Social Stratification in the US: Crash Course Sociology #23

Crash Course: Sociology
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Last week, we introduced Max Weber's three dimensions of social stratification: economic class, social status, and power. But how do those three things actually interact in the real world? What does social stratification look like in the here and now? Or, I guess I should say, what does social stratification look like in the United States right now?

For all the non-Americans watching, don't you worry-we will be getting around to stratification around the world later. But for today, we're gonna focus on the United States and how social inequality plays out here. Do we live up to the ideals that Jefferson laid out in the Declaration of Independence? Are all men created equal? Spoiler alert: Sociology says, not so much.

[Theme Music]

When you hear people talking about inequality in the US, chances are they're talking specifically about income inequality or wealth inequality. So, let's start there.

First, we're gonna split the US into 5 even groups, 20% of the population in each. These are what social scientists call quintiles. As of 2015, households in the US that make less than $22,800 a year are the bottom quintile of the income distribution. The exact middle of the distribution, or the median of household income, was about $56,000 a year. And the top quintile? That's every household making over $117,000 a year. Now the simple fact that these quintiles have different incomes tells us that we don't have a perfectly equal society. Perfect equality would mean the same income for everyone. So, there's clearly some stratification in the US. But how much?

The households in the top quintile earn about 50% of all the income in the United States. And about 20% of all income is earned by the top 5% alone. And the bottom quintile? These households earn only 3.4% of the total income in the US. Those are pretty huge differences! And they get even bigger when we talk about wealth.

First things first: wealth is NOT the same thing as income. Income is the money you earn from work or investments, whereas wealth is the total value of the money and other assets you hold, like real estate and stocks and bonds. For the bottom quintile, average household wealth levels are negative. That's because part of wealth is debt-so if you have more debt than positive assets, your wealth is negative. So we've got an average net worth of about negative $6,000 for the bottom quintile and a median household wealth level of about $68,000.

Any guesses what the top might look like? Well, the top quintile's household income was about twice the median income. So, maybe a good guess would be about what-$140,000 for wealth? Wrong. The average net worth for those in the top quintile is 9 times that of the median-$630,000. And that's not even close to the wealth levels for the top 1%. According to the US Census Bureau, the cut-off for entering the top 1% of the wealth distribution is $2.4 million.

Wealth levels also tend to vary by demographic group. For example, women tend to have lower individual wealth levels than men. Married couples accumulate more wealth than people who are unmarried. And race and wealth are closely linked- the median wealth level of a White household is about 12 times that of a Black household.

One of the main sources of wealth for Americans is home-ownership. White Americans are much more likely to own houses than Black Americans, and the neighborhoods tht White Americans live in tend to be wealthier- even if you control for income. Patrick Sharkey, an American sociologist who researches neighborhoods and wealth, found that black families making $100,000 a year live in the types of neighborhoods that a white family making only $30,000 would live in. So, where are these gaps coming from?

Well, for one thing, a lot of wealth is passed on through generations. Let's go to the Thought Bubble to talk about redlining, a practice from the not-so-distant past that has made it harder for African-American families to accumulate and pass on wealth.

In the 1930s, the government founded the Federal Housing Agency, an office set up to regulate mortgages and interest rates, to guard against the types of foreclosures that happened during the Great Depression. The FHA began insuring mortgages, and since these mortgages were backed by the government, they made getting a house less risky and easier for many Americans. Which is great! Except they didn't make it easier for all Americans.

The big banks that issued the loans engaged in a practice called redlining, in which they'd literally draw a red line on a map around neighborhoods they considered too risky to invest in. If your house was within that red line, the banks wouldn't give you a loan. And the neighborhoods that got red-lined were the ones where minorities, particularly Black families, lived. Redlining was outlawed in 1968, but because home-ownership is the major source of wealth for most Americans, neighborhood segregation and racial wealth inequalities are legacies of policies like redlining. Thanks Though Bubble.

Ok, so on the money front, the US isn't looking all that equal. And money- particularly wealth- doesn't just influence economic class. It's also a form of power, including political power. A 2014 study by American political scientists Martin Gilens and Benjamin Page looked at the relationship between the political views of those at the top of the income distribution, and the laws that are actually passed. They found that the views of those at the top have a significant, positive relationship with laws getting passed, while the views of people at the middle of the income distribution have pretty much zero correlation with what laws actually get passed.

But remember: correlation doesn't mean causation. The study doesn't tell us WHY higher income is related to more political influence. The economic elite's influence could come through donations to political candidates. But higher income is also correlated with higher education levels- and more highly educated people tend to be more civically active, too. Now, there are many factors besides income and wealth that influence social stratification in the US.

For example, there's occupation. If you're an adult, probably the first question that people ask you is, "What do you do?" That's because the jobs we do- and what other people think of those jobs- are a major part of our socioeconomic status. You probably have opinions about what jobs are cool, what jobs are impressive- and what jobs you'd never work at. Those kind of opinions are what the National Opinion Research Center, a think tank at the University of Chicago, was interested in when they created a ranking of 'occupational prestige.'

Top of the list? Surgeons, College Presidents, Lawyers, Nuclear Physicists, Astronauts. Smack dab in the middle, getting an average rating of 5, are jobs like Purchasing Managers, Office Supervisors, IT technicians, Private Detectives. That's right, all you office managers out there, you are just as cool as Veronica Mars. And the bottom of the list are jobs like busboys, parking lot attendants, and telephone solicitors.

You might notice there's some similarities in the types of jobs in each category. For one thing, jobs with occupational prestige typically pay pretty well. We have overlapping spheres of stratification here- you get social and financial benefits from being a lawyer. Busboy? Not so much. The other thing you might notice is

that all five of the most prestigious jobs require an advanced degree. And not just a college degree- people in those jobs typically have some sort of post-grad education as well. The jobs at the bottom of the prestige scale, however, don't require a college degree, and many don't even require a high school diploma. So the kind of education you have ends up being pretty important for where you end up in terms of social status.

Most American adults have a high school diploma- about 88% as of 2015. But only 33% of American over the age of 25 have a bachelor's degree, and even fewer- 12%- have an advanced degree. And the issue of who goes to college is strongly related to your socioeconomic background. For kids born in the 80s, 54% of those born in the top fourth of the income distribution have a four-year college degree. For those born in the bottom fourth, only 9% do. As with wealth inequality, race and ethnicity are also linked with educational attainment. 22% of African Americans and 16% of Hispanic Americans have a four-year degree, compared to 36% of Non-Hispanic White Americans and 53% of Asian Americans.

Now so far, all I've done is give you about a bunch of descriptive data about income, occupations, and education in the United States that shows you that, yes, there is inequality in the United States. But how should we think about inequality? Is it good or bad? You can argue that inequality isn't, in and of itself, a bad thing. Some jobs are harder than others. Doctors take on many years of education so that they can save lives. And I'm perfectly fine with heart surgeons getting paid more than I am. And it's probably good to live in a society where working hard and learning skills that benefit other people is encouraged. This is the idea of meritocracy- or social stratification based on personal merit.

The US is partially a meritocracy- social position does to some extent reflect individual talent and effort. But a lot of socioeconomic status is also due to something outside of your control- the status you're born into. If you start out on the bottom of the ladder, the likelihood that you'll get to the top is low. The environment you're in during the early years of your life shapes your ability to succeed as an adult. There's a large body of research that suggests that kids born in low-income families start school behind their peers, and those gaps only get wider as kids get older.

Inequalties in one generation are often reproduced in the next generation. And as we've noted throughout this course, race and gender are closely linked to social status. There are lots of factors that play into these inequalities across groups- differences in education levels, difference in family composition, differences in occupation choice. Understanding why we see these inequalities across demographic groups is one of the foundational questions of sociology. And that's something we'll be exploring more in later episodes.

Today, however, we talked about five ways that social stratification plays out in the US: income inequality, wealth inequality, political power, occupational prestige, and education attainment. We discussed descriptive data about inequality in the US and how it varies across race and gender. And finally we talked about the relative role of merit in determining your socioeconomic status.

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