Melvin Oliver

**How Oliver came about studying this topic:**

Sociology caters to curious people, you have to want to ask questions that are taken for granted. Oliver grew up during the civil rights movement in Cleveland, OH. He went to a “Freedom School” where he learned about social conditions effecting the community. He saw “colored only” watered fountains in the South. He was kicked out of a soda fountain, and grew up during two riots in Cleveland. The issue of race became one of his sources of curiosity. Sociology became a link between his private troubles and discussing public issues. Sociology was a way to seek answers for tough questions.

Oliver went to college, and then graduate school at UCLA. He was trying to understand the social and economic mobility of AAs. He wanted to know how much AA economic status was improving. He read WJWs The Declining Significance of Race, which argued that class has replaced race as the most important determinant of the life chances of AAs. Oliver thinks his work has been a footnote on that book.

He looked at social mobility, wealth inequality and segregation.

Oliver got on the topic of wealth because he came to CA with bills from his parents’ deaths. He was a professor with an income, but no wealth. He wanted to buy a house, but couldn’t afford it. UCLA knew it couldn’t retain faculty unless it helped them buy homes. Oliver applied for the program. Another colleague applied for the program as well, and he got it and Oliver didn’t. The other colleague claimed not to need it because his uncle died and left him a lot of money. His social status was not just based on income, but also wealth. Wealth was passed down to him from another generation, even though they had equal incomes. Oliver asked if this was a private trouble or was it a public issue? This is how he started looking at wealth. The other colleague was Tom Shapiro, so they started working on the project together.

Shapiro could clue Oliver on things about privilege and Oliver could clue Shapiro in about economic struggle.

**How does the topic situate within larger theoretical issues:**

The question is “does race disappear” as societies industrialize. Marx thought that as societies change class becomes the most important social relation. Durkheim thought that solidarity between tribes and clans would be replaced by solidarity based on how people fit together to get things done. Weber thought rationality would override ties like family and race. Beuracracy would make racial concerns unimportant.

These were macro-analysis answers that didn’t specify place. They didn’t say *where* race disappears. Is it in the economy? In social life? WJW focuses on occupation and income. Oliver’s book turned attention to wealth. This was understudied before.

Economists would say that wealth isn’t that different from income. But income is a flow, and wealth is a stock. Income comes and goes (you make it, you spend it). Wealth is different because it’s something you save and invest in. You spend wealth to secure a life chance.
Income helps you get by, wealth helps you get ahead. If you’re talking about mobility, you’re talking about wealth.

The different thing about wealth is that it captures the inequalities of the past as well as current inequalities.

The courts had said that lawyers couldn’t take race into consideration because racism had happened in the past, but wealth showed that racism generations ago had an effect on current life today.

How this work has animated Oliver’s life and career:

The book was published in 1996 when Oliver was in the middle of doing a multi-city survey on inequality. Oliver had a grant from the Ford Foundation, and got a call from the President of the foundation. The President came to the center and offered Oliver a job as the Vice President of the Ford Foundation. Oliver worked for 8 years at the Ford Foundation and was able to move the conversation about poverty away from income to focus on assets/wealth.

Think of the metaphor of a forest. If your income comes from a forest, you can pass that on as an asset to future generations. If you cut it down, you get a lot of income, but it’s not an asset anymore.

Q & A

Q: Will racial inequality gradually diminish or will it remained tied to class inequality?

A: Inequality is built into capitalist society. To the degree that race maps that, you’ll continue to have some of that. The issue is moderating inequality in a way that moves us forward. The problem with capitalism is that you have booms and busts. In the busts the people on the bottom are hurt most. These busts reproduce racial inequality. Capitalism needs to have mechanisms to protect people on the bottom, but it also needs mechanisms in the good times that redistributes some wealth. Right now wealth is redistributed to the top, but people get mad when you want to redistribute it to the bottom. The question is what can we do to moderate it? How can we make it less? Equal opportunity is the key, which is hard because capitalism is defined by access that requires a pre-requisite. We want to make sure that there is access to opportunity.

Q: It seems like wealth is a cycle, if your parents don’t have it you don’t have it. What type of implications does wealth have for moving up the social ladder?

A: It has dire consequences. Today, 30% of black men are in prison. They’re not generating wealth. They’ll have a tough time getting a job when they get out. They won’t get wealth then either. There families won’t be able to get any wealth resources. Society must help those kids with wealth resources. That’s the key. How do you balance people having no wealth with also providing some wealth benefit to those kids.

I’ve been working on a proposal with a non-partisan group. How do we make sure that kids start off life at least with something. Most of the kids that attend UCSB come from families with wealth. It secures every important life chance they get. It will help them with education, their first job, their first home, setting up retirement.
80% of black children come from families with less than three months of poverty level assets.

Oliver is proposing children’s saving accounts that would be provided to every child. At each milestone (6th, 9th, 12th grade) they would get 500 dollars from the government. For poor kids, any contribution made would be matched so that poor kids would have a nest egg to start life with.

Q: Is Oprah rich or wealthy.
A: Oprah is wealthy. Forbes doesn’t account income, it only counts wealth.

Q: So we can go past a generation thing.
A: This is the personal trouble/public issue thing. One person can get rich, but that doesn’t mean that everything is fine. We need to look at these anomalies for what they are.

Q: How far can we go policy wise without getting in the way of meritocracy and hard work.
A: Let’s take that statement that America didn’t create wealth without an aristocracy. Well, then what was slavery? A small aristocratic group created the wealth of America on other people’s labor. Let’s talk about hard work. The West was built by taking Indian wealth. When you talk about hard work, everyone is into hard work, but everybody wants equal rewards for it. Having a policy that makes things more equal will make hard work MATTER.

We love the words of our constitution, but when we look at the history it’s not there.

Q: It seems like there’s two types of wealth, private like a home, and public like natural environment. In the modern context is that public wealth something like a school? We could invest in that?
A: Absolutely, the support is an investment in public assets that are accessible to people. We need public assets that are accessible to people. We’ve got the assets, just not the access. Palin made Alaska’s oil resources a public asset. That’s a public asset. Broadband is a public asset, but we gave it to people. We could make money off that for the public. We need to find smart ways to claim these assets and to give them to people.

Q: What are your thoughts on affirmative action?
A: My book doesn’t get rid of affirmative action, it has its place. It’s not a panacea for racial inequality, it can moderate some of the harsher aspects of inequality. We fought very hard for affirmative action in the UCLA admissions policy. We went from having 400 black students at UCLA to UCSB.

Q: Can you talk about covert racism?
A: I don’t work with covert racism as an idea that much. I usually talk about institutional racism. Like, when you look at home ownership, what happens to a person of color who goes to get a loan. In 1996 the Federal Reserve showed that AAAs would be twice as likely to be denied a loan as equal white people. They didn’t tell you it was because you were AA, they said it was an economic decision.

A linguist called me when I was at the Ford Foundation and he found that people would discriminate by race over the phone by guessing people’s accents. That’s covert racism.
Q: What responsibility do wealthy private citizens have in making assets available?
A: We have a great tradition in philanthropy. People have realized that not just leaving the money they have do something good, but making sure the money they have right now does something good right now. You can only invest in places that provide good wages. You put an environmental screen over your investments. You can have your money do something good now.

Q: Are your views more like DuBois or Booker T. Washington?
A: Washington was known to think about economics, how to get a skill and make money and push their family forward. DuBois was the first AA to get a PHD from Harvard. He thought it was a duty of AAs to not just do what Washington said but to go further, to challenge the establishment to make large changes. There’s a way in which DuBois was elitist, and a way in which Washington was what people called an “Uncle Tom.” I think it’s a dated dichotomy. We need both. We can’t deny anyone any option. I say we need a society where there’s opportunity for all and we have the option to be who we are.

Q: What about Obama?
A: He can’t turn it around immediately. But he has a chance. He has a community organizing tradition. We have to make Obama do what he needs to do. He’s not going to do it just because he’s him. We have to make him do it. I look at structural issues. I don’t get hung up when somebody gives me their coat to hang up at the faculty club. I don’t get upset about that. I’d be upset all the time. I think about the larger structure and larger issues. If you focus on the small things you will get depressed. You will think there’s no opportunity for change. I was amazed on the Obama campaign at the interracial and intergenerational aspects of that campaign. A common purpose lets people move forward.

Q: Larger policy changes
A: People will fight them like the EITC, but once it shows results, like the EITC, it shows results.