, or does the employer's decision reflect a larger system of discrimination within that corporate environment? When a doctor prescribes a course of treatment to a minority patient that is less effective than what he would prescribe to a white patient, is this the result of individual bias, or does this decision represent the influence of a larger medical establishment that uses race as a predictor of treatment compliance or insurance status. While each case may have its own unique circumstances, the consistency of discrimination within and across domains

encourages us to direct our attention beyond individual actors to consider the larger institutional context in which discrimination takes place.

A focus on structural and institutional sources of discrimination allows us to further recognize the ways in which opportunities can be allocated on the basis of race in the absence of direct prejudice or bias. Numerous processes take place at the organizational, institutional, and societal level that systematically disadvantage minorities without any necessary conscious intent. These structural forms of discrimination are often ostensibly race-neutral in content, but nevertheless result in the exclusion or subordination of blacks or other minorities.

For example, a common practice used by firms to recruit new workers is through employee referrals. By relying on current employees to identify and recruit new workers, employers can avoid the need for extensive advertising and screening of prospective applicants. Indeed, some evidence suggests that referrals often do produce better-quality applicants, and that referred employees often make a better “fit” than those recruited through other sources (Fernandez et al., 2000). Whatever the advantages of this practice, however, the use of referrals has the added consequence of reproducing the existing racial composition of the company. Because of high levels of social segregation, in firms where a majority of employees are white, new referrals are also likely to be white (Braddock & McPartland, 1987). Mouw (2002), for example, finds that the use of employee referrals in predominantly white firms reduces the probability of a black hire by nearly 75 percent relative to the use of newspaper ads.¹⁵ Irrespective of an employer’s personal attitudes about minorities, the use of employee referrals is likely to reproduce the existing racial composition of an organization, restricting valuable employment opportunities from excluded groups. The wide-ranging economic consequences

¹⁵ This estimate comes from a model with controls for spatial segregation, occupational segregation, city, and firm size. Analyses apply to non-college jobs only.

that follow from segregated social networks corresponds to what Loury (2001:452) refers to as the move from “discrimination in contract” to “discrimination in contact.” According to Loury, while earlier forms of discrimination primarily reflected explicit differences in the treatment of racial groups, contemporary forms of discrimination are more likely to be perpetuated through informal networks of opportunity which, though ostensibly race-neutral, systematically disadvantage members of historically excluded groups (see also Royster, 2003).

Though the majority of this literature has focused on the white-minority divide, the use of employee referrals likewise has implications for competition between minority groups. In fact, research on ethnic niches suggests that Hispanics and Asians have likewise been able to capitalize on the use of networks to benefit members of their own group at the expense of other racial minorities (e.g., Portes & Landolt, 1996; Light & Gold, 2000). Waldinger and Lichter (2003), for example, find a substantial number of firms and industries in Los Angeles in which Latino workers have been able to internally regulate the recruitment process through extensive kinship and community networks. “Where incumbents’ networks essentially seize hold of the recruitment process, employers rarely, if ever, have the opportunity to consider applicants who differ from the workers whom they already employ. Under these circumstances, out-group workers find themselves excluded, but not as the result of actions motivated by prejudices of employers” (Waldinger & Lichter, 2003:150). In this context, then, employers are rarely confronted with the opportunity to discriminate against members of excluded groups, as such individuals never make it into the applicant pool. Forms of structural discrimination, rather, through which existing inequalities are reproduced via informal social processes, preclude opportunities in ways that contribute to systematic disadvantage.

In addition to the social patterning of opportunity, the spatial distribution of resources likewise contributes to structural forms of discrimination. The majority of job growth over the past two decades, for example, has been concentrated in suburban areas, far from the reach of central city (and largely minority) residents. The cost of transportation to these jobs is often prohibitive, particularly for entry-level jobs for which compensation is minimal. Even among those willing to make the journey, information about job opportunities in the distant suburbs is less likely to make its way to central-city residents. These barriers of access—including both transportation and information—reduce the pool of black applicants for suburban jobs, with a corresponding reduction in black employment overall (Kain, 1968; Wilson, 1987; Fernandez & Su, 2004).¹⁶ Again, suburban employers may not actively seek to avoid minority workers (though see Ellwood, 1986), but the spatial disconnect between jobs and minority workers can effectively lead to the same outcome.

Similarly, the allocation of resources for public schools is associated with systematic disadvantage to minority communities. According to Orfield and Lee (2005:18), more than 60 percent of black and Latino students attend high poverty schools, compared to 30 percent of Asians and 18 percent of whites. Public schools receive a large fraction of their funding from local property taxes, with schools in affluent neighborhoods benefiting from the wealthier tax base. While some efforts are made to redistribute resources from rich to poor school districts, sizeable disparities remain (Augenblick et al., 1997). Further, beyond simple funding levels, the broader resources of schools in poor neighborhoods are substantially limited: teachers in poor and minority schools tend to have less experience, shorter tenure, and are more likely to have emergency credentials rather than official teaching certifications (Orfield & Lee, 2005). At the

¹⁶ Hispanics and Asians are less affected by the dynamics of spatial mismatch, presumably due to their lower levels of residential segregation and greater access to suburban jobs (Holzer, 1996).

same time, schools in high poverty neighborhoods are faced with greater incidence social problems, including teen pregnancy, gang involvement, and unstable households (Massey & Denton, 1993). With fewer resources these schools are expected to manage a wider array of student needs. The resulting lower quality of education common in poor and minority school districts implies that students in these schools will be less prepared for future opportunities, including employment and higher education, that are critical to enabling the escape from poverty (Orfield & Lee, 2005; see Farkas, this volume).

Each of these cases provides an example of structural forms of discrimination, not necessarily motivated by any racial considerations, but with the ultimate consequence of systematically disadvantaging racial minorities. Recalling our two-part definition of discrimination proposed earlier, these cases of disparate impact (as opposed to disparate treatment) represent an equally powerful form of racial discrimination in contemporary society. Unfortunately, unlike individual acts of discrimination, structural sources are far more difficult to identify, evaluate, and change. Because these patterns are not produced by any single decision-maker, but rather through a complex web of decisions that evolve over time, they are far more resistant to intervention and thus far more likely to persist.¹⁷

Systems of Discrimination

The significance of discrimination is reinforced still further when we look beyond the impact of any given individual or institution to the complex and interwoven systems through which the

¹⁷ The legal basis for challenging certain structural forms of discrimination falls under the *disparate impact* doctrine, first established by the 1991 Supreme Court decision in *Griggs v. Duke Power Co.*, and codified into law in the 1991 Civil Rights Act (NRC, 2004). In these cases, organizational practices can be deemed illegal if they (a) produce unequal outcomes by race and (b) are not justified by “business necessity.” Disparate impact claims have been critical in removing barriers to minority groups not motivated by explicit racial intent (and therefore not covered by traditional definitions of discriminatory treatment). Over time, however, changes in the judicial interpretation of this doctrine have increased the burden of proof for plaintiffs; correspondingly, the proportion of cases that have prevailed under this doctrine has declined since 1991 (Songer, 2005).

effects of discrimination become magnified. To take one vivid example, consider the implications of pervasive discrimination in housing markets (described above). Minority home-seekers are routinely directed toward minority neighborhoods in their search for housing. This form of racial channeling perpetuates high levels of residential segregation, which is in turn associated with a growing concentration of poverty (Massey & Denton, 1993). Residence in a segregated, high poverty neighborhood is itself associated with a wide range of negative social outcomes, including poorer schools, fewer nearby jobs, more limited social networks, and greater exposure to crime and violence (Yinger, 2001; Williams, 2004). Discrimination in housing markets also serves to channel minority residents toward poorer housing stock, which in turn contributes to negative health outcomes. Poor blacks and Hispanics are roughly twice as likely as poor whites to live in homes with rodents or cockroaches, or in housing with chipped plaster or peeling paint—conditions linked to asthma, lead poisoning, and other serious health risks (Yinger, 2001:377). These health problems in turn place greater financial burden on minority families, including emergency room visits and other health care costs and the costs of missed work or schooling (Mullahy & Wolfe, 2001).

Previous research has documented strong evidence of discrimination in the context of housing searches (Yinger, 1995), car sales (Ayres & Siegelman, 1995), applications for insurance (Wissoker et al., 1998), home mortgages (Turner & Skidmore, 1999), in the provision of medical care (Schulman et al., 1999), and even in hailing taxis (Ridley et al., 1989). While the existing body of research investigates what are only a few of the nearly infinite domains of social life, it demonstrates the wide range of contexts in which race profoundly limits opportunity. Consider how each of these everyday interactions cumulate across the lifecourse in the form of

sequential and additive disadvantage. For racial minorities, everyday life achievements take longer, require more effort, and impose greater financial and psychic costs.

Table 1 presents a schematic of some of the primary domains in which discrimination may be associated with significant racial disparities. As illustrated by this chart, discrimination is not isolated to one social sphere nor to one set of actions or actors. Instead, there are multiple sites at which discriminatory action can take place. In this way, even relatively small incidents of discrimination—when experienced at multiple intervals or across multiple contexts—can have substantial effects on aggregate outcomes. Discrimination in educational settings or labor markets increases pressures for youth to opt out, turning instead to opportunities in the informal or illegal economy; discrimination in credit markets contributes to higher rates of loan default, with negative implications for minority entrepreneurship and home ownership; discrimination in housing markets leads to residential segregation, which in turn limits access to employment opportunities. It is difficult to capture the cumulative consequences of discrimination using traditional research designs. Nevertheless, for an accurate accounting of the impact of discrimination, it is critical to recognize the ways in which discrimination in one domain (or at one stage) can impose negative spillover effects into other arenas.

Cumulative Effects

Just as the effects of discrimination can accrue across multiple domains, they can likewise cumulate across the lifecourse. Indeed, blocked opportunities early on can have long-term consequences for an individual's future social and economic well-being. For example, standard economic models inform us that investments in skill are a function of the expectations of future returns. As job seekers make attempts to secure employment, they receive explicit and implicit feedback from employers about their suitability for various kinds of jobs and their desirability to

various kinds of employers. The information gathered during these initial searches is likely to guide subsequent search behavior and to influence expectations of the returns to investments in work-related capital. If blacks perceive high levels of discrimination in the labor market, their incentives to invest in the development of cognitive skills or labor market credentials will be weakened early on (Darity & Mason, 1998; Loury, 2002).

An abundance of social-psychological literature documents the powerful negative feedback effects created by the internalization or imposition of early acts of discrimination. As victims of discrimination come to expect disapproval or rejection, their internal defenses become activated. The tension caused by such interactions can be resolved through either an active disidentification with the initial goal, thereby preserving the congruence between one's aspirations and one's achievements, or through an internalization of negative attributions, with an associated lowering of expectations for success (Crocker et al., 1998; Fanon, 1967).

The complex consequences of stigma are described in detail by Loury (2002) in what he terms "the logic of self-confirming stereotypes" (p.26-33). In this discussion, Loury articulates three key components of this cycle by which initial evaluations—no matter how innocent—can have serious consequences for the distribution of outcomes among groups. The first stage involves an initial evaluation, say, by employers of job applicants, for which employers must draw inferences on the basis of limited and difficult-to-observe information. Following what could be a rational cognitive process, employers are likely to make statistical inferences, based on perceived associations between observed characteristics (such as race, gender, age, criminal history) and job-relevant concerns. Whether or not an employer seeks to intentionally exclude members of certain social categories, internalized expectations about these categories can play a significant role in the evaluation process (as we have seen above).

In the second stage of this cycle, the employer's initial evaluation provides feedback to the applicant, concerning the degree to which their job-relevant characteristics are noticed and appreciated, and, likewise, the probability that future investments in job-relevant skills will be rewarded. To the extent that racial/ethnic minorities feel that their job-relevant characteristics are devalued by employers, the incentive to invest in such skills will decline (see also Arrow, 1998). Whether or not the individuals themselves internalize negative attributions, a rational cost-benefit analysis of job search behavior indicates that the returns are lower for members of stigmatized groups. While some may become motivated to overcome these barriers through an effort of escalated intensity, many will likely to resign themselves to failure (Crocker and Major, 1989).

Finally, through the interaction of initial (category-based) evaluations and feedback effects, an equilibrium can be reached. As initial rejections create disincentives for stigmatized individuals to persevere, a congruence between employer expectations and applicant characteristics is achieved. The result of this negative feedback loop is that, over time, it becomes entirely "rational" for employers to make decisions on the basis of "functionally irrelevant attributes" (Loury, 2002:27): as prior negative expectations lead to the emergence of real differences in job-relevant attributes, the perceived link between racial identity and productivity becomes realized (see also Merton, 1948).

Perhaps even more damaging, the mechanisms producing this outcome can remain entirely hidden. Employers mistakenly believe that the disadvantaged state of racial minorities is due to some intrinsic property of the group, while in fact this association is at least in part produced by faulty expectations imposed by the employers themselves. Negative outcomes are

thus seen as the confirmation of expectations rather than the consequence thereof, perpetuating an unchallenged system of misattributions and faulty judgments.

More broadly, Larry Bobo and his colleagues argue that the largely invisible structural forces that perpetuate racial disadvantage reinforce whites' beliefs in black inferiority, and legitimate existing inequalities as the assumed result of fair competition. "A large number of white Americans have become comfortable with as much racial inequality and segregation as a putatively nondiscriminatory polity and free market economy can produce: hence the reproduction and, on some dimensions, the worsening of racial inequalities. These circumstances are rendered culturally palatable by the new ideology of laissez-faire racism" (Bobo, Kluegel, & Smith, 1997:41). Cass Sunstein (1991) discusses similar themes in his article, "Why Markets Don't Stop Discrimination." According to Sunstein, "The beneficiaries of the status quo tend to [conclude] that the fate of victims is deserved, or is something for which victims are responsible, or is part of an intractable, given, or natural order... The reduction of cognitive dissonance thus operates as a significant obstacle to the recognition that discrimination is a problem, or even that it exists" (p.32). The perpetuation of racial inequality through structural and institutional channels can thus be conducive to legitimating ideologies of race-blindness, exonerating the majority group from responsibility and shifting blame toward minorities for their own disadvantage.

WHAT ARE EFFECTIVE STRATEGIES FOR REDUCING DISCRIMINATION?

The pervasiveness of racial stereotypes and the persistence of discrimination can seem like grounds for despair. Racial bias appears so deeply embedded in American society and its institutions that there sometimes seems little possibility for its eradication. And yet, there are grounds for hope. Despite the pervasiveness of racial stereotypes—the content of which has

changed very little over time—the *expression* of racial bias has been shown to vary substantially over time and across social contexts. Examining the contexts in which discrimination becomes more or less prevalent can help us to identify strategies for reducing discrimination more broadly. Below I consider four factors that matter for the expression (or reduction) of racial discrimination:

Law matters. There is substantial evidence to suggest that the legal context can and does matter for the expression of discrimination. The adoption of broad antidiscrimination statutes in the mid-1960s significantly changed the ways in which employers, landlords, and other key gatekeepers conducted business. And far from resulting in merely superficial change (e.g., making discrimination more covert), there is convincing evidence to suggest that opportunity did in fact expand significantly for blacks in the 1960s and 70s, in the aftermath of these legal changes. For example, Heckman & Payner (1989) examine changes in the level of black employment and wages in the manufacturing industry in South Carolina between 1960 and 1980. After taking into account a wide range of competing factors—including changes in educational attainment by race, labor supply, and local economic conditions—the authors conclude that federal antidiscrimination programs directly contributed to the increase in black economic attainment (see also Donahue & Heckman, 1991).

In addition to antidiscrimination laws, the more proactive approach represented by affirmative action policy has likewise demonstrated substantial positive effects. Affirmative action requirements for federal contractors, for example, have been associated with a 25 percent increase in the share of minority workers, and a significant increase in the occupational status of Latinos and African Americans (Edelman & Petterson, 1999; Reskin, 1998). Holzer and Neumark (2000) report that firms that have affirmative action policies in place have higher rates

of minority employment and smaller racial wage gaps. Further, though minorities hired under affirmative action had on average lower levels of educational attainment than whites, their performance ratings on the job were virtually identical to those of whites (Holzer & Neumark, 2000:533; see also Bowen & Bok (1998) for a parallel case in higher education).¹⁸

Finally, it is important to emphasize that the effectiveness of antidiscrimination law is only as great as the corresponding commitment to enforcement (Leonard, 1990). The Department of Housing and Urban Development, for example, has partnered with the Department of Justice to investigate and enforce fair housing laws, resulting in a number of large settlements against major insurance and real estate companies. Perhaps in part as a result of this effort, the rate of discrimination against blacks and Latinos in home purchasing declined between 1990 and 2000, and the number of mortgage loans to blacks and Hispanics nationwide increased 60 percent, compared to 16 percent for whites (HUD, 2002; Squires, 1999). The same has not been true in the case of employment, where the EEOC has shown great reluctance to identify and prosecute discriminatory employers.¹⁹ In fact, the number of EEOC claims focusing on racial discrimination declined through the 1990s, relative to increasing numbers of claims on the basis of gender and disability (Donahue & Siegelman, 2003). The low rates of detection and enforcement in cases of hiring discrimination leave employers largely immune to antidiscrimination law, potentially undermining the substantial gains of earlier decades. The legal environment can have important effects on the expression of discrimination, but only with the appropriate monitoring and enforcement.

¹⁸ Hispanic males were the only group that showed lower average performance ratings under affirmative action.

¹⁹ Unlike the HUD studies, there are no time series for audit studies of employment. Recent employment audits do, however, reveal similar levels of discrimination to those from the previous decade (e.g., Pager, 2003; Bendick et al., 1994).

Institutions matter. A second contextual factor related to the expression of discrimination is the institutional environment. Institutions can adopt specific procedures and develop well-defined norms to encourage or reduce the incidence of discrimination. The United States military, for example, is one institution in which we have seen a remarkable advancement of African Americans over time. African Americans are well-represented among high-ranking officers in the military, and the level of integration on military barracks is well beyond that in the society at large. In their study of the U.S. Army, Moskos and Butler (1996:13) attribute the significant progress toward racial equality to three primary factors: (1) an absolute organizational commitment to nondiscrimination, with serious consequences for those who violate these norms; (2) high standards of performance for all recruits; (3) opportunities to reach and maintain standards, through education, training, and mentoring. While the Army is quite distinct from mainstream American institutions, Moskos and Butler argue that many of these lessons can be generalized to non-military settings in which diversity and racial equality are made priorities.

Indeed, beyond the specific case of the Army, the public sector more generally has achieved a strong track record in reducing racial disparities. The public sector is characterized by a highly rationalized system of hiring, promotion, and remuneration, thought to shield against forms of discrimination that may prevail in some private-sector firms (DiPrete & Soule 1986; Moulton 1990). Indeed, empirical evidence suggests that the wage gaps by race and gender are substantially lower in the public sector than they are in corresponding private-sector occupations, and that a disproportionate number of blacks and women are employed in public-sector positions (Grodsky & Pager, 2001; Ehrenberg & Schwarz 1986).

Finally, these lessons have been shown to apply in some private sector contexts as well. Firms that have in place formal and systematic protocols for personnel management decisions

are more effective in reducing the impact of racial bias, as evidenced by higher rates of minority employment (Reskin, 1998; Holzer, 1998). Strong institutional commitments to reducing discrimination can have large effects. By putting into place procedures to counteract the effects of individual bias or pervasive racial stereotypes, organizations can work to effectively overcome individual and systemic forms of discrimination.

Technology matters. As suggested above, decisions made in informal settings or with wide personal discretion are often those most vulnerable to the influence of conscious or unconscious racial bias. Conversely, the formalization of decision-making can help to reduce the impact of subjective bias. Recent technological developments offer some promising strategies toward this end. Mortgage lenders, for example, increasingly make use of automated credit scoring systems, based on a formula that takes into account an individual's assets and credit risks. Based on these formal criteria, there is little room for the biases of individual lenders to influence ratings of credit-worthiness. Further, increasing numbers of mortgage lenders now offer this service on-line, with no in-person contact. In these cases, the race of the applicant can often remain unknown by the lender until well into the process (Harris, 2002). According to a study by Gates, Perry, and Zorn (2002), the use of automated underwriting systems is associated with a nearly 30 percent increase in the approval rate for minority and low-income clients, while at the same time more accurately predicting default than traditional methods. Technologies such as these, which demonstrate the capacity to increase performance *and* decrease discrimination, offer promising directions for future efforts to reduce discrimination, and to increase access to opportunities for valued social goods.

Similarly, the internet offers promising possibilities for reducing discrimination in employment, housing, and consumer markets. For example, previous research has found that

African Americans and Hispanics pay on average 2 percent more for new cars relative to whites. Among online consumers, by contrast, minority buyers pay roughly the same prices as whites (even after controlling for consumers' income, education, and neighborhood characteristics) (Morton et al., 2003). Though research on the impact of the internet remains limited, similarly promising scenarios may be possible for employment and housing searchers. Though in these cases in-person contact is typically required at some point in the process, initial screening and information gathering—in some cases even rapport-building—can be achieved before the race of the job- or home-seeker becomes known (Harris, 2002). Of course, in order for these technologies to reduce, rather than exacerbate, racial disparities, the issue of access must be addressed. Currently the “digital divide” remains large, with black and Latino households less likely to own a computer, and less likely to have access to the internet than similar white families (Hoffman & Novak, 1998). Increasing access to internet technology (and capacity) in schools, public libraries, and community centers will help to reduce these disparities, and promote the full potential of new technologies for reducing racial discrimination.

The economy matters. A final contextual factor affecting the expression of discrimination is the economy. When the labor market is slack—that is, when there are a small number of job openings relative to a large number of job seekers—employers can be extremely selective in their hiring practices. For those who prefer some racial/ethnic groups to others, the abundance of applicants allows them to have their pick, even if their preferences are irrelevant to the actual quality of workers (Myers, 1989). In tight labor markets, by contrast, when the demand for labor is acute, employers are less able to exert non-essential preferences. In this context, even employers with preferences for white workers will often be forced to give minority workers a chance. Indeed, during the economic expansion of the 1990s, we saw significant gains in

employment and earnings for young minority men (Freeman & Rodgers, 1999).²⁰ Likewise, earlier periods of economic expansion, such as that following World War II, have been associated with the increasing economic status of African Americans (Smith & Welch, 1989). Macroeconomic conditions are of course difficult to control; but this research suggests that investments in job creation and economic growth can have important effects for reducing racial discrimination.

While none of these factors represent a cure-all for the problems of discrimination, they provide compelling evidence that certain environments can and do reduce the incidence of discrimination. It may be the case, then, that rather than focusing on the attitudes or biases of individuals, we should focus more on the contexts in which individual preferences are expressed.

CONCLUSION

The above review suggests that discrimination remains an important source of disadvantage for minority groups, contributing to limited opportunities in employment, housing, consumer markets, health care, and numerous other domains. While it is difficult to quantify the degree to which poverty among minorities can be explained by discrimination, the pervasiveness of these effects suggests that the impact is substantial.

But there is still much to be learned. Very little research on discrimination, for example, goes beyond the perspective of white Americans. While no group has a level of power or institutional control comparable to whites, ethnic niches can command substantial influence over the allocation of resources and opportunities at the local level. Particularly in urban contexts where divisions of space, class, race and culture intersect, racial dynamics between minority groups can produce complex patterns of discrimination that extend well beyond the divisions of

²⁰ Though see Western & Pettit, 2005.

black and white. Future research would benefit from investigations of discrimination that include multiple minority groups, examining forms of discrimination that originate from white-minority relations as well as between distinct minority groups.

Likewise, additional research is needed to better specify the complex nature of discrimination, among individuals, within institutions, across domains of social life, and over the lifecourse. Single point estimates of discrimination within particular domains substantially underestimate the cumulative effects of discrimination over time, and the ways in which discrimination in one domain can trigger disadvantage in many others. Developing models to better capture *systems* of discrimination will move us toward a fuller understanding of discrimination in contemporary society.

Discrimination is not the only cause of racial disparities in poverty. Indeed, as the other chapters in this volume suggest, persistent inequality between racial and ethnic groups is the product of complex and multifaceted influences. Nevertheless, the weight of existing evidence suggests that discrimination does continue to affect the allocation of contemporary opportunities; and, further, given the often covert, indirect, and cumulative nature of these effects, our current estimates may in fact underestimate the degree to which discrimination contributes to the poor social and economic outcomes of minority groups. Though great progress has been made since the early 1960s, the problems of racial discrimination remain an important factor in shaping contemporary patterns of social and economic inequality.

References

- Aigner, Dennis J. and Glen, G. Cain, "Statistical Theories of Discrimination in Labor Market," *Industrial and Labor Relations Review*, 30, 1977, pp. 749-76.
- Adorno, T., Frankel-Brunswik, E., Levinson, D. and Sanford, R. 1950. *The Authoritarian Personality*. New York: Harper.
- Allport, Gordon. 1954. *Nature of Prejudice*, Cambridge, MA: Addison-Wesley.
- Arrow, Kenneth J. 1972. "Models of Job Discrimination," in A.H. Pascal (Ed), *Racial Discrimination in Economic Life*. Lexington, MA: D.C. Heath.
- Arrow, Kenneth J. 1998. "What Has Economics to Say about Racial Discrimination?" *Journal of Economic Perspectives* 12(2):91-100.
- Augenblick, John, John Myers, Amy Berk Anderson. 1997. "Equity and Adequacy in School Funding." *Future of Children* 7(3):63-78.
- Ayres, Ian and Peter Siegelman. 1995. "Race and Gender Discrimination in Bargaining for a New Car." *The American Economic Review* 85(3):304-321.
- Becker, Gary S. 1971. *The Economics of Discrimination*, 2nd ed. Chicago, IL: University of Chicago Press.
- Bendick, Marc Jr., Charles Jackson, and Victor Reinoso. 1994. Measuring employment discrimination through controlled experiments. *Review of Black Political Economy* 23:25-48.
- Bertrand, Marianne, and Sendhil Mullainathan. 2002. "Are Emily and Brendan More Employable than Lakisha and Jamal? A Field Experiment on Labor Market Discrimination." Working paper, University of Chicago.
- Bielby, William T., and James N. Baron. 1986. "Men and Women at Work: Sex Segregation and Statistical Discrimination." *American Journal of Sociology* 91:759-99.
- Bobo, Lawrence and Vincent L. Hutchings. 1996. "Perceptions of Racial Competition in a Multiracial Setting," *American Sociological Review* 61: 951-973.
- Bobo, Lawrence, James Kluegel, and Ryan Smith. 1997. "Laissez-Faire Racism: The Crystallization of a 'Kindler, Genter' Anti-black Ideology." In Tuch, Steven A. and Jack K. Martin (Eds.), *Racial Attitudes in the 1990s: Continuity and Change*. Westport, CT.: Praeger.
- Bodenhausen, Galen. 1988. "Stereotypic Biases in Social Decision Making and Memory: Testing Process Models of Stereotype Use." *Journal of Personality and Social Psychology* 55(5): 726-737.

- Bowen, William and Derek Bok. 1998. *The Shape of the River*. Princeton, NJ: Princeton University Press.
- Braddock, J.H. and J.M. McPartland. 1987. "How Minorities Continue to be Excluded from Equal Employment Opportunities." *Journal of Social Issues* 43(1):5-39.
- Browne, Irene and Joya Misra. 2003. "The Intersection of Gender and Race in the Labor Market." *Annual Review of Sociology* 29:487-513.
- Browne, Irene. 1999. *Latinas and African American Women at Work: Race, Gender, and Economic Inequality*. New York: Russell Sage Foundation.
- Collins, Patricia Hill. 1999. *Black Feminist Thought: Knowledge, Consciousness and the Politics of Empowerment*. London: HarperCollins, 2nd edition.
- Correll, Joshua, Bernd Wittenbrink, and Charles M. Judd. 2002. "The Police Officer's Dilemma: Using Ethnicity to Disambiguate Potentially Threatening Individuals." *Journal of Personality and Social Psychology* 83(6):1314-1329.
- Crocker, Jennifer and Brenda Major. 1989. "Social Stigma and Self-Esteem: The Self-Protective Properties of Stigma." *Psychological Review* 96:608-630.
- Crocker, Jennifer, Brenda Major, and Claude Steele. 1998. "Social Stigma," in Gilbert, Daniel, Susan Fiske, and Gardner Lindzey (Eds.). *Handbook of Social Psychology*, vol.4.
- Crosby, Faye. 1984. "The Denial of Personal Discrimination." *American Behavioral Scientist* 27:371-386.
- Darity, William A. and Patrick L. Mason, 1998. "Evidence on Discrimination in Employment: Codes of Color, Codes of Gender." *The Journal of Economic Perspectives* 12(2): 63-90.
- Department of Housing and Urban Development (HUD). 2002. "Discrimination in Metropolitan Housing Markets: National Results from Phase 1 of HDS 2000." Prepared by Margery Turner, Stephen Ross, George Gaister, and John Yinger. Available at: http://www.huduser.org/intercept.asp?loc=/Publications/pdf/Phase1_Report.pdf
- Department of Housing and Urban Development (HUD). 2003a. "Discrimination in Metropolitan Housing Markets: National Results from Phase 2 – Asians and Pacific Islanders." Prepared by Margery Turner and Stephen Ross. Available at: http://www.huduser.org/publications/pdf/phase2_final.pdf
- Department of Housing and Urban Development (HUD). 2003b. "Discrimination in Metropolitan Housing Markets: National Results from Phase 3 – Native Americans." Prepared by Margery Turner and Stephen Ross. Available at: http://www.huduser.org/Publications/pdf/hds_phase3_final.pdf

- Devine, Patricia. 1989. "Stereotypes and Prejudice: Their Automatic and Controlled Components." *Journal of Personality and Social Psychology* 56:5-18.
- Devine, Patricia and Scott Elliot. 1995. "Are Stereotypes Really Fading? The Princeton Trilogy Revisited." *Personality and Social Psychology Bulletin*.
- DiPrete, Thomas and Whitman Soule. 1986. "The Organization of Career Lines: Equal Employment Opportunity and Status Advancement in a Federal Bureaucracy." *American Sociological Review* 51:295-309.
- Discrimination Research Center. 2004. "Names Make a Difference: The Screening of Resumes by Temporary Employment Agencies in California." http://drcenter.org/staticdata/pdfs/name_resume_study.pdf
- Donahue, John J. III. and James Heckman. 1991. "Continuous versus Episodic Change: The Effect of Federal Civil Rights Policy on the Economic Status of Blacks." *Journal of Economic Literature* (29).
- Donahue, John J. III, and Peter Siegelman. 2003. "The Evolution of Employment Discrimination Law in the 1990s: A Preliminary Empirical Investigation." Paper presented at the American Bar Foundation Conference on Discrimination, Palo Alto.
- Edelman, Lauren B. and Stephen Petterson. 1999. "Symbols and Substance in Organizational Response to Civil Rights Law." *Research in Social Stratification and Mobility* 17:107-136.
- Ehrenberg, Ronald, and Joshua Schwarz. 1986. "Public-Sector Labor Markets." In Pp. 1219-68 in *Handbook of Labor Economics*, edited by O. Ashenfelter and R. Layard. Amsterdam, Netherlands and New York: North-Holland.
- Ellwood, David. 1986. "The Spatial Mismatch Hypothesis: Are There Teenage Jobs Missing in the Ghetto?" pp. 147-185 in, Richard B. Freeman and Harry J. Holzer (eds.), *The Black Youth Employment Crisis*. Chicago: University of Chicago Press.
- Entman, Robert M. and Andrew Rojecki. 2000. *The Black Image in the White Mind: Media and Race in America*. Chicago, IL: University of Chicago Press.
- Fanon, F. 1967. *Black Skins, White Masks*. New York: Grove.
- Farkas, George. and K. Vicknair. 1996. "Appropriate Tests of Racial Wage Discrimination Require Controls for Cognitive Skill: Comment on Cancio, Evans, and Maume." *American Sociological Review* 61:557-60.
- Feagin, Joe R. and Melvin P. Sikes. 1994. *Living with Racism: The Black Middle-Class Experience*. Boston, MA: Beacon Press.

- Fernandez, Roberto, Emilio Castilla, and Paul Moore. 2000. "Social Capital at Work: Networks and Employment at a Phone Center." *American Journal of Sociology* 105(5):1288-1356.
- Fernandez, Roberto and Celina Su. 2004. "Space and the Study of Labor Markets." *Annual Review of Sociology*, forthcoming.
- Figlio, David N. 2004. "Names, Expectations and the Black-White Test Score Gap." NBER Working Paper.
- Fiske, Susan. 1998. "Stereotyping, Prejudice, and Discrimination," in Gilbert, Daniel, Susan Fiske, and Gardner Lindzey (Eds.), *Handbook of Social Psychology*, vol.4.
- Fix, Michael and Raymond J. Struyk (Eds.). 1993. *Clear and Convincing Evidence: Measurement of Discrimination in America*. Washington, DC: Urban Institute Press.
- Freeman, Richard B; and William M. Rodgers III. 1999. "Area Economic Conditions and the Labor Market Outcomes of Young Men in the 1990s Expansion." NBER Working Paper No. 7073, Cambridge, MA: NBER.
- Gates, Susan Wharton, Vanessa Gail Perry, and Peter Zorn. 2002. "Automated Underwriting in Mortgage Lending: Good News for the Underserved?" *Housing Policy Debate* 13(2):369-391.
- Gilens, Martin. 1999. *Why Americans Hate Welfare: Race, Media and the Politics of Antipoverty Policy*. Chicago, IL: University of Chicago Press.
- Glenn, Evelyn Nakano. 1999. "The Social Construction and Institutionalization of Gender and Race: An Integrative Framework." In M. Marx Feree, J. Lorber, B.B. Hess, *Revisioning Gender*. Thousand Oaks, CA: Sage, pp.3-43.
- Gooden, Susan T. 1998. "All Things Not Being Equal: Differences in Caseworker Support Towards Black and White Welfare Clients." *Harvard Journal of African American Public Policy* 4:23-33.
- Gooden, Susan T. 1999. "The Hidden Third Party: Welfare Recipients' Experiences with Employers." *Journal of Public Management & Social Policy* 5(1):69-83.
- Gottschalk, Peter and Sheldon Danziger. 2003. "Wage Inequality, Earnings Inequality and Poverty in the U.S. over the Last Quarter of the Twentieth Century." Working paper.
- Grodsky, Eric and Devah Pager. 2001. "The Structure of Disadvantage: Individual and Occupational Determinants of the Black-White Wage Gap." *American Sociological Review*: 66 (August:542-567).

- Harris, David R. 2002. "Poverty Research and Antipoverty Policy After the Technological Revolution," in Sheldon H. Danziger and Robert H. Haveman (Eds.), *Understanding Poverty*. Cambridge, MA: Harvard University Press, pp. 454-462.
- Harrison, Roderick J. and Claudette E. Bennett. 1995. "Racial and Ethnic Diversity." Pp. 141–210 in *State of the Union: America in the 1990s*, vol. 2, *Social Trends*, edited by R. Farley. New York: Russell Sage Foundation.
- Heckman. James and Brook Payner. 1989. "Determining the Impact of Federal Antidiscrimination Policy on the Economic Status of Blacks: A Study of South Carolina." *The American Economic Review* 79(1):138-177.
- Hoffman, D.L. and T.P. Novak. 1998. "Bridging the Racial Divide on the Internet." *SCIENCE*, 280(17), pp.390-391.
- Holzer, Harry. 1996. *What Employers Want: Job Prospects for Less-Educated Workers*. New York, NY: Russell Sage Foundation.
- Holzer, Harry. 1998. "Why Do Small Establishments Hire Fewer Blacks than Larger Ones?" *Journal of Human Resources* 33(4):896-914.
- Holzer, Harry and David Neumark. 2000. "Assessing Affirmative Action." *Journal of Economic Literature* 38(Sept.):483-568.
- Kain, J.F. 1968. "Housing Segregation, Negro Employment, and Metropolitan Decentralization." *The Quarterly Journal of Economics* 82(2):165-197.
- Kessler, Ronald C., Kristin D. Mickelson, and David R. Williams. 1990. "The Prevalence, Distribution, and Mental Health Correlates of Perceived Discrimination in the United States." *Journal of Health and Social Behavior* 40(3):208-230.
- Kinder, Donald R. and Lynn M. Sanders. 1996. *Divided by Color: Racial Politics and Democratic Ideals*. Chicago: Chicago University Press.
- Kinder, Donald R., and David O. Sears. 1981. "Prejudice and Politics: Symbolic Racism Versus Racial Threats to the Good Life." *Journal of Personality and Social Psychology* 40:414-431.
- Kim, Dae Young. 1999. "Beyond Co-Ethnic Solidarity: Mexican and Ecuadorean Employment in Korean-Owned Businesses in New York City." *Ethnic and Racial Studies* 22(3):581-605.
- Ladd, Helen F. 1998. "Evidence on Discrimination in Mortgage Lending." *The Journal of Economic Perspectives* 12(2): 41-62.
- LaPiere, Richard T. 1934. "Attitudes vs. Actions." *Social Forces* 13:230-237.

- Leonard, Jonathan. 1990. "The Impact of Affirmative Action Regulation and Equal Employment Law on Black Employment." *Journal of Economic Perspectives* 4(4):47-63.
- Light, Ivan and Stephen J. Gold. 2000. *Ethnic Economies*. San Diego, CA: Academic Press.
- Loury, Glenn C. 2002. *The Anatomy of Racial Inequality*. Cambridge: Harvard University Press.
- Loury, Glenn C. 2001. "Politics, Race, and Poverty Research," in Sheldon H. Danziger and Robert H. Haveman (Eds.), *Understanding Poverty*. Cambridge, MA: Harvard University Press, pp. 447-453.
- Macrae, C.N., M. Hewstone, and R.G. Griffiths. 1993. "Processing Load and Memory for Stereotype-Based Information." *European Journal of Social Psychology* 23:77-87.
- Massey, Douglas S. and Nancy A. Denton. 1993. *American Apartheid: Segregation and the Making of the Underclass*. Cambridge, MA: Harvard University Press.
- McCall, Leslie. 2001. *Complex Inequality: Gender, Class and Race in the New Economy*. New York: Routledge.
- McCauley, Clark R. 1995. "Are Stereotypes Exaggerated? A Sampling of Racial, Gender, Academic, Occupational, and Political Stereotypes." In Lee, Yueh-Ting, Lee J. Jussim, and Clark R. McCauley (Eds.). *Stereotype Accuracy: Toward Appreciating Group Differences*. Washington D.C.: American Psychological Association. Pp. 215-244.
- McConahey, J.B. 1986. "Modern Racism, Ambivalence, and the Modern Racism Scale," in Dovidio, J.F. and S.L. Gaertner (Eds.), *Prejudice, Discrimination, and Racism*." San Diego, CA: Academic Press.
- McLanahan, Sara. 2004. "Diverging Destinies: How Children are Faring Under the Second Demographic Transition." *Demography* 41(4): 607-627.
- Merton, Robert. 1948. "The Self-Fulfilling Prophecy." *Antioch Review* 8:193:210.
- Merton, Robert K. 1949. "Discrimination and the American Creed." In R. M. MacIver (Ed.), *Discrimination and National Welfare: A Series of Addresses and Discussions*. New York: Harper & Brothers.
- Min, Pyong Gap. 1996. *Caught in the Middle: Korean Communities in New York and Los Angeles*. Berkeley, CA: University of California Press.
- Moskos, Charles and John Sibley Butler. 1996. *All That We Can Be: Black Leadership and Racial Integration the Army Way*. New York: BasicBooks.

- Morton, Fiona Scott, Florian Zettelmeyer, and Jorge Silva-Risso. 2003. "Consumer Information and Price Discrimination: Does the Internet Affect the Pricing of New Cars to Women and Minorities?" NBER Working Paper #8668.
- Moulton, Brent. 1990. "A Reexamination of the Federal-Private Wage Differential in the United States." *Journal of Labor Economics* 8:270–93.
- Mouw, Ted. 2002. "Are Black Workers Missing the Connection? The Effect of Spatial Distance and Employee Referrals on Interfirm Racial Segregation." *Demography* 39(3):507-528.
- Mullahy, John, and Barbara L. Wolfe. 2001. "Health Policies for the Non-Elderly Poor." Pp. 278–313 in *Understanding Poverty*, edited by Sheldon Danziger and Robert Haveman. Russell Sage Foundation and Harvard University Press.
- Munnell, A.H., G.M.B. Tootell, L.E. Browne, and J. McEneaney. 1996. "Mortgage Lending in Boston: Interpreting HMDA Data." *American Economic Review* 86(1):25-53.
- Myers, Samuel. 1989. "How Voluntary is Black Unemployment and Black Labor Force Withdrawal?" In Steven Shulman and William Darity, Jr. (Eds.), *The Question of Discrimination: Racial Inequality in the U.S. Labor Market*. Middletown, CT: Wesleyan University Press, pp.1-6.
- National Research Council (NRC). 2004. *Measuring Racial Discrimination*. Panel on Methods for Assessing Discrimination. Rebecca M. Blank, Marilyn Dabady, and Constance F Citro, Editors. Committee on National Statistics, Division of Behavior and Social Sciences and Education. Washington, DC: The National Academies Press.
- Orfield, Gary and Chungmei Lee. 2005. "Why Segregation Matters: Poverty and Educational Inequality." Working paper, Civil Rights Project, Harvard University.
- Oettinger, Gerald S. 1996. "Statistical Discrimination and the Early Career Evolution of the Black-White Wage Gap." *Journal of Labor Economics* 14:52-78.
- Pager, Devah. 2003. "The Mark of a Criminal Record." *American Journal of Sociology* 108:937–75.
- Pager, Devah and Lincoln Quillian. 2005. "Walking the Talk: What Employers Say Versus What They Do." *American Sociological Review* 70(3): 355-380.
- Pager, Devah and Bruce Western. 2005. "Discrimination in Low Trust Labor Markets." Paper presented at the Annual Meetings of the American Sociological Association, Philadelphia.
- Patterson, Orlando. 1998. *Rituals of Blood: Consequences of Slavery in Two American Centuries*. New York: Basic Civitas.

- Pettigrew, T. F. 1975. *Racial discrimination in the United States*. New York, NY: Harper and Row.
- Phelps, Edmund. 1972. "The Statistical Theory of Racism and Sexism." *American Economic Review* 62(4):659-61.
- Portes, Alejandro and Patricia Landolt. 1996. "Unsolved Mysteries: The Downside of Social Capital." *American Prospect* 7(26):28-31.
- Reskin, Barbara. 1998. *The Realities of Affirmative Action in Employment*. Washington, DC: American Sociological Association.
- Ridley, Stanley, James A. Bayton, and Janice Hamilton Outtz. 1989. "Taxi Service in the District of Columbia: Is It Influenced by Patrons' Race and Destination?" Washington, DC: The Washington Lawyers' Committee for Civil Rights Under the Law. Mimeographed.
- Romero, M. 1992. *Maid in the U.S.A.* New York: Routledge.
- Ross, Stephen and John Yinger. 2002. *The Color of Credit: Mortgage Discrimination, Research Methodology, and Fair-Lending Enforcement*. Cambridge, MA: MIT Press.
- Rothschild, Micahel, and Joseph E. Stiglitz. 1982. "A Model of Employment Outcomes Illustrating the Effect of the Structure of Information on the Level and Distribution of Income." *Economic Letters* 10:231-6.
- Royster, Diedre. 2003. *Race and the Invisible Hand: How White Networks Exclude Black Men from Blue Collar Jobs*. CA: University of California Press.
- Ryan, Carey S. 1995. "Motivations and the Perceiver's Group Membership: Consequences for Stereotype Accuracy." In Lee, Yueh-Ting, Lee J. Jussim, and Clark R. McCauley (Eds.). *Stereotype Accuracy: Toward Appreciating Group Differences*. Washington D.C.: American Psychological Association. Pp. 189-214.
- Schiller, Bradley. 2004. *The Economics of Poverty and Discrimination, 9th Edition*. New Jersey: Pearson Education, Inc.
- Schuman, Howard, Charlottee Steeh, Lawrence Bobo, and Maria Krysan. 2001. *Racial Attitudes in America: Trends and Interpretations*. Revised Edition. Cambridge, MA: Harvard University Press.
- Schulman, Devin, Jesse Berlin, William Harless, Joh Kerner, Shyrl Sistrunk, Bernard Gersh, Ross Dube, Christopher Taleghani, Jennifer Berke, Sankey Williams, John Eisenberg, and Jose Escarce. 1999. "The Effect of Race and Sex on Physicians' Recommendations for Cardiac Catheterization." *The New England Journal of Medicine* 340(8):618-626.

- Smith, Tom W. 1991. "Ethnic Images. General Social Survey Technical Report, 19." Chicago: National Opinion Research Center, University of Chicago.
- Smith, Tom W. 2001. *Intergroup Relations in a Diverse America: Data from the 2000 General Social Survey*. New York: American Jewish Committee.
- Smith, James P. and Finis R. Welch. 1989. "Black Economic Progress After Myrdal." *Journal of Economic Literature* 27: 519-64.
- Sniderman, Paul, Thomas Piazza, Philip Tetlock, and Ann Kendrick. 1991. "The New Racism." *American Journal of Political Science* 35(2):423-447.
- Songer, Michael. 2005. "Going Back to Class? The Reemergence of Class in Critical Race Theory Symposium: Note: Decline of Title VII Disparate Impact: The Role of the 1991 Civil Rights Act and the Ideologies of Federal Judges." *Michigan Journal of Race and Law* 11(fall):247.
- Squires, Gregory. 1999. "The Indellible Color Line: The Peristence of Housing Discrimination." *The American Prospect* 10(42).
- Stainback, Kevin, Tiffany Taylor, and Donald Tomaskovic-Devey. 2005. "Managing Privilege: The Stable Advantage of White Males in U.S. Private Sector Employment, 1966-2000." Paper presented at the Annual Meetings of the American Sociological Association, Philadelphia.
- Sunstein, Cass R. "Why Don't Markets Stop Discrimination." *Social Philosophy & Policy* 8(2):22-37.
- Taylor, D.M., S.C. Wright, F.M. Moghaddam, and R.N. Lalonde. 1990. "The Personal/Group Discrimination Discrepancy: Perceiving My Group, But Not Myself, to be a Target of Discrimination." *Personality and Social Psychology Bulletin* 16:254-262.
- Tomaskovic-Devey, Donald. 2005. "Race and the Accumulation of Human Capital across the Career: A Theoretical Model and Fixed-Effects Application." *American Journal of Sociology* 111(1):58-89.
- Tomaskovic-Devey, Don and Sheryl Skaggs. 1999. "Sex Segregation, Labor Process Organization, and Gender Earnings Inequality." *American Journal of Sociology* 108(1):102-128.
- Trope, Yaacov and Erik P. Thomson. 1997. "Looking for Truth in All the Wrong Places? Asymmetric Search of Individuating Information about Stereotyped Group Members." *Journal of Personality and Social Psychology* 73(2):229-241.
- Turner, Margery Austin and Felicity Skidmore (Eds.). 1999. *Mortgage Lending Discrimination: A Review of Existing Evidence*. Washington D.C.: The Urban Institute.

- Turner, Margery, Michael Fix, and Raymond Struyk. 1991. *Opportunities Denied, Opportunities Diminished: Racial Discrimination in Hiring*. Washington, DC: Urban Institute Press.
- Waldinger, Roger and Michael Lichter. 2003. *How the Other Half Works: Immigration and the Social Organization of Labor*. Berkeley, CA: The University of California Press.
- Western, Bruce and Becky Pettit. 2005. "Black-White Wage Inequality, Employment Rates, and Incarceration." *American Journal of Sociology* 111:553–578.
- Weitzer, Ronald. 1997. "Racial Prejudice among Korean Merchants in African American Neighborhoods." *The Sociological Quarterly* 38(4):587-606.
- Whatley, Warren, and Gavin Wright. 1994. "Race, Human Capital, and Labour Markets in American History." In George Grantham and Mary MacKinnon, eds. *Labour Market Evolution*. London and New York: Routledge.
- Williams, Donald R. 1984. "Young Discouraged Workers: Racial Differences Explored." *Monthly Labor Review* (June): 36-39.
- Williams, David. 2004. "Racism and Health." In Whitfield, Keith (Ed.), *Closing the Gap: Improving the Health of Minority Elders in the New Millennium*. Washington, DC: Gerontological Society of America, pp.69-80.
- Wilson, William Julius. 1987. *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy*. Chicago: University of Chicago Press.
- Wilson, William Julius. 1996. *When Work Disappears: The World of the New Urban Poor*. New York: Vintage Books.
- Yinger, John. 1998. "Evidence on Discrimination in Consumer Markets" *The Journal of Economic Perspectives* 12(2): 23-40.
- Yinger, John. 1995. *Closed Doors, Opportunities Lost*. New York: Russell Sage Foundation.
- Yinger, John. 2001. Housing Discrimination and Residential Segregation as Causes of Poverty," in Sheldon H. Danziger and Robert H. Haveman (Eds.), *Understanding Poverty*. Cambridge, MA: Harvard University Press, pp. 359-391.
- Yoon, In-Jin. 1997. *On My Own: Korean Businesses and Race Relations in America*. Chicago, IL: University of Chicago Press.
- Yoon, In-Jin. 1995. "Attitudes, Social Distance, and Perceptions of Influence and Discrimination among Minorities." *Journal of Group Tension* 25(1):35-56.

Table 1. Mapping Discrimination: Actions and Actors

Source Points	Housing/ Lending	↔	Education	↔	Labor Markets	↔	Criminal Justice	↔	Health Care
Access	Steering; Redlining		Acceptance; Financial aid		Interviewing; Hiring		Racial profiling; Arrests		Access to care; Insurance
Progress	Mortgage approval; Loan pricing; Resale value		Tracking; Grades; Special ed; Retention		Wages; Promotion; Layoffs; Firing		Plea bargaining; Sentencing; Parole violations		Quality of care; Price of care; Referrals
Key actors	Landlords; Sellers; Lenders; Neighbors		Teachers; Administrators; Fellow students		Employers; Customers; Coworkers		Police; Prosecutors; Judges; Juries; Parole boards		Health care workers; Administrators; Insurance co's

Adapted from the National Academy of Sciences Report (2004), *Measuring Racial Discrimination*

Out-takes

Racial Discrimination: Are There Gender Differences?

The vast majority of the literature on racial discrimination in labor markets has focused either on the aggregate experiences of a minority group or exclusively on the experiences of men. But it is important to highlight also the racial dynamics specific to women's experiences in the labor market, and to consider whether or not racial dynamics operate in parallel fashion for both men and women. Indeed, compelling evidence suggests that women of color face a unique set of challenges in navigating entry and mobility in employment (Gooden, 1998, 1999). Gender discrimination in wages, for example, historically premised on notions of the male as the primary breadwinner, have far greater consequences for the large and increasing numbers of black female-headed families (McLanahan, 2005). Likewise, the cultural devaluation of carework and domestic labor can translate into unique opportunities for racial/ethnic subordination by white women of minority (and often immigrant) domestic workers (Romero, 1992; Browne & Misra, 2003). In these contexts, analyzing racial discrimination without attention to gendered hierarchies and relations can miss important elements of persistent disadvantage. According to Collins (1999), these dynamics should be understood as "interlocking systems of race, class, and gender" constituting a "matrix of domination."

Despite compelling writings on "intersectionality," however, it would be a mistake to assume that the interaction between race and gender necessarily implies an intensification of disadvantage for minority women (McCall, 2001; Glenn, 1999, Browne, 2003). In fact, the relationship between race and gender discrimination can often be viewed through multiple lenses, at times resulting in divergent conclusions. Through the lens of gender, for example, black (and other minority) women clearly face a double disadvantage in their economic outcomes. Minority women have lower average earnings than comparable white women, and women overall earn lower average wages than the average wage for men

(Browne, 1999). The intersection of race and gender, then, increases disadvantage, with women of color emerging at the bottom of the race-gender hierarchy. Viewed through the lens of race, by contrast, we might come to a somewhat different conclusion. In fact, on a number of economic indicators the racial gap is substantially larger for men than for women (Harrison & Bennett, 1995). The wage gap between black and white men in 2001, for example, was 15 percent, relative to a gap of 4 percent between black and white women (Gottscharlk & Danziger, 2003). Controlling for the main effects of race and gender, then, the *interaction* between race and gender actually favors women. This is not to say that black women (and other women of color) do not face a substantial penalty in the labor market. It is to say that the vast majority of this penalty has to do with gender rather than race. All women are penalized in the labor market and, as a result, women of color experience a substantial disadvantage. The additional disadvantage due to race, by contrast, is often less salient in shaping economic outcomes relative to the parallel experiences of men.

Turning from the case of wages to occupational status, we see some evidence that black women surpass black men in both relative and absolute terms. While overall occupations remain highly segregated on the basis of gender (thus concentrating most black and white women in a narrow range of job titles), movement into certain higher-level occupations has favored black women over black men. For example, while white men far outnumber white women in executive, administrative, managerial, and professional specialty occupations, black women are between 27 and 51 percent more likely to be in these occupations than black men (Patterson, 1998:24).²¹ To some extent, the relative labor market advantages of black women result from pre-market factors, particularly the attainment of higher education. But evidence suggests that qualifications are not the only barrier to black men's labor market success. According to Orlando Patterson (1998), "The attitudes and prejudices of the dominant group

²¹ As a caveat to this finding, however, note that much research on diversity in management has found that the scope of supervision is often restricted to members of the same race (for men) and the same race and gender (for women) (e.g., Stainback et al., 2005).

have also played an important role in generating gender disparities among Afro-Americans. Euro-Americans have always been more willing to accept Afro-American women than Afro-American men. Greater fear of Afro-American men, inducted by racist sexual attitudes, and greater familiarity with Afro-American women in the course of growing up made it much easier for Afro-American women to find jobs in clerical, and later in professional, Euro-American settings” (p.22). In contemporary settings, interviews with employers confirm a greater prevalence of negative racial stereotypes associated with African American men. Wilson (1996) reports, “When asked how the situation of inner-city black males compares with that of black females, almost one-half of the employers stated that there is a gender difference [favoring women].” A number of these employers expressed the view that black women, often heads of households, were often more committed to work, and were less intimidating to employers and customers. Though a few employers were highly critical of black women for their (perceived) high rates of childbearing and welfare dependency, the majority were far more receptive to black female workers than black men (see also Holzer, 1996:80-103).

Across a wide range of evidence, it becomes clear that the relationship between race and gender discrimination is not reducible to a simple formulation, but rather characterized by varied interactions depending on the context or outcome under consideration. Indeed, a fruitful avenue for future research would further our understanding of the race-class-gender “matrix” with rigorous empirical analysis, to more systematically identify when and how racial discrimination is conditioned by gender (see McCall, 2001).