LOW-WAGE WORKERS AND THE MYTH OF POST-RACIALISM

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I. INTRODUCTION

The gap between the rich and the poor in America is wider than at any other point in American history (Freeland, 2012). While the net worth of super-rich Americans grows, problems for the millions of individuals earning less than $10.00 an hour mount (Thiess, 2012). Low-wage workers across the U.S., including in the South, are not only struggling to make ends meet, but also finding the proverbial American Dream out of reach (Reeves & Venator, 2013). While low-wage workers are represented by every hue, people of color are disproportionately represented among low-wage workers (Covert, 2013). Racial discrimination in hiring, limited access to a quality education, anti-union sentiments, and the legacy of asset inequality explain much about the overrepresentation of people of color among low-wage workers (McKernan, Ratcliffe, Steuerle, & Zhang, 2013; Rich, 2014).

The relegation of people of color to the lower end of the socioeconomic spectrum has material consequences for current and future generations, and provides clear evidence that post-racialism is a myth. Post-racialism is the idea that race declined in significance or is no longer relevant in determining the life chances and opportunities of people of color (Martin, 2013). The present discussion begins by exploring the concept of post-racialism, then it addresses head-on the various ways that the overrepresentation of people of color among low-wage workers demonstrates the continued significance of race throughout the U.S., but particularly in the South. Next, data from the 2013 American Community Survey is analyzed to provide a social and demographic profile of low-wage workers in the South. Finally, a discussion about the implications of the overrepresentation of people of color among low-wage workers is offered, specifically the impact on racial wealth inequality and black asset poverty. It also offers recommendations for reducing the number of people of color who are low-wage workers.

II. A SOCIOHISTORICAL ANALYSIS OF RACE AND CLASS IN AMERICA

Throughout American history there has been reason to celebrate our racial and economic progress. When America gained its independence there was, without question, much for many in the new nation to celebrate. At the same time, while some rejoiced at *their* newfound freedom, others remained literally locked in chains and pushed to the margins of society.

Over time the nation enjoyed economic success due in large part to the cultivation of cash crops and other goods and services. The nation's increasing economic success was accomplished largely on the backs of black men and black women, who were unpaid or underpaid, exploited for their labor, criminalized, vilified, and dehumanized. Despite the inhumane

treatment blacks and other people of color faced at the hands of members of the dominant racial group in America, especially those with the material resources and power to control the life chances and life opportunities of others, blacks fought alongside whites in the Civil War to reunite the nation and finally bring an end to the institution of slavery.

The valiant efforts of black soldiers on the battlefield did not translate to equal treatment throughout the nation. In fact, black soldiers experienced unequal treatment as they risked their very lives for the nation. Scholars have noted that black soldiers were given fewer supplies and paid less than white soldiers (Brophy, 2003; Hine, Hine, & Harrold, 2010).

The nation later began the monumental task of reconstructing the nation, particularly the South (Ruef & Fletcher, 2003). One can only imagine the sense of optimism that many Americans felt after the passage of the Thirteenth, Fourteenth, and Fifteenth Amendments to the Constitution, which officially abolished slavery, allowed for due process and equal protection under the law, and gave men everywhere the right to vote (Higginbotham, 1980). Black men soon occupied political positions in government from the local to the national levels. To some extent, black men and women could finally control their own destiny.

Sadly, measures to facilitate the transition from slavery to freedom were soon abandoned and many former slaves in the South found themselves shackled to a system of sharecropping, which kept them indebted to members of the dominant racial group (Holsaert, Noonan, Richardson, Robinson, Young, & Zellner, 2010; Morris, 1984). Many blacks throughout the nation, but particularly in the South, found themselves the targets of (or witnesses to) a surge in racial violence and intimidation, manifested in the lynching of thousands of blacks (largely black men) and in race riots in places such as Atlanta, Georgia and Tulsa, Oklahoma (Hine et al., 2010).

The presence of a prosperous black community in Tulsa led to one of the most horrific race riots in our nation's history (Hine et al., 2010). The amount of black wealth in the Greenwood community was a source of pride for many blacks and a source of hatred and distain for less prosperous whites. An encounter with a young black male and a white female in an elevator led not only to allegations of sexual misconduct, but later resulted in the destruction of the entire black community (Messer, 2011).

Despite the economic success some blacks experienced in the U.S. in the first few decades of the twentieth century, the Great Depression revealed just how strong and persistent the racial and economic divides

were in America. The Great Depression impacted all Americans. However, blacks were especially hard hit because of their relatively disadvantaged position prior to the economic downturn and because blacks were largely left out of recovery efforts (Leddy, 2009).

The story of the *Scottsboro* defendants in Alabama provides a window into the economic experiences of blacks and whites during the 1930s. Dr. Kwando Kinshasa (1997) wrote about the case in his book, *The Man from Scottsboro: Clarence Norris in His Own Words.* The *Scottsboro* defendants were accused of raping two white women on a train bound for Tennessee. This event resulted in a showing of racial hostility towards black males throughout the South. For instance, a number of black males throughout the South either disappeared or were publicly lynched during this time (Kinshasa, 1997).

Each of the nine black male defendants was riding on the train at issue in search of employment to support themselves and their loved ones. The accusers were also identified as low-wage workers, and were so poor that they could only afford to live in the black section of town. The low socioeconomic status of the *Scottsboro* defendants, coupled with the racial hostility of the day, left the men and their families with very few options when it came time to defend them against the alleged crime. Collectively, the defendants and their families could not raise enough money to hire adequate representation. Eventually, the defendants were represented by one of the nation's best lawyers, Stanley Lebowitz, thanks to the legal arm of the American Communist Party. Lebowitz was no match for the deeply rooted racial and economic tensions that characterized the South in the 1930s. Consequently, the *Scottsboro* defendants spent decades in jail for a crime they did not commit.

III. LOW-WAGE WORKERS AND THE SOUTH

Fortunately, the nation's economy recovered from the Great Depression and a new sense of optimism emerged during the 1940s; but again, blacks were limited in their ability to participate in the prosperity due to social practices and public policies. After fighting in two World Wars, many G.I.'s came back to a country willing to support them in any way possible. Scores of G.I.'s were supported in their efforts to attain college degrees and to purchase homes (Nam, 1964). Black G.I.'s, however, were forced to continue to fight against stereotypes, prejudices, and racial discrimination. Although black soldiers played important roles in defeating fascism abroad, they still had to fight racism at home. Blacks in general, and black veterans in particular, were not part of the largest single mass accumulation of wealth in the 20th century (Martin, 2013). Blacks, including black veterans, continued to face discrimination in employment and in other areas of public life (Leddy, 2009).

Landmark Supreme Court decisions regarding schools, successful boycotts in Baton Rouge and Montgomery, the passage of the Civil Rights Act in 1964, the Voting Rights Act in 1965, and the Fair Housing Act in 1965, signaled the dawning of a new day in America where everyone would be judged on the content of their character and not on the color of their skin (Feagin & Vera, 1995). Sadly, this was not the case. While the size of the black middle-class in America grew during the post-civil right era, so did the gap between blacks and whites and the gap between middle-class and lower-class blacks (Wilson, 1978). Racial differences on a host of social and economic outcomes remained and the tactics and language used to justify white privilege and black disadvantaged changed (Bonilla-Silva, 2013).

The preceding sociohistorical analysis of race and class in the South provides a context for understanding the overrepresentation of low-wage workers among people of color. Frederickson's (2011) work on the history of labor in the South also informs discussions about the demography of ~~the~~ low-wage workers. Frederickson describes the many factors, which distinguish the South from other areas of the U.S. over time and links the historical legacy of race and class with contemporary racial inequality. In her book, *Looking South: Race, Gender, and the Transformation of Labor from Reconstruction to Globalization,* Frederickson (2011) details,

> the importance of the South in American labor history and the centrality of dissent within the South. It begins with the transformation of the southern economy and labor system at the end of the nineteenth century as the region industrialized in the wake of Emancipation and concludes at the beginning of the twenty-first century with the major economic and cultural conversions brought about by globalization (2-3).

Frederickson (2011) shows how the south created the "prototype of industrialization—dependent upon cheap labor, anti-unionism, and occupational segregation by race and gender" that has been transformed and shared globally (p. 3).

There has always been a global color line, but in the twenty-first century, the line has become harder to detect. In the so-called age of colorblindness, persistent racial disparities, including economic disparities, are commonly explained in non-racial terms. When blacks lag behind whites in the South and beyond, in terms of income, education, and occupational prestige, the explanations are often rooted in one or more forms of black pathology. Blacks are viewed as less motivated than their white counterparts, for example. Black parents are considered less

interested in the education of their children, than are other racial groups. In short, the explanations tend to place the blame at the feet of the historically disadvantaged and not on the existence of a racialized social system, which functions to perpetuate racial inequality in America. Claims of a post-racial society notwithstanding, the evidence of the overrepresentation of blacks among low-wage workers and low-wage workers in the South is overwhelming.

Analysis of data from the Bureau of Labor Statistics by Pew Research shows about 1.5 million hourly workers earned the federal minimum wage of $7.25 in 2013 (Desilver, 2014). Desilver's research showed that almost 2 million more earned less than the federal minimum wage. Many of these workers were tipped employees, full-time students, and disabled workers who fell under several exemptions. In all, 3.3 million hourly workers earned at or below $7.25. The Pew Research report found that about half of the workers were between the ages of 16 and 24. Nearly one-quarter of workers were teenagers between the ages of 16 and 19. The top five occupations for workers earning at or below minimum wage were food preparation and service related occupations, sales and related occupations, personal care and service occupations, office and administrative support occupations, building and grounds cleaning, and maintenance occupations. Desilver (2014) states that "more than half (55%) work in the leisure and hospitality industry, about 14% in retail, 8% in education and health services, and the rest scattered among other industries." Moreover, Desilver's report (2014) finds that "nearly 47% are in food-preparation and serving-related occupations; 14.5% are in sales and related occupations, [and] 7% [are] in personal care and service occupations."

Place matters. Workers earning at or below the federal minimum wage were "more likely to live in the South than anywhere else," according to the Pew Research study conducted by Desilver (2014). Desilver explains that "in both the West South Central (Texas, Oklahoma, Arkansas and Louisiana) and East South Central (Alabama, Kentucky, Mississippi and Tennessee) regions, 6.3% of hourly workers make the federal minimum or less—the highest rates among the nine Census Bureau-defined regions." And, "they were followed by the eight-state (plus D.C) in the South Atlantic region, where 5.1 percent of hourly workers made the federal minimum or less."

The Pew Research findings are consistent with earlier findings, including work by Rebecca Thiess. Thiess calculated the share of each state's workforce that fell into four "poverty wage" categories (2012). The "poverty wage" used was $10.73, the hourly wage of a full-time worker needed to reach the 2010 poverty threshold of $22,314. The share

categorized as "poverty wage," were those earning less than $10.73 per hour. Six states had sub-poverty shares at or near one-third of their workforces—all of these in the Deep South.

Thiess' report (2012) showed that "female, young, and minority workers are overrepresented among the ranks of low-wage workers, when 'low-wage' is defined as below the wage that a full-time, full-year worker would have to earn to live above the federal poverty threshold for a family of four." As demonstrated in Figure 2 below, although blacks made up 11% of the total workforce in 2011, blacks comprised over 14% of the poverty-wage workforce. Hispanics made up about 15% of the workforce during the same year but "constituted 23.6 percent of poverty-wage workers." Moreover, Thiess showed that most low-wage workers are not teenagers living at home or adults living with a spouse who is a high-earner. States like Mississippi and Tennessee had the largest share of workers earning wages that put them below the federal poverty threshold for a family of four at 33.7 percent and 32.8 percent, respectively (Theiss, 2012).

IV. RACIAL DISPARITIES AMONG BLACK AND WHITE LOW-WAGE WORKERS IN THE SOUTH

I conducted an analysis of American Community Survey data for 2013 to create a social and demographic profile of black and white low-wage workers in the South. For the analyses, heads of household who were between the ages of 25 and 64 were chosen. The age range limits the number of low-wage workers by excluding teenagers and the aged, but also allows for the focus on adults who are of working age and could have completed a four-year degree and maybe purchased a home, as I am interested in racial differences in home ownership and educational attainment for low-wage workers in the South. I defined low-wage workers as defined in other places as an hourly wage of less than $10.00 per hour, and I calculated the annual wages/salary of the participants.

About 34% of low-wage white workers lived in the South in 2013 compared to nearly 64% of low-wage black workers. About 44% of low-wage white workers in the South were male and 56% were white females. Nearly 60% of low-wage black workers were female and about 41% were male. Nearly 66% of low-wage white workers in the South owned homes compared to 47% of low-wage black workers. About 43% of white low-wage workers earned a high school diploma and did not attend college compared to 48% of black low-wage workers. While 14.6% of low-wage white workers reported four-years of college as their educational attainment, less than 10% of low-wage black workers were college graduates.

Low-wage white workers had about .78 children living in the household and low-wage black workers in the South had .86 children living in the household. On average, black and white low-wage workers were about 42 years of age in 2013. Findings also revealed that the total household income for low-wage white workers in the south was higher than the total household income for low-wage blacks in the region. On average, the total household income for low-wage workers in the South was about $64,000 compared to little more than $47,550 for low-wage black workers in the South. Homes owned by low-wage white workers in the South were worth about $50,000 more than homes earned by low-wage black workers in the South. Study findings also showed that low-wage black workers in the South received more welfare or public assistance than low-wage white workers, and that low-wage white workers in the South had higher levels of interest, dividends, and rental income. Low-wage white workers reported interests, dividends, and rental income of about $602 compared to $64 for low-wage black workers.

V. SET UP TO FAIL: THE IMPLICATIONS OF LIFE AT THE BOTTOM

The implications of the high percentages of low-wage workers in the South, and the overrepresentation of low-wage black workers in the South and beyond, are far reaching. The effects will not only impact the current generation of low-wage workers, but also effect the generations to follow, unless something is done to change course.

For example, the link between low wages and limited educational opportunities are well established and particularly significant in places across the country, including the South, where access to a quality education is particularly limited for parents of relatively low means. The East Baton Rouge Parish School System in Louisiana provides a good illustration.

North Baton Rouge is predominately black compared to the predominately white South Baton Rouge section of the city. Twenty-one of the 35 schools in North Baton Rouge received a D or F grade from the Louisiana Department of Education for the 2013-2014 academic year. White residents in Baton Rouge tend to send their children to schools that are predominately white, private, or outside of the East Baton Rouge School District. The same is likely true in New Orleans as the student profile is very similar to the profile in the East Baton Rouge Parish School System.

Although the state provides support to all students with at least a 3.0 grade point average in the core subjects as part of the TOPS program, a recent study showed that the children of white and wealthy parents were more likely to receive TOPS than other children. This may mean that

children of color are less likely to pursue a college degree given the financial costs associated with attending or that children of color will graduate with a relatively high debt-to-income ratio upon graduation. See Table 1 below.

Table 1: Tale of Two Cities, Life Low-Wage Workers in the Capital and Crescent Cities

East Baton Rouge Parish				
	2005-2006		**2013-2014**	
	Graduate Count/TOPS Eligible	% Free and Reduced Lunch	Graduate Count/TOPS Eligible	% Free and Reduced Lunch
Baton Rouge Senior HS	86	32	88	40
Belaire High School	28	80	23	85
Broadmoor High School	30	65	30	81
Glen Oaks Senior High School	14	84	24	93
McKinley Senior High School	42	61	43	75
Scotlandville Magnet High School	41	83	42	81
Tara High School	35	61	27	82
Woodlawn High School	36	48	34	66

Orleans Parish[1]				
	2005-2006		**2013-2014**	
	Graduate Count/TOPS Eligible	% Free and Reduced Lunch	Graduate Count/TOPS Eligible	% Free and Reduced Lunch
Benjamin Franklin	73	8	81	28
Edna Karr Secondary	56	43	48	84
Eleanor McMain	38		40	88
McDonogh #35 Career	30	57	27	95+
New Orleans Charter	38		37	83
Warren Easton	17	55	35	84

In addition to the challenges for children of low-wage workers to attain a college education, the segregation of the children of low-wage workers residentially and in schools may also impact their contact with the criminal justice system and feed the school-to-prison pipeline. The children of low-wage workers are more likely to attend schools where individuals are empowered to make arrests within the school. These children are also more likely than the children of white and more affluent parents to receive out-of-school discipline, which increases the likelihood of dropping out of school. This in turn increases the likelihood of remaining in poverty as an adult or having interactions with the juvenile justice system or criminal system.

Once an individual becomes part of the criminal justice system, they are literally locked out of earning wages, but also locked out of the wealth accumulation process. Blacks already lag behind whites on the types and levels of assets owned due to a legacy of discriminatory private

1. Percentage of students with free and reduced lunch is for the 2004-2005 school year. All other figures are for the 2005-2006 school year.

practices and public policies, which privileges whites and disadvantages blacks and other people of color. When an individual is incarcerated, it has a ripple effect on his or her entire family and the surrounding community. The strain placed upon the non-incarcerated parent may negatively impact that parent's ability to attain and/or accumulate wealth.

Most incarcerated individuals will be released eventually. Ex-offenders must then face entrenched challenges and open discrimination in seeking work. This is especially true for ex-offenders of color who may face racial discrimination and suffer the stigmatization that comes with serving a prison term. Ex-offenders often depend upon family members and friends when they are released from prison.

Additionally, ex-offenders are often released owing a lot of debt. The debt can come in the form of back child support, restitution, or court fees. Most reentry efforts attempt to help ex-offenders by providing them with jobs. The jobs are often low-wage jobs, which require little or no level of education and fail to take into consideration the need to accumulate assets through such things as business ownership. Schools in the South are among the worst in the nation and state prisons in the South are among the most populated in the nation.

VI. CONCLUSION

Young people, women, and people of color are overrepresented among the poor nationally and in the South. While some southern states like Florida have increased the minimum wage for workers, other states in the South have chosen not to entertain the matter. Despite Wal-Mart's recent decision to relent to decades of demonstrations of work dissatisfaction and raise the minimum wage for its workers, most of the men and women working for the nation's largest private employer, will still struggle economically.

It is not a coincidence that the South, which has a history of being anti-union, resistant to court-ordered school desegregation, and notorious for imprisoning more of its citizens than many other regions, is the epicenter for the epidemic of low-wage work in America. The overrepresentation of blacks among the low-wage workers in the U.S. and in the South has material consequences for individual workers, the region and the nation. In the age of colorblindness, the South continues to do what it has always done—create new and innovative ways to maintain a racialized social system with the goal of keeping people of color in their so-called place—at the bottom of the economic ladder and locked up and locked out of the American Dream. Persistent racial economic disparities in the U.S., especially in the South, provide evidence of the continuing significance of race and the myth of post-racialism.

VII. RECOMMENDATIONS

To address the overrepresentation of people of color among low-wage workers in the South and beyond, a number of steps may be taken. Collective efforts to unionize low-wage workers in the South and around the U.S. must continue. The recent victory of Wal-Mart associates and the continued demonstrations by fast food workers provide evidence that there is power in numbers.

Additionally, efforts to assist ex-offenders tend to focus almost exclusively on employment and ignore financial literacy and asset accumulation. Racial discrimination at every phase of the hiring process is further complicated by the stigma associated with one's status as an offender. Increased attention must be devoted to enhancing the ability to blacks in general, and black ex-offenders in particular, to accumulate assets. Cooperative ownership, through community development organizations and/or faith-based organizations might facilitate the accumulation of community wealth and provide greater employment opportunities and opportunities for business and land ownership.

Greater enforcement of existing laws aimed at curbing racial and gender discrimination must also take place. Inadequate funding of enforcement agencies serves as a barrier to holding employers accountable for their mistreatment of historically disadvantage groups.

Additionally, the assault on public schools must end and we must return the control of schools to local communities and recognize the connectedness between the labor market, neighborhood development, and public education. Public schools, especially those in the South that are majority minority, should be places where children are taught to think critically and analytically, and not merely prepared to fulfill the low-wage jobs that finance the lifestyles of the rich.

Low-wage workers in the South are entitled to their slice of the American pie and not just the crumbs. Low-wage workers can no longer—literally and figuratively—afford to serve as an important part of the foundation of the American economy and at the same time be treated as disposable. It is in the best interest of the nation to close the gap between society as it is and society as it should be.

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