

SOC 1 - Guest Lecture, Dean Melvin Oliver
November 5, 2009
“A Sociology of Wealth & Race”

- He’s especially interested in examining the difference between private troubles and public issues (C. Wright Mills)
 - Sociology is a good field for people who really understand the distinction between private troubles and public issues
 - Sociology is also a good field for people who are curious!
- His personal story:
 - Grew up in Cleveland, OH
 - Very segregated
 - Realized that what looked like a private trouble (getting kicked out of soda fountain chair) was actually a public issue (segregation)
- He wanted to ask: To what degree was racial segregation declining? Were African Americans moving into better paying jobs?
- William Julius Wilson, *Declining Significance of Race*
 - Argued that class had replaced race as the most important factor determining individuals’ life chances
- However, Oliver’s research shows that race is STILL very important
 - Ex. Story about housing assistance for new faculty at UCLA that he did not get, while his colleague who got it didn’t even need it because of an inheritance
 - They had the same education and income, but different levels of WEALTH

Classical sociological theorists asked “How do complex industrial societies evolve over time vs. “primitive” societies with low division of labor?”

- Marx: class would replace race
- Durkheim: shift from mechanical solidarity (cohesion via clan, family) to organic solidarity (cohesion via roles, division of labor)
- Weber: complexity and rationality replaces tradition
 - All of these theorists would say that the significance of race would decline, but these theories ignore the specificity of context and history (the fact that certain social arrangements are in place in societies)

Oliver looks at how access to wealth affects people’s life chances

- Wealth = stock; something that people save and spend only for major purchases generally; command over future; life chances; has a historical basis (passed on between generations, so it is crucial that we look at the past)
- Income = ensures a particular standard of living; flows in and out

3 Key points from excerpt from *Black Wealth/White Wealth*

1. Racialization of state policy – state created different opportunity structures
2. Economic detour – African Americans channeled into being consumers
3. Sedimentation of racial inequality

Racialization of State Policy

- It has been hard for African Americans to have wealth because of various policies
 - Slavery (even if they acquired wealth, they used it to buy their freedom)
 - Jim Crow (laws passed that made it impossible for new slaves and African Americans to become professionals)
 - Failure of land reform (2/3 of wealth that white Americans own came from land grants) – African Americans were not allowed land grants
 - Institutionalization of the Welfare State (1930s – government offered a lot of social services in a highly racialized context)
 - This was essentially affirmative action for white people
 - 2/3 of African Americans were in jobs not covered by Social Security
 - Aid to Families with Dependent Children (intended for white widows with kids, and so was not available for African American women initially)
 - Federal Housing Authority Policy – push to create a middle class, so government provided loans, had low down payments which applied only to new homes in order to create jobs and encourage people to buy homes
 - However, loans were not given to people who would bring home values down (African Americans for example)
 - “Restricted covenant” – communities were encouraged to maintain homogeneity by restricting who could buy homes

Question: Why do economists and sociologists disagree about inequality?

Answer: Economists see the world through formal models. They view society as being a perfect model, and then they look at what’s not happening right there, and also how to change it. They don’t, however, ask if perhaps they just need to change the formal model.

Question: What are the other sources of deficiencies which are keeping African Americans from achieving equity with whites?

Answer: A lack of motivation is randomly distributed (not just all clustered among one group; people want to save money, but its difficult because of the difference n the price of goods in the city vs. the suburbs; loaning to family members affects black middle-class individuals much more than white women.

Question: Is racial residential segregation fully due to [individual] racism?

Answer: Racial residential segregation is *the lynchpin* of racism in America. We can look less to individual acts of racism (though they exist), and instead consider white middle-class families make decisions to move/stay largely due to the quality of schools. They see themselves as having earned the wealth they possess (even though it was largely inherited).

Question: Can racism be stopped?

Answer: Oliver is more concerned with great equity than with equality. An option he has proposed for social change is the baby savings account. Upon birth, children would

receive \$1000 in their bank account. They would get more money at each major life milestone thereafter. This would give people motivation because they would know more about what is out there.

Question: Can your findings be applied to other races besides whites/African Americans?

Answer: We must account for differences of experiences, and that the diversity of immigrant experience complicates things.