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**RACE EFFECTS AMIDST THE NEW DIVERSITY: ASSESSING THE EXPLANATORY POWER OF  
DICHOTOMOUS, TRICHOTOMOUS, AND POLYTOMOUS CONCEPTIONS OF RACE ON US LABOR  
MARKET OUTCOMES**

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**ABSTRACT:**

Large waves of immigration from Latin America and Asia have led many social scientists to conclude that the old “Black and White” characterization of American race relations is obsolete and insist on racial schema with more variety and flexibility. Others, however, have begun to recognize the persistence of the White advantage and/or Black disadvantage, even amidst this new diversity, and have suggested that dichotomous and trichotomous conceptions of race may continue to be useful for understanding and explaining American race relations. This paper uses 2005 American Community Survey to gauge determine the how much of the total effect of race on employment and income can be captured simply by know who is White, who is Black, and who is neither. Preliminary indications are that the great majority of the effects of race lay in White advantage and Black disadvantage with relatively little of the overall race effect being associated with membership in other groups.

## **EXTENDED ABSTRACT:**

### **RACE EFFECTS AMIDST THE NEW DIVERSITY: ASSESSING THE EXPLANATORY POWER OF DICHOTOMOUS, TRICHOTOMOUS, AND POLYTOMOUS CONCEPTIONS OF RACE ON US LABOR MARKET OUTCOMES**

Recent years have witnessed a growing recognition among social scientists that racial diversity in the United States has become too great to be characterized or studied in a dichotomous or trichotomous fashion. Race and immigration scholars have suggested the use of polytomous conceptions of race allow us to observe experiences and inequalities that are invisible when simpler schemes are employed. The United States is unquestionably more racially diverse now than at any time in its history, but whether new racial distinctions will bear on the lives of new racial minorities the way older racial distinctions have borne on the lives of White and Black Americans historically remains an open question. This paper gauges the empirical benefits of adopting six-, seven-, nine- or twenty-category conceptions of race compared to two- or three-category conceptions.

#### **BACKGROUND**

NORC's General Social Survey (GSS) has, since 1972, asked respondents whether they are White, Black, or Other. This set of choices may have made sense in the early years of the survey when less than 1 percent of GSS respondents identified as anything other than White or Black. In 2006, however, 15 percent fell into the "Other" category on the GSS which has become a problematic mix of Asian, Latino, and Middleeastern peoples whose differing experiences may be invisible under our older and more crude racial schema. In short, the White/Black/Other conception of race may now be inadequate for understanding American race relations.

This seems to be an emerging consensus among race and immigration scholars. Amanda Lewis and her colleagues suggest, for instance, that the meaning and significance of race and ethnicity "are necessarily being shaped by and are reflective of a necessary shift from a 'black-white' model that characterizes most earlier work to what is better described as a 'prism' in light of the increasing immigration from Asian and from Central and South America" (2004:1). Similarly, Ruben Rumbaut argues:

The continued reliance on one-size-fits all racial categories in the United States (an "ethnoracial" pentagon of white, black, Asian, Hispanic/Latino, and American Indian/Alaska Native categories), in lieu of more refined classifications by national origin and ethnicity, is particularly pernicious to an understanding of the diversity and complexity of immigration and to the study of processes of acculturation, assimilation, and social mobility—indeed, to theory-building and policymaking (2004:1200).

Indeed, there are good reasons to abandon older conceptions of race. To do so may allow us to observe previously unobservable heterogeneity, but whether additional phenotypic heterogeneity will lead to more socioeconomic differentiation in the US population remains to be seen. A number of prominent scholars of race and immigration suggest that the answer to the question will ultimately be no. Herbert Gans (1999), suggests that despite increasing racial diversity the most important racial divide in the early 21<sup>st</sup> century may be that between Black and non-Black Americans (with a residual category of newcomers whose racial identity is yet to be

crystallized). Such a divide is brought to light by Frank Bean and his colleagues (2003) who point out that intermarriage has become increasingly common across all racial lines except in the case of Black Americans (of foreign or native birth). Eduardo Bonilla-Silva (2006) suggests the emergence of a tripartite social order with Whites on top, the “collective Black” on the bottom, and a group of “honorary Whites” in between. In short, there is a growing sense that dichotomous and trichotomous conceptions of race may still effectively capture the effects of race as it is lived in the US.

## THE RESEARCH QUESTION

*How much better are polytomous conceptions of race at capturing the effects of race than dichotomous and trichotomous conceptions?*

The answer to the question may vary significantly depending on what socioeconomic outcome one is looking at. In this paper I test the relative effectiveness of dichotomous, trichotomous, and polytomous conceptions of race in explaining two labor force outcomes—employment and income. More specifically, then, the question is:

*How much more of the variability in employment and income can we explain by dividing a sample into six, seven, nine, or twenty racial categories rather than just two or three?*

## DATA AND METHODS

I use 2005 American Community Survey data to answer this question. The data set is large enough to yield adequate samples from even the smallest racial groups included in this study (i.e., American Indians or Pacific Islanders).

The dependent variables will include “weeks worked last year” and “total earnings.” Both are continuous measures allowing for the use of ordinary least squares regression and easy interpretation and comparison of “goodness of fit” across models. The first of these outcomes will allow us to gauge the effects of race on patterns of employment and unemployment, and the second will allow us to gauge effects of race on patterns of compensation. Race effects will be assessed with and without controls for relevant background characteristics including education, age, nativity, marital status, parental status, region of residence, area type, and total family income.

Table 1 below summarizes the ten different categorical schemes for measuring the effects of race. The first model to be run will employ twenty racial categories—nineteen race dummies will be included with “Other” serving as the referent. These twenty categories are reflective of the possible responses to the race and Hispanic origins questions as they appear on the ACS enumeration questionnaire. The sum of the squares regression (SSR) for this model will be treated as a numerical representation of the “total race effect.” The second model run will employ nine racial categories derived by collapsing the twenty original categories as can be seen in Table 1; eight race dummies will be included with “Other” serving as the referent. By dividing the SSR from model two by the SSR from model one, we can see what percentage of the total race effect is captured when we use nine categories instead of twenty. The same will be

done for models three and four to see what percentage of the total race effect is captured when we use six or seven categories rather than twenty. Model five tests the effectiveness of the traditional trichotomous conception of race. That is, how much of the total race effect can be explained simply by knowing who is White, who is Black, and who is “Other.” Finally, a series of models will be run with only a single race dummy variable to assess the effectiveness of dichotomous (White vs. non-White, Black vs. non-Black, etc.) conceptions for capturing the effects of race on employment and income.

**Table 1.** Ten Categorical Schemes for Measuring the Effects of Race

	Model 1 <sup>a</sup>	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10
White	1	1	1	1	1	1				
Black	2	2	2	2	2		1			
American Indian	3	3	3	3				1		
Hispanic		4	4	4					1	
Mexican	4									
Puerto Rican	5									
Cuban	6									
Other Hisp	7									
Asian/PI			5	5						1
Asian		5								
Asian Indian	8									
Chinese	9									
Filipino	10									
Japanese	11									
Korean	12									
SE/Other Asian		6								
Vietnamese	13									
Other Asian	14									
Pacific Islander		7								
Native Haw	15									
Guamanian	16									
Samoan	17									
Other Paclslr	18									
Multiracial	19	8	6							
Other <sup>b</sup>	20	9	7	6	3	2	2	2	2	2
Number of Categories	20	9	7	6	3	2	2	2	2	2

<sup>a</sup>This model will yield a sum of squares regression (SSR) which will serve as a baseline by which we can assess the effectiveness of the nine remaining models.

<sup>b</sup>The "Other" category will be comprised on all respondents not captured in the preceding categories and will constitute the referent category in all models.

These analyses will be run separately for men and women and also with and without controls for the backgrounds characteristics listed on the previous page. We will thereby be allowed to assess the gross and net effects of race for both men and women.

Since the sum of squares regression, our measure of race effects in all ten models, is influenced by group size, I run analyses using two samples. First, I run unweighted analyses of the 2005 ACS data in which White non-Hispanics far outnumber all other groups. The size of the White non-Hispanic group may lead to large observed effects (SSR) even if their patterns of employment or income are not terribly different from other groups. Therefore, the second set of analyses will employ a stratified random sample from 2005 ACS that will include 1,000 men and

1,000 women from each of the seven racial categories in model three above eliminating any group size effects.

This plan of analysis will lead us to a definitive answer to the question, *how much more of the variability in employment and income can we explain by dividing a sample into six, seven, nine, or twenty racial categories rather than just two or three?* The results may also allow us to draw conclusions about where the most salient racial divisions lay in Post-Civil Right America.

#### PRELIMINARY RESULTS

This paper is part of a larger project entitled “Competing Conceptions of Race in the Twenty-First Century: A Statistical Analysis.” The initial analyses examine probabilities of employment by race and uncover strong White and Black effects that, together, explain a large share of the total race effect. For instance, among women 82.4% of the total race effect on employment can be explained by including a single indicator variable differentiating White women from all others. Among men, 73.4% of the total race effect on employment can be explained by including a single indicator variable differentiating Black men from all others. Similar figures result when background characteristics are controlled. These large effects reflect differential treatment as well as differential representation in the sample. In any case, the total race effect seems to be captured almost entirely with as few as three categories when employment is the outcome variable.

In this paper I will determine whether these findings hold when all racial groups are assigned equal size/representation in the sample and when “weeks worked last year” and “total earning last year” are the outcomes of interest.

#### EXPECTED RESULTS

I expect to find that, despite the new diversity introduced by large immigration flows in the 1980’s and 1990’s, White advantage and Black disadvantage remain central to understanding the influence of race on life chances in the US—explaining much of the total race effect on labor force outcomes. It is not clear that exclusionary practices that disadvantage Asian and Latin American immigrants are rooted in race and racism anymore than they are rooted in nativism and xenophobia. At some point, as Richard Alba and Victor Nee (2003) suggest, they may cease to be “foreign” and cease to be excluded to the extent that they are in the present context of high immigration. The disadvantages faced by Black Americans (whether native- or foreign-born), have nothing to do with their origins, so their exclusion may have a less predictable end. Results here will likely remind us not to lose sight of the pernicious influences of Whiteness and Blackness—even amidst the new diversity.

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