

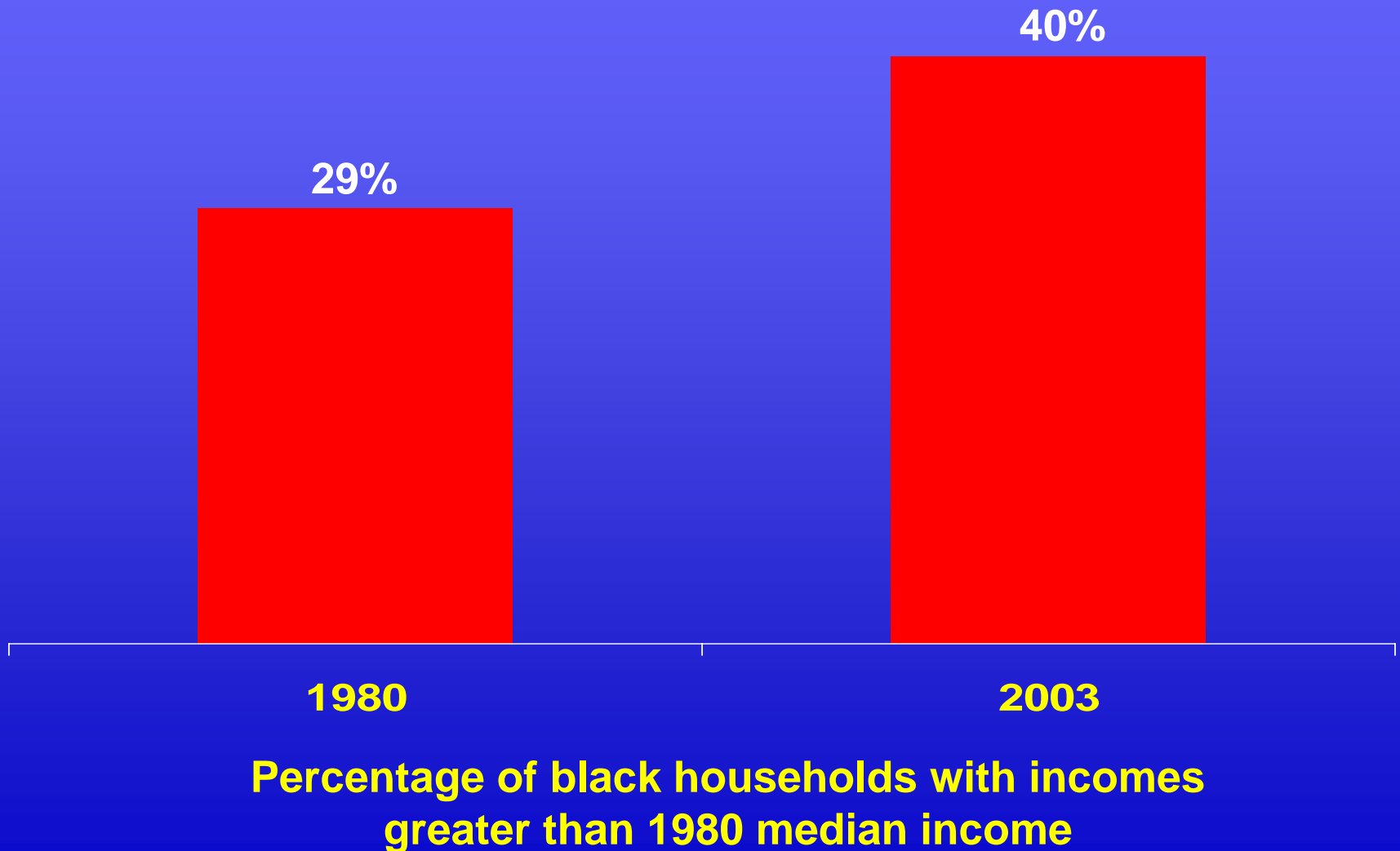
# **The Economic Stagnation of the Black Middle Class (Relative to Whites)**

**Douglas J. Besharov**

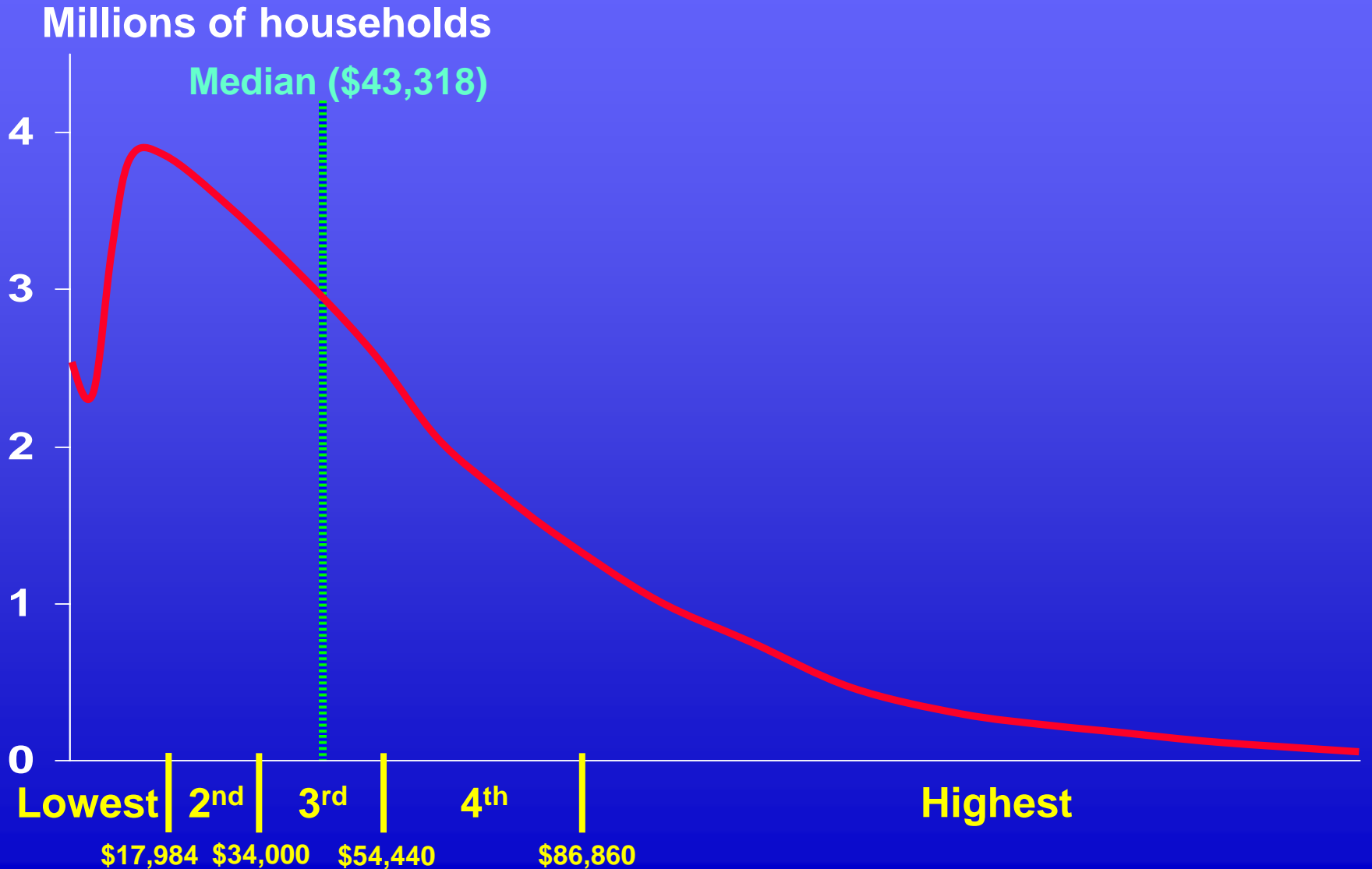
**American Enterprise Institute  
University of Maryland**

**Before U.S. Commission on Civil Rights  
July 15, 2005**

# 1980 Median Income as an Absolute Measure



# Relative Measures Median Income and Quintiles (2003)



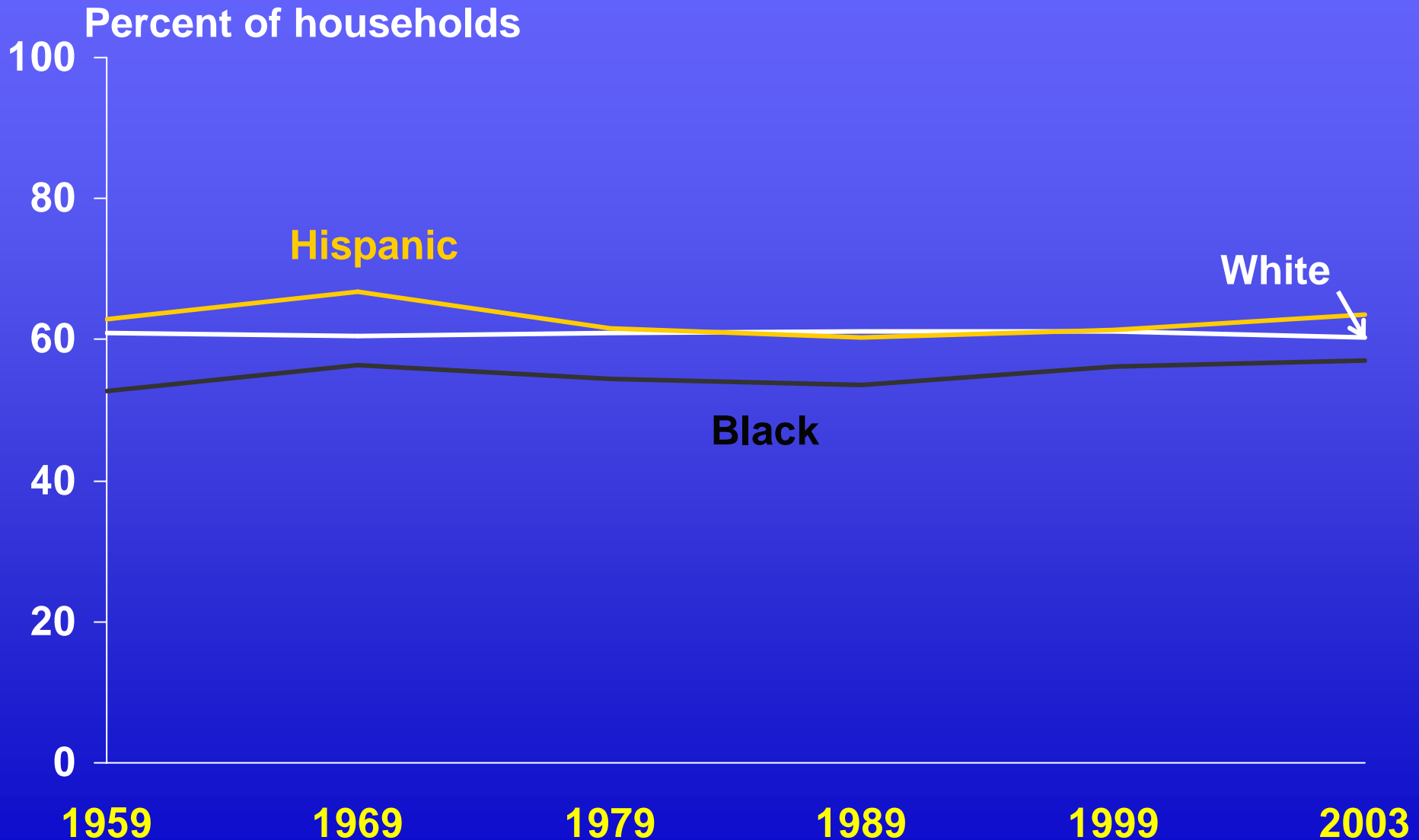
# Top and Bottom Quintiles/Deciles

## Black Households (1959–2003)

	Bottom Decile	Bottom Quintile	Top Quintile
1959	22.0%	41.2%	5.9%
1969	18.4%	35.4%	8.1%
1979	20.9%	35.2%	10.1%
1989	21.9%	35.7%	10.3%
1999	19.2%	32.9%	10.4%
2003	19.2%	32.5%	9.8%

# Middle Three Quintiles

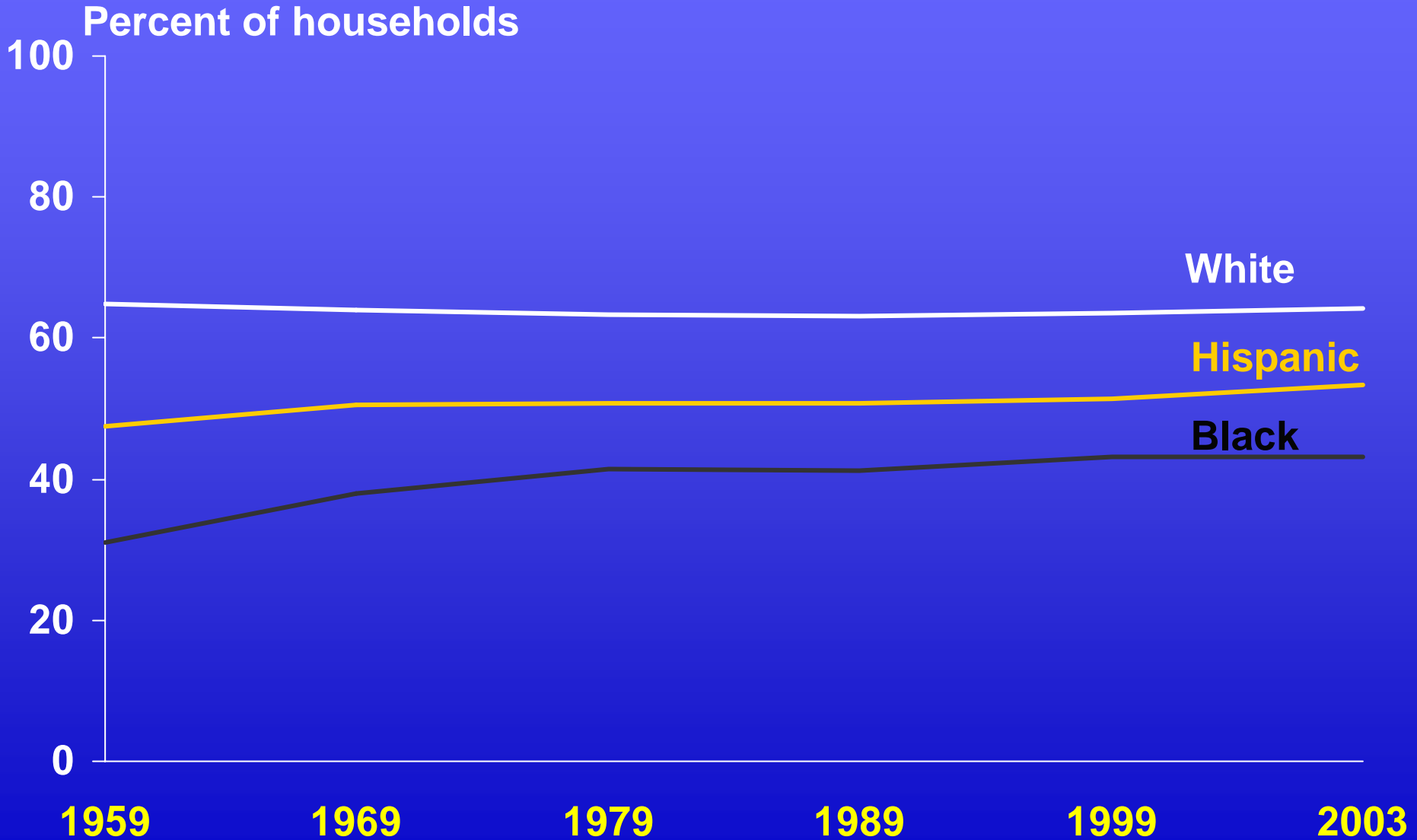
## Household Income By Race/Ethnicity\* (1959–2003)



\*Native born

# Top Three Quintiles

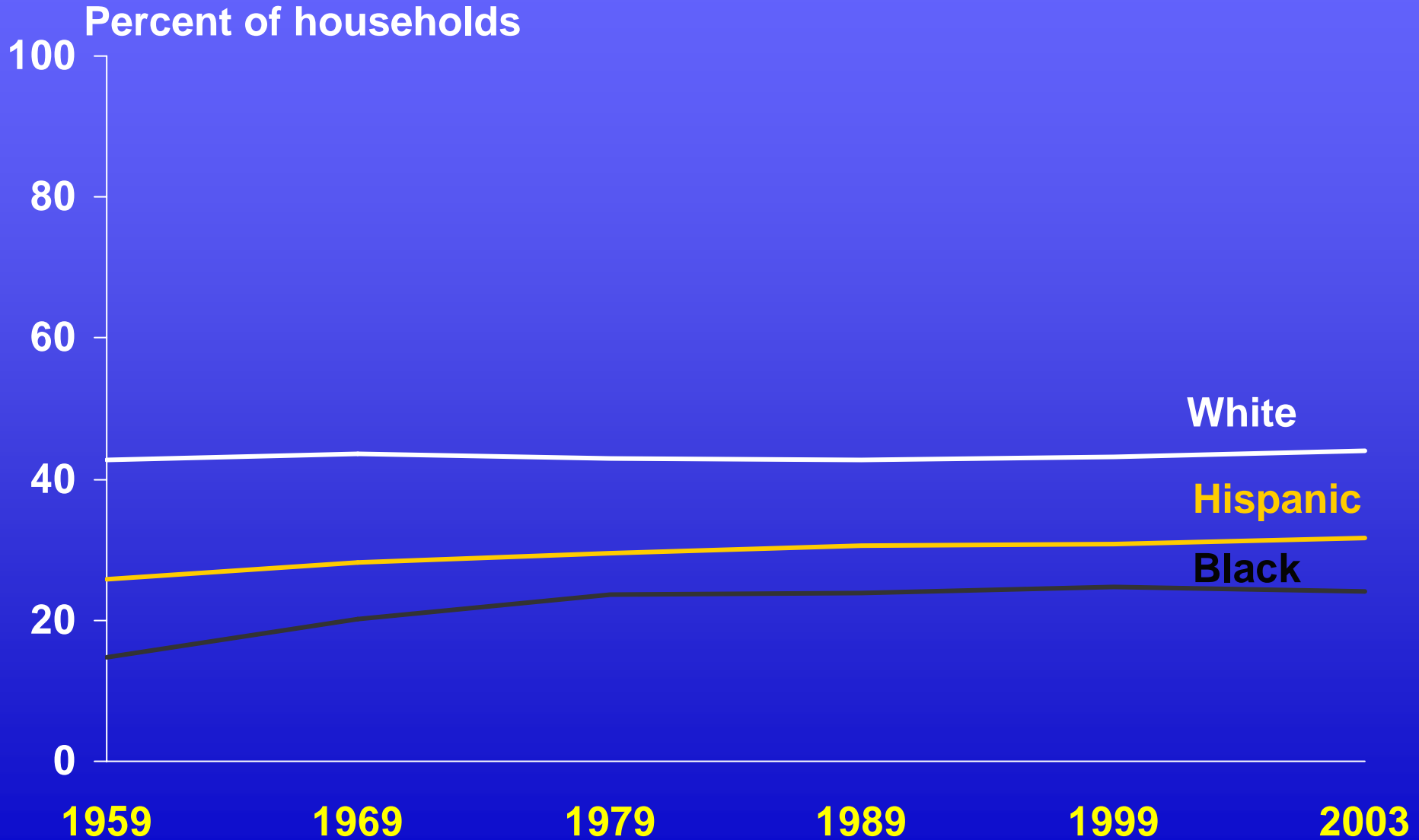
## Household Income By Race/Ethnicity\* (1959–2003)



\*Native born

# Top Two Quintiles

## Household Income By Race/Ethnicity\* (1959–2003)



\*Native born

# Self-Identification of Middle Class Status

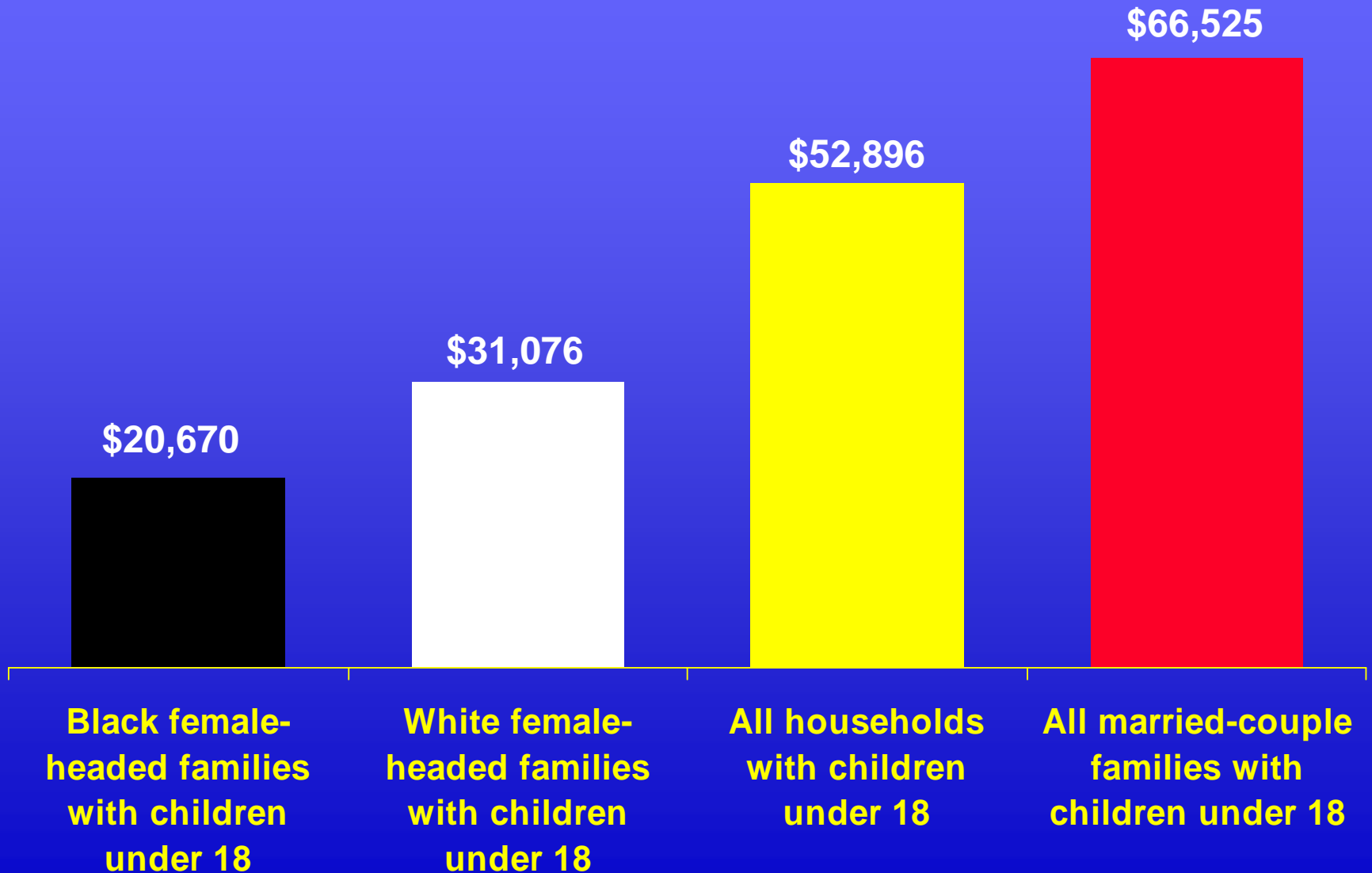
## By Race (1949–1996)

	Black	White
1949	12%	34%
1956–58	14%	41%
1966–68	15%	46%
1976–78	22%	50%
1988–91	30%	51%
1994	44%	c. 64%
1996	41%	NA

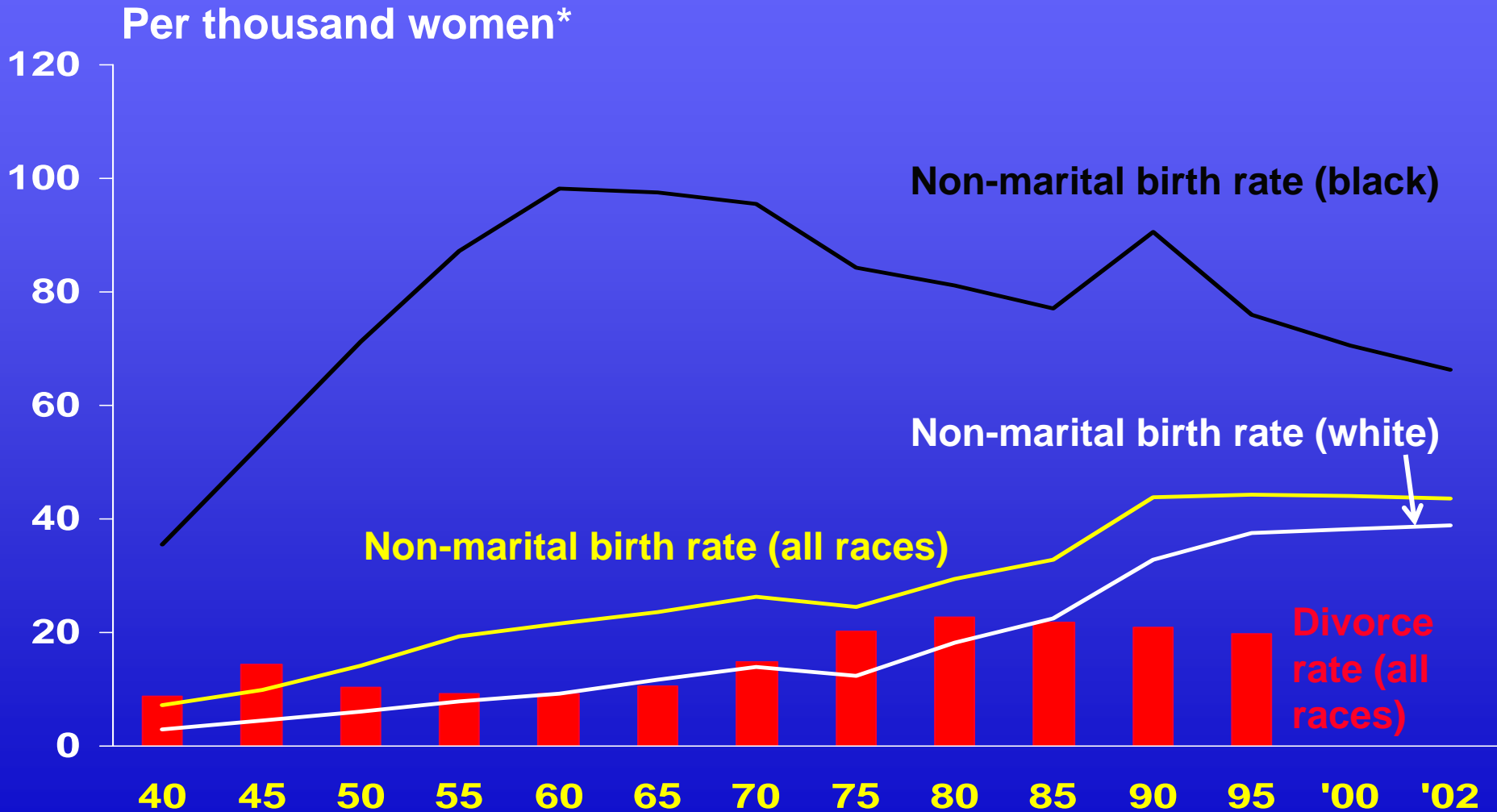
# **Persistent Discrimination?**

# Median Household Income

## Households With Children (2003)



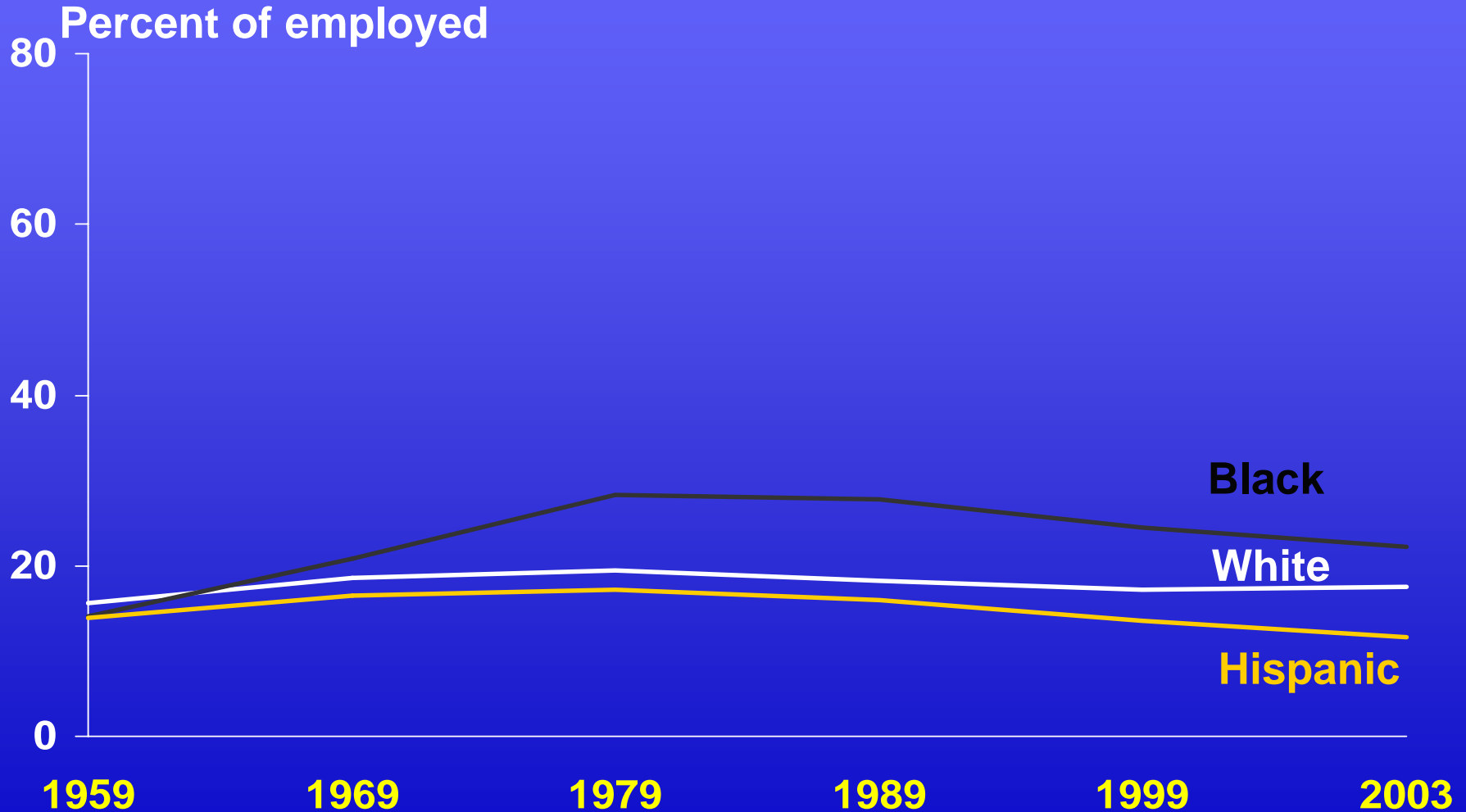
# Non-Marital Birth and Divorce Rates (1940-2002)



\*Unmarried for non-marital birth rate and married for divorce rate.

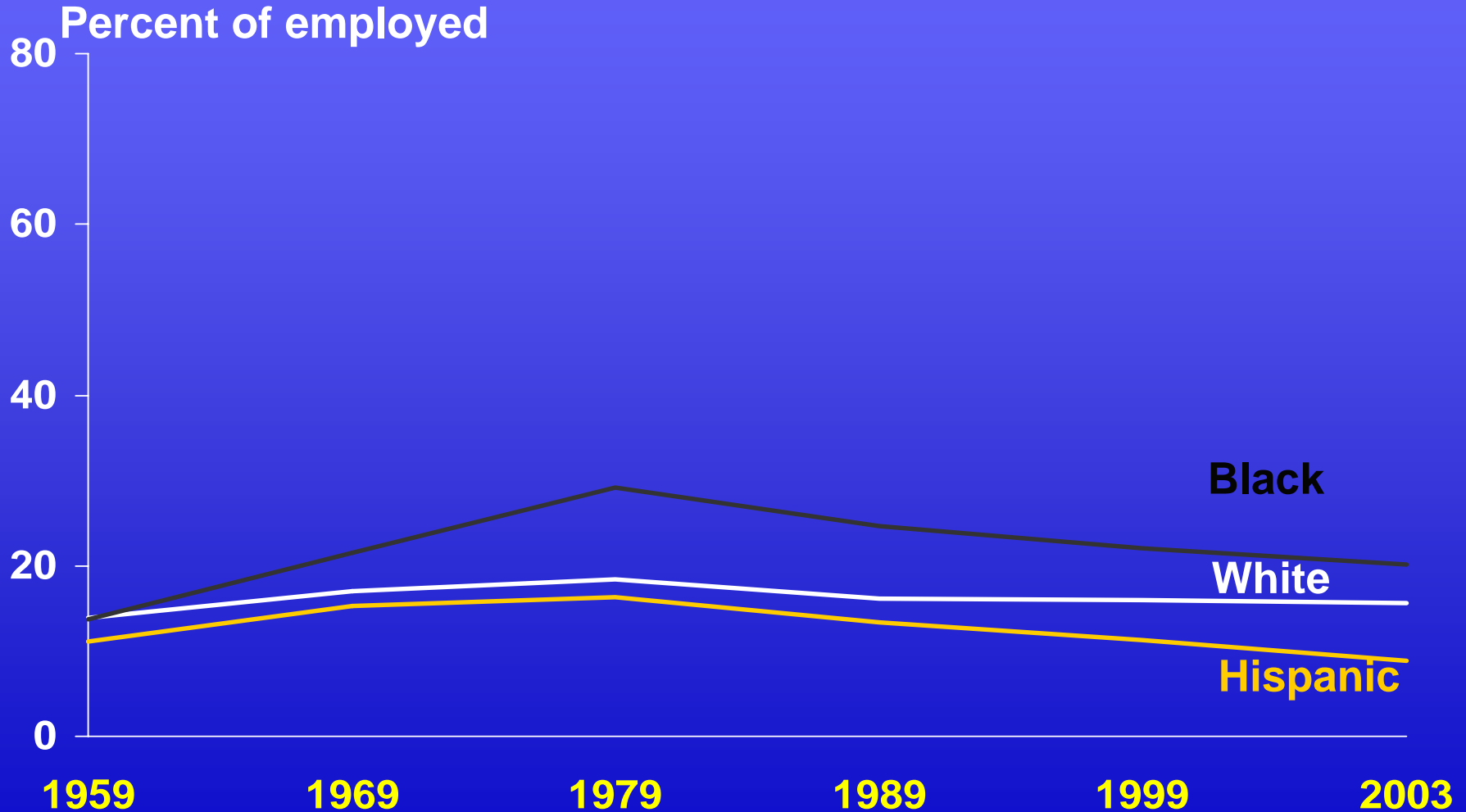
# Gov't Employment of Household Heads

## By Race/Ethnicity (1959–2003)



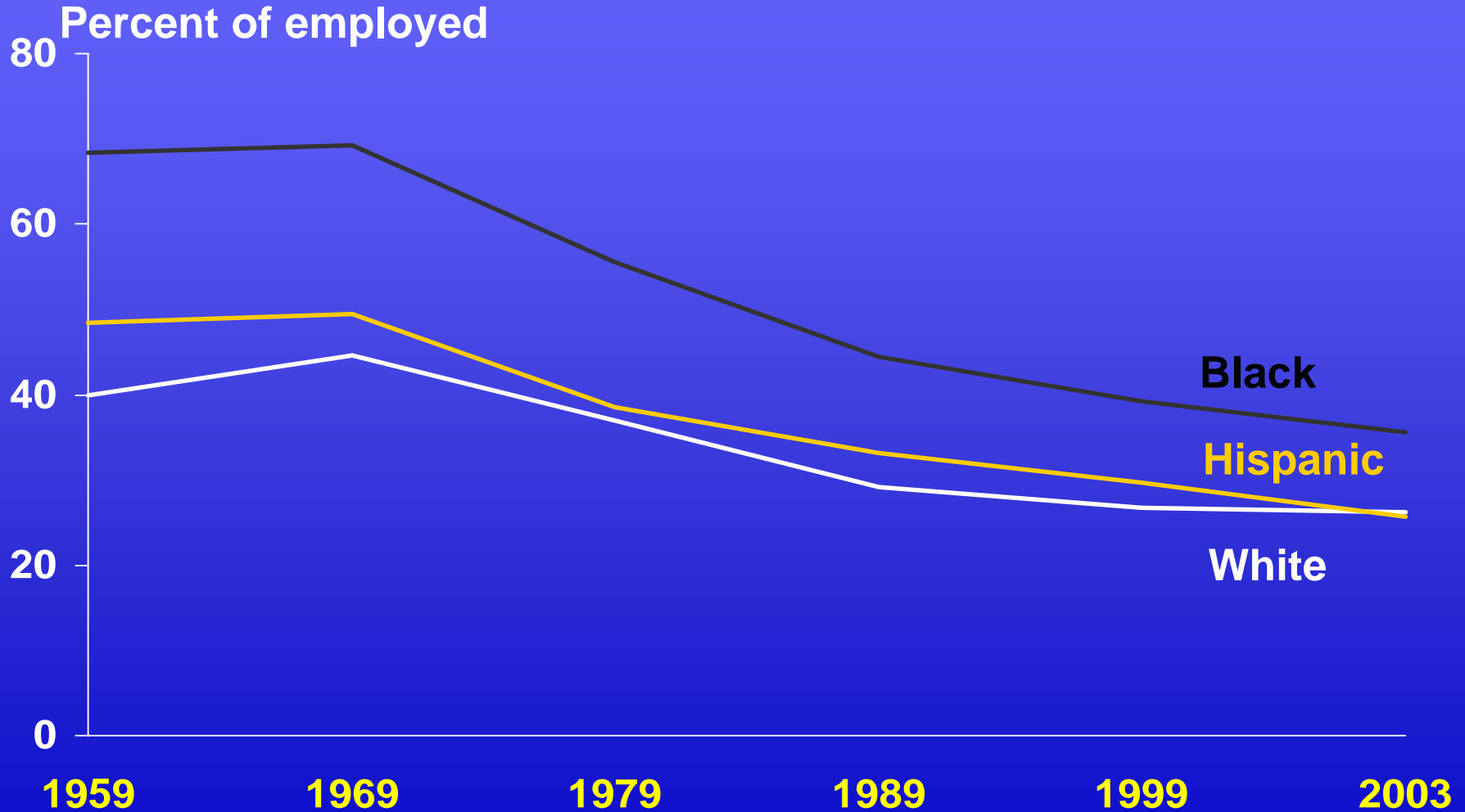
# Gov't Employment of Middle Class\*

By Race/Ethnicity (1959–2003)



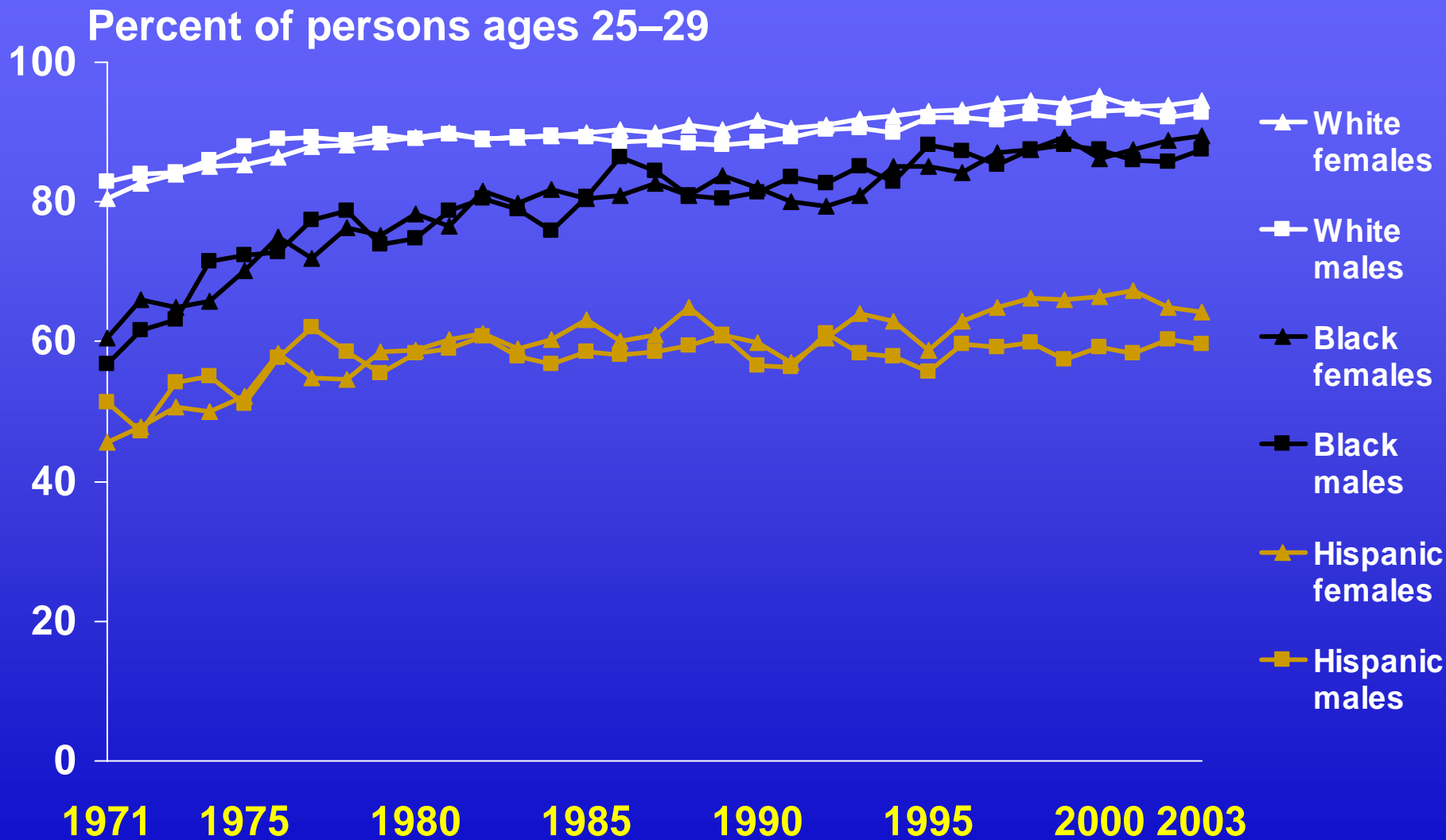
\*Persons from households in the middle three income quintiles.

# Gov't Employment of College Graduates By Race/Ethnicity (1959–2003)



# High School Completion\* Rates

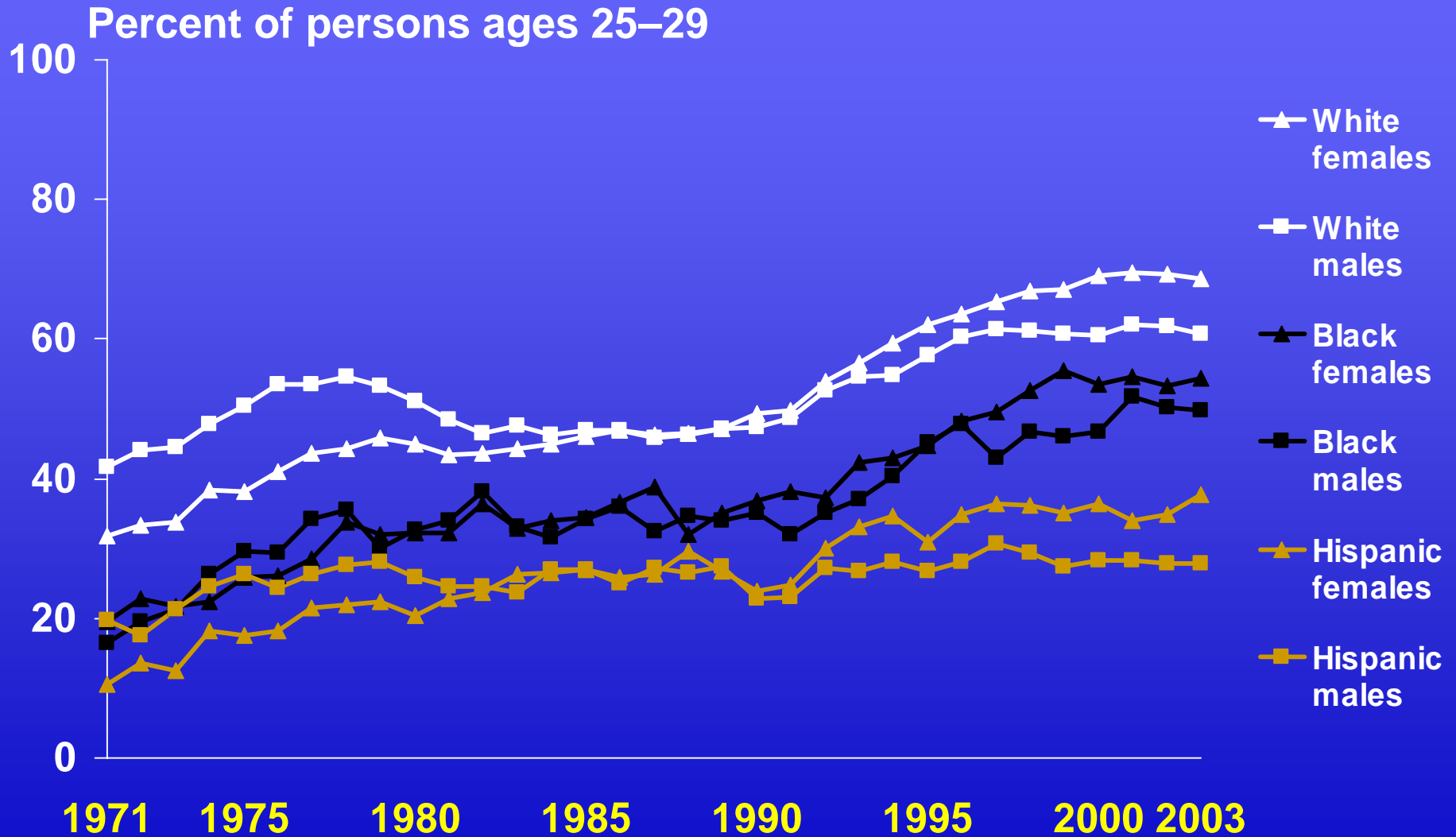
## By Race/Ethnicity and Sex (1971–2003)



\*Before 1992: “completed 4 years of high school or more”; from 1992 onward: “high school graduate” (includes GED).

# College Attendance\* Rates

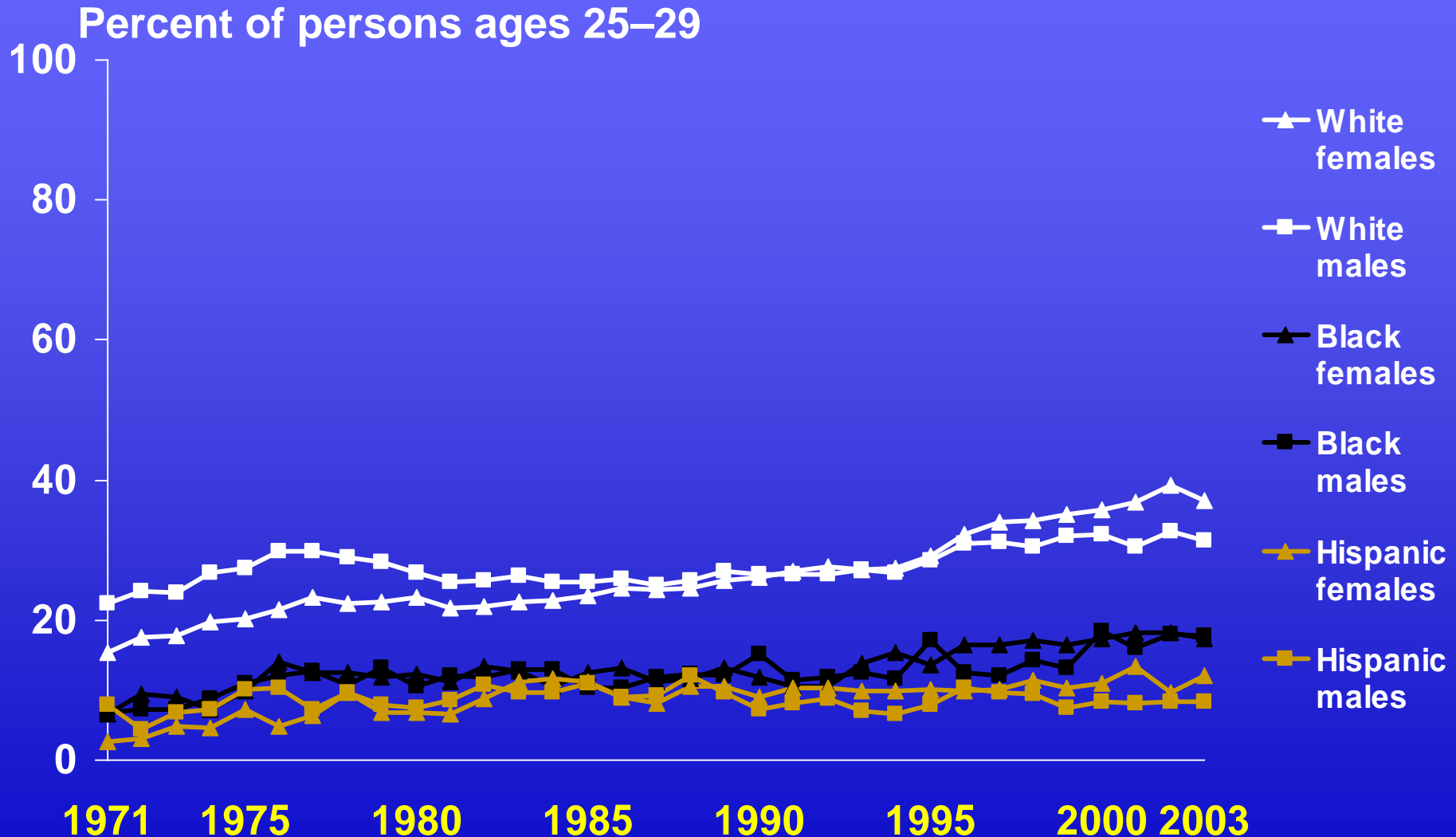
## By Race/Ethnicity and Sex (1971–2003)



\*Ever attended college.

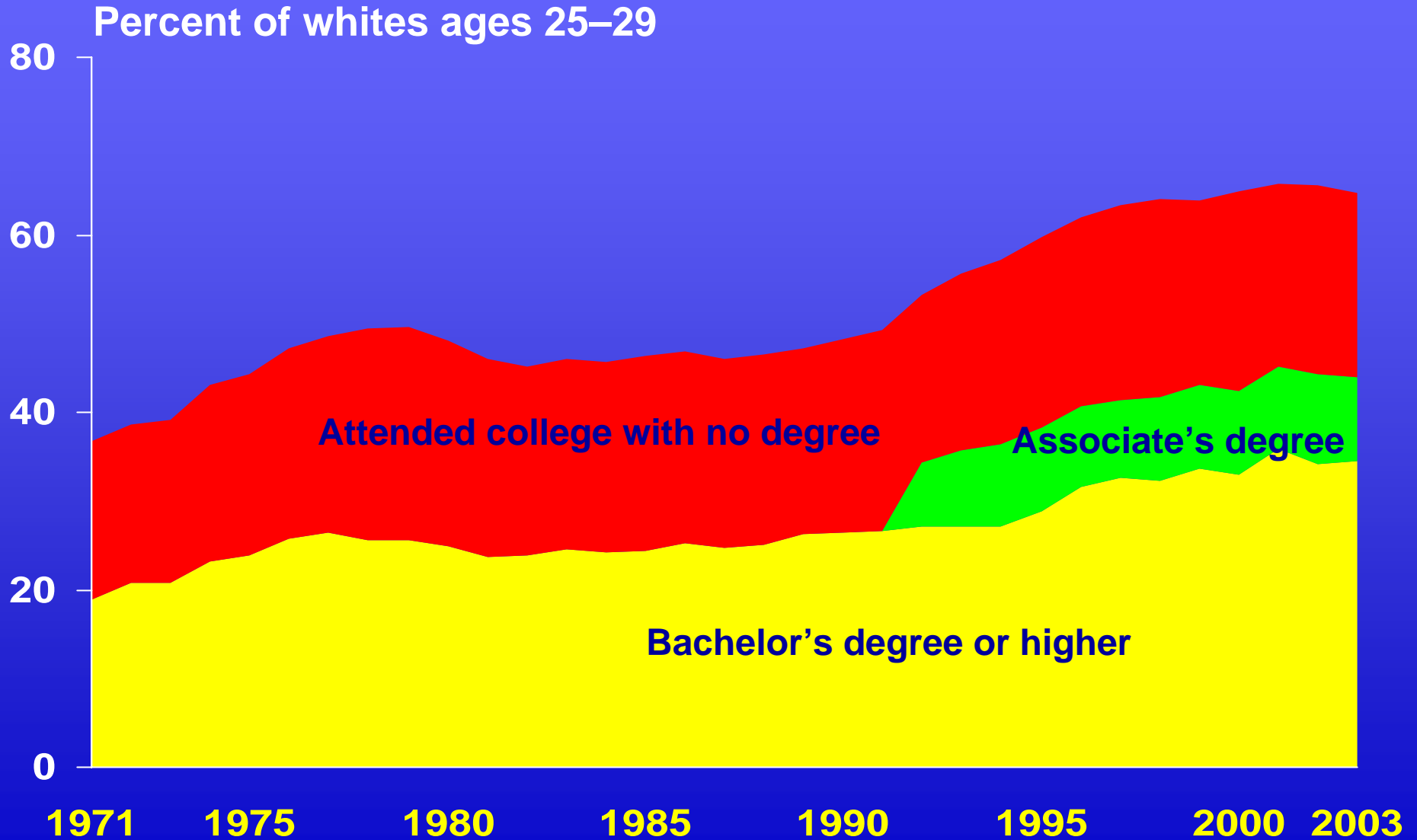
# College Graduation\* Rates

## By Race/Ethnicity and Sex (1971–2003)



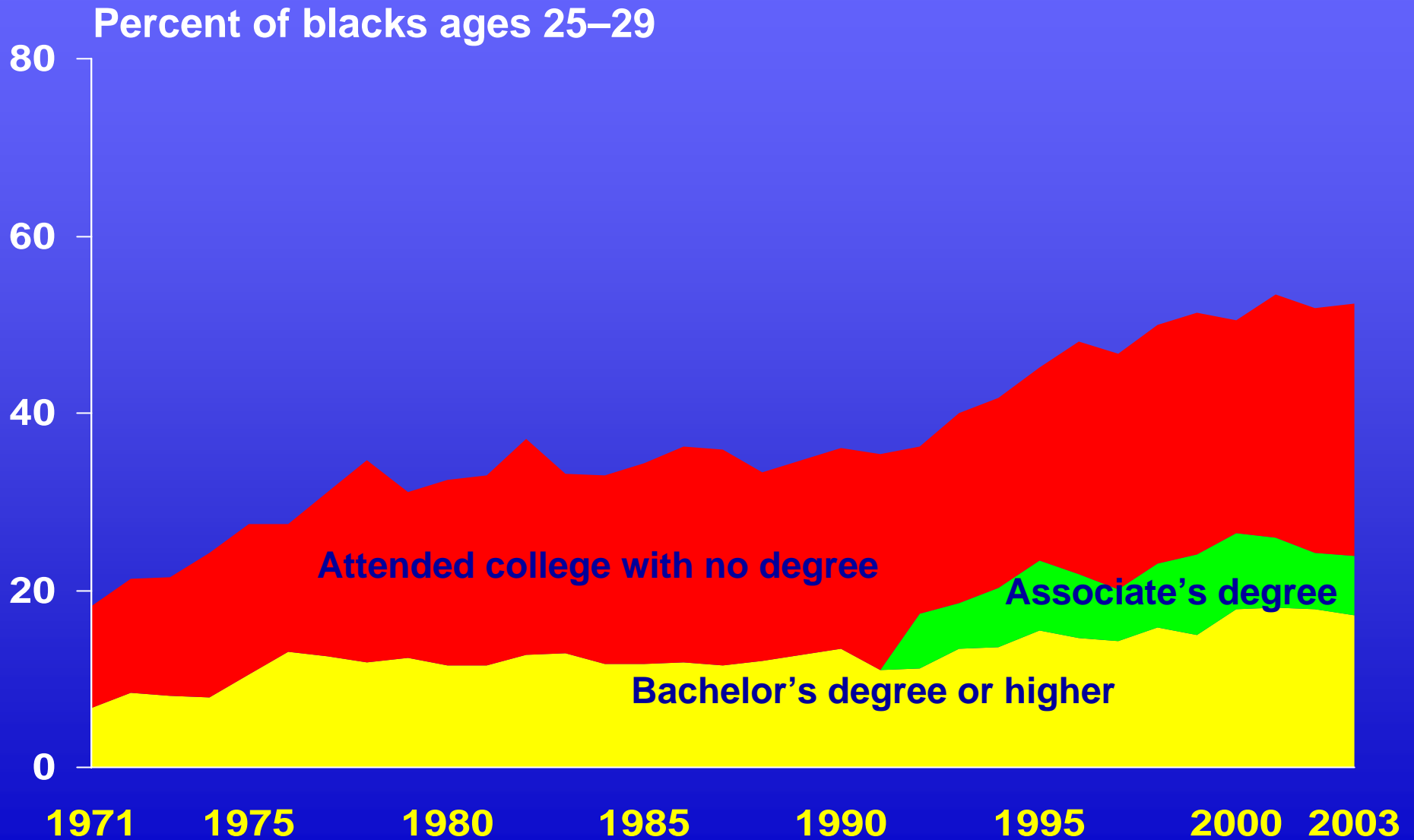
\*Before 1992: “completed 4 years of college or more”; from 1992 onward: “bachelor’s degree”, “master’s degree”, “doctorate degree”, and “professional degree”.

# White Educational Attainment 25–29-year-olds (1971–2003)



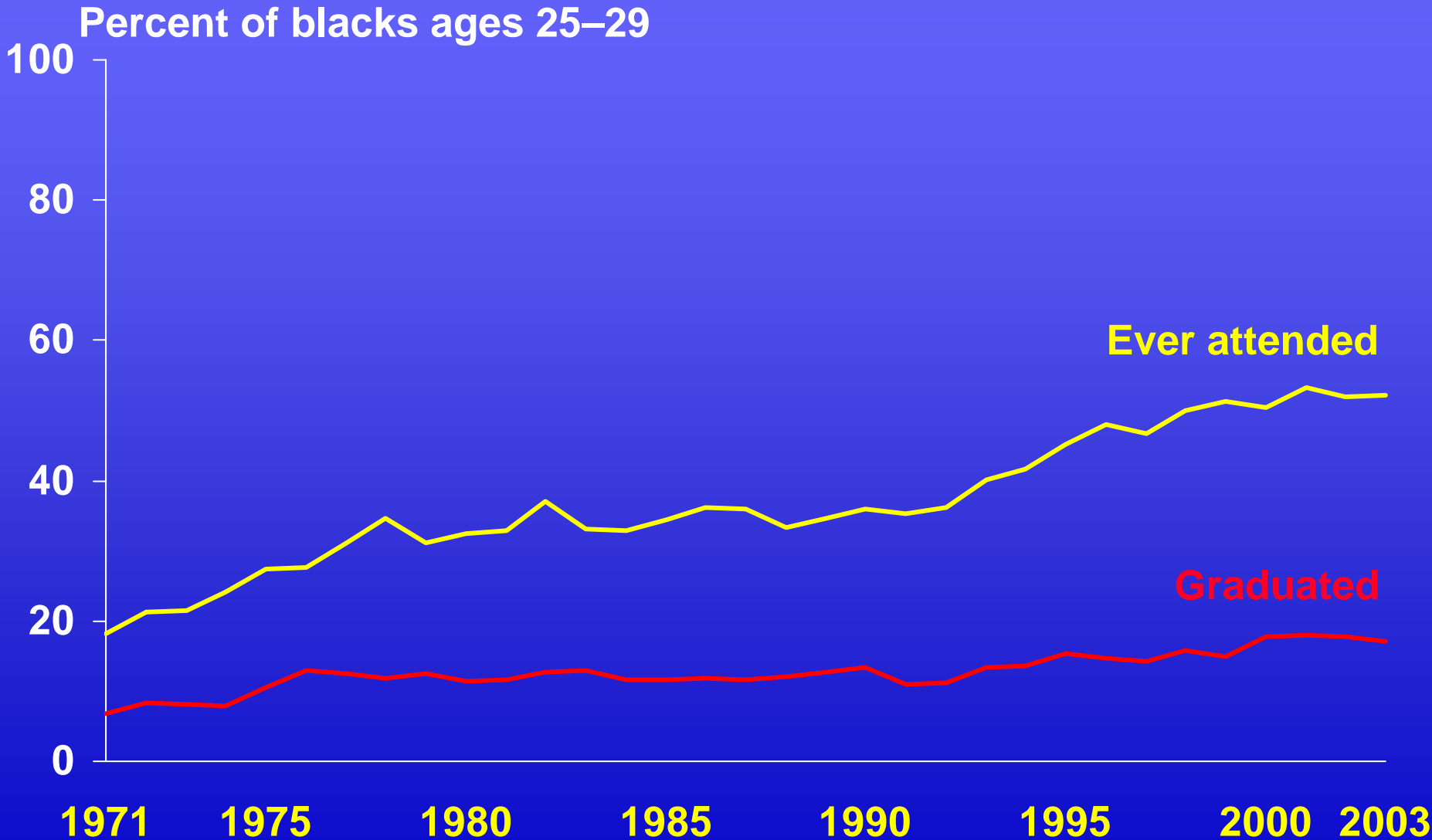
# Black Educational Attainment

## 25–29-year-olds (1971–2003)



# College Attendance vs. Graduation

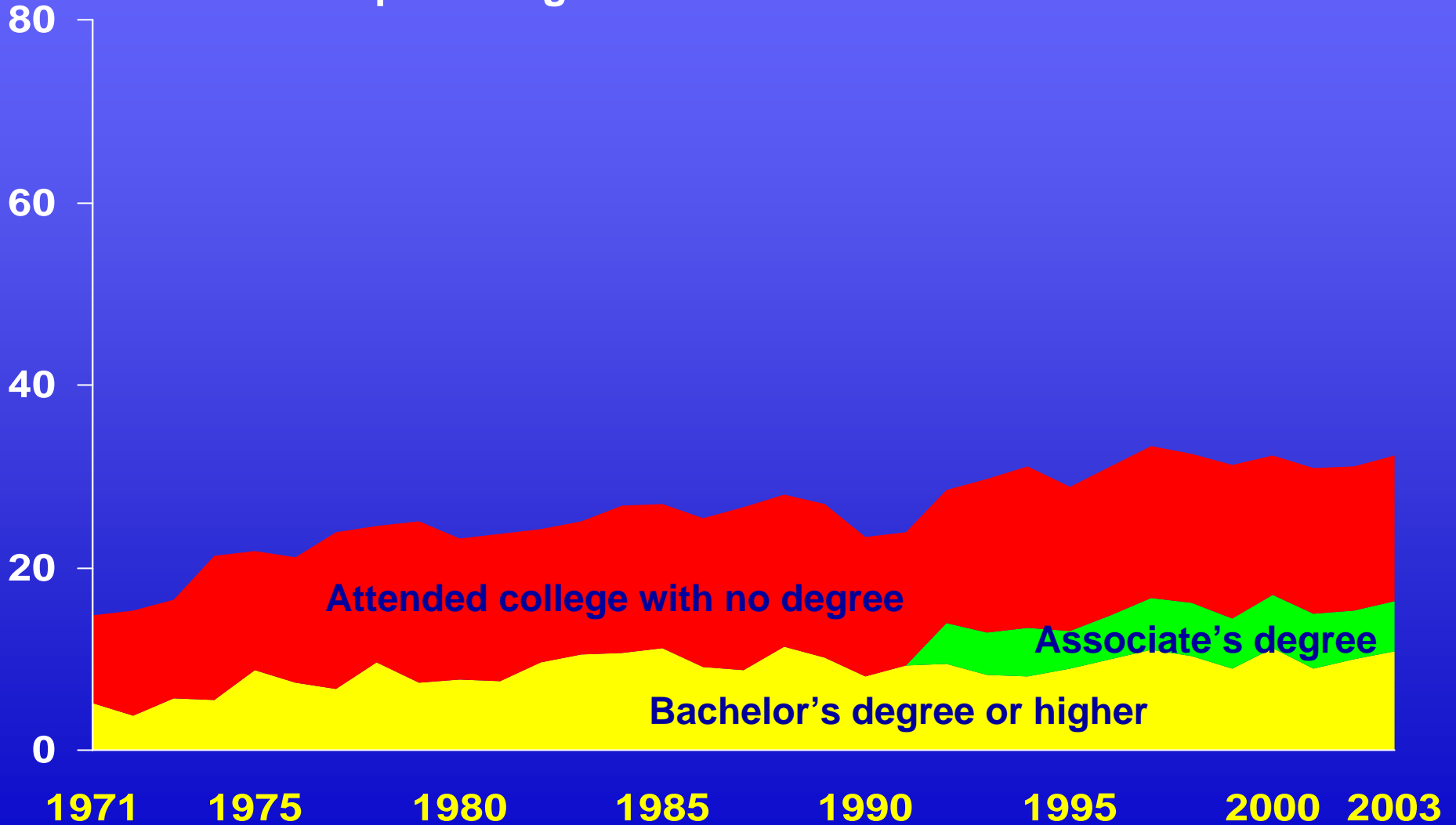
Black 25–29-year-olds (1971–2003)



# Hispanic Educational Attainment

## 25–29-year-olds (1971–2003)

Percent of Hispanics ages 25–29



# Explaining Low College Completion Rates

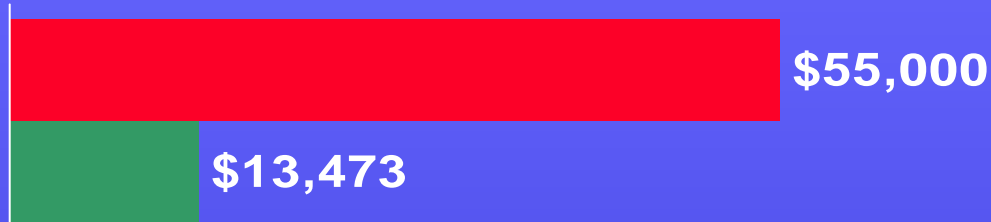
- ▶ Low academic achievement
- ▶ Poor H.S. student counseling (mismatch)
- ▶ Unsupportive college cultures
- ▶ Financial aid formulas
  - ▶ Tilted in favor of the middle class

# Median Household Net Worth

## By Race and Ethnicity (2000)

2000 dollars

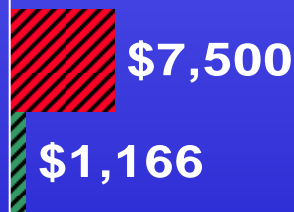
All  
householders



White  
householders



Black  
householders



Hispanic  
householders



■ Median net worth, excluding home equity ■ Median net worth

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# Estimates of the Black Middle Class

Researcher	Definition*	Year	Size
Robinson	\$25,000 – \$49,999 (before taxes)	1994	31.9%
Robinson	\$15,000 – \$49,999 (before taxes)	1994	46.7%
Wellner	\$30,000 – \$75,000	1998	41.0%
Ransford	Above \$35,000 median	1991	30.0%
Patterson	Above \$35,000 median	1995	36.0%
Landry	White collar, small businessmen and a few service occupations	1981	37.8%
Dennis	High/mid-level white collar and well-paying blue collar jobs requiring advanced skill	1992	36.0%

# Estimates of the Size of the Middle Class

## By Race/Ethnicity (2003)

Middle Class Index	Black	Hispanic	White
Median household income of \$43,318 ( <i>all households</i> )	33.8%	37.0%	54.0%
Median household income of \$52,896 ( <i>households with children</i> )	29.2%	27.8%	60.7%
Median family income of \$52,680 ( <i>all families</i> )	31.2%	29.7%	55.9%
Median family income of \$51,342 ( <i>families with children</i> )	28.1%	26.6%	59.8%
Middle three quintiles ( <i>all households</i> )	57.7%	65.0%	60.1%
Middle three quintiles ( <i>households with children</i> )	59.6%	68.6%	59.7%
Middle three quintiles ( <i>all families</i> )	55.0%	58.0%	61.5%
Middle three quintiles ( <i>families with children</i> )	51.2%	56.7%	60.7%
Upper three quintiles ( <i>all households</i> )	44.0%	48.6%	63.9%
Upper three quintiles ( <i>households with children</i> )	48.1%	49.3%	78.8%
Upper three quintiles ( <i>all families</i> )	41.1%	39.7%	66.2%
Upper three quintiles ( <i>families with children</i> )	36.3%	36.0%	68.9%