



# Focus

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Racial stigma and its consequences	1	The challenge of institutional “milieu” to cross-systems integration	28
Neighborhood stigma and the perception of disorder	7	Cross-systems innovations: The <i>line-of-sight</i> exercise, or getting from where you are to where you want to be	36
Inequality in children’s school readiness and public funding	12		
Grandmothers raising grandchildren: Family well-being and economic assistance	19		

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## Racial stigma and its consequences

Nearly a century and a half after the destruction of the institution of slavery, and a half-century past the dawn of the civil rights movement, social life in the United States continues to be characterized by significant racial stratification. Numerous indices of well-being—wages, unemployment rates, income and wealth levels, ability test scores, prison enrollment and crime victimization rates, health and mortality statistics—all reveal substantial racial disparities. . . . So we have a problem; it will be with us for a while; and it behooves us to think hard about what can and should be done.

*The Anatomy of Racial Inequality*, pp. 3–4

Glenn C. Loury

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Glenn C. Loury is Professor of Economics, Brown University.

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### Racial attitudes and racial stigma

In *The Anatomy of Racial Inequality* I posit that a proper study of contemporary racial inequality requires that we understand the extent to which an inherited “racial stigma” even today inhibits the ability of African Americans to realize their full human potential.<sup>1</sup>

This is no simple accusation of racism. I seek to extend and generalize conventional notions of “racism” and “discrimination” so as to deal with the post-civil-rights reality

of our time. Central to this new reality, in my view, is the wide gap that has opened between the races in productivity-enhancing behaviors—the acquisition of cognitive skills, the extent of law-abidingness, the stability of family relations, attachment to the workforce and the like. I place this disparity in human development between the races at the center of my analysis and put forward an account rooted in social and cultural factors, not in the inherent capacities of black people, or in our “values.” Even if there were no overt racial discrimination against blacks, powerful social forces would still be at work to perpetuate into future generations the consequences of the universally acknowledged history of racism in the United States.

To understand this situation, we must take account of the indirect and subtle effects of racial stigma, as distinct

from discrimination. The concept of racial stigma aims to probe beneath the cognitive acts of individuals and investigate the structure of social relations within which those individuals operate. I wish to move from the fact that people take note of the race of those with whom they interact to some understanding of how this observation affects their perceptions and shapes their explanations. When does the “race” of those subject to some problematic social circumstance affect whether powerful observers perceive a problem? When observers have acknowledged a problem, how do they understand it? And how does that understanding affect the actions they may take or the policies they pursue?

Whatever the merits of the dispute about race as a biological concept, the social convention of thinking about other people and about ourselves as belonging to different “races” is so long-standing and deeply ingrained in our political culture that it has taken on a life of its own.<sup>2</sup> No objective basis for racial taxonomy is required for the subjective use of racial categories to be influential. It is enough that many social actors hold schemes of racial classification in their minds and act accordingly. And once people know that others in society will classify them on the basis of certain markers—skin color, hair texture, facial bone structure—and that these acts of classification will affect their material and psychological well-being, it is rational for them to think of themselves in racial terms also.

As race comes to be more heavily freighted with powerful social meanings, the odds diminish that an observer, starting with a mistaken view of a racial group, will process social information in a manner that exposes the error. Race becomes a more important part of an individual’s social identity when he or she is personally unknown to the observer. And if the marks of race carry a social stigma, an observer may see no reason to pay attention to the personal history that defines the individual’s actual identity. The individual becomes “invisible” precisely because of the visibility and social meaning of the racial stigmata.

As a concrete illustration of the subjective and consequential use of racial classification, consider the case of cab drivers in a big city who may be reluctant to stop for young black men because they fear being robbed. That is, they think the chance of robbery conditional on race (and age and sex) is greater if the prospective fare is a young black man rather than an older white woman. Imagine that, as a matter of crime statistics, this surmise is accurate. Yet a very simple process of adverse selection can explain how this might come about, even if no racial group is more inclined to rob a taxi driver than any other. If cab drivers are reluctant to stop for a particular class of persons, members of that class may be less likely to use taxis, because they will expect the average wait to be long. But those whose aim is to rob the taxi driver will be relatively less discouraged than those who have no such

intention. So if cab drivers begin with an a priori assumption that one racial group is more likely than another to harbor robbers, and if they are therefore reluctant to stop for people in that group, the drivers will create an incentive for self-selection: any member of the group who hails a taxi is relatively more likely to be a robber.

## The perpetuation of racial stigma

An important consequence of racial stigma is “vicious circles” of cumulative causation: self-sustaining processes in which the failure of blacks to make progress justifies for whites the very prejudicial attitudes that, when reflected in social and political action, ensure that blacks will not advance.<sup>3</sup>

To illustrate: Imagine that an observer (correctly) notes that on the average and all else equal, commercial loans to blacks pose a greater risk of default or black residential neighborhoods are more likely to decline. The observer may then withhold credit from blacks or move away from a neighborhood when more than a few blacks move in. But what if race conveys this information only because a great number of observers expect it to and then act in ways that lead to confirmation of their beliefs? What if blacks have trouble getting further extensions of credit in the face of a crisis, and so default more often? Or what if nonblack residents panic at the arrival of blacks, selling their homes too quickly and below market value to lower-income buyers, thereby promoting neighborhood decline? The original negative stereotype is then reinforced; it appears to be supported by hard evidence concerning the inherent limitations of the stereotyped group (“blacks are just less responsible”).

We will not necessarily find evidence of racial stigma by searching government statistics for instances of racial discrimination. The effects of stigma are more subtle, and they are deeply embedded in the symbolic and expressive life of the nation and our narratives about its origins and destiny. America, for example, is often said to be a nation of immigrants and a land of opportunity. But one of the first things new immigrants to America discover about their adopted country is that African Americans are a stigmatized group.

In a study of ethnic groups in Los Angeles, sociologist Camille Charles analyzed data from a survey designed to measure preferences among various groups for the ethnic and racial composition of a respondent’s ideal neighborhood.<sup>4</sup> She found that 40 percent of Asians, 32 percent of Latinos, and 19 percent of whites envisioned their ideal neighborhood, in which they would feel most comfortable, as one containing no blacks. Immigrants were much more averse to living near blacks than native-born Asians and Latinos, who had rates of “black exclusion” (no blacks in the ideal neighborhood) of 17 percent and 15 percent, respectively. Among the foreign-born, 37 per-

cent of Latinos and 43 percent of Asians envisioned an “ideal neighborhood” as one that excluded blacks entirely.

The reasons for the development of racial stigma in the United States are in large part historical. Fundamental to the processes of race-making in the United States have been the institution of chattel slavery and the associated rituals and customs that supported the master-slave hierarchy and dishonored the slave.<sup>5</sup> In the experience of the United States, slavery was a thoroughly racial institution. Therefore, the social meaning of race that emerged in American political culture was closely connected with the dishonorable status of enslavement.

Many immigrant groups—the Irish, the Chinese, the Jews—were at different times profoundly dishonored. But by virtue of their status as slaves, black Americans are exceptional in the extent to which remnants of this ignoble history are still discernible in public culture today. An honest assessment of current American politics—its debates about welfare, crime, schools, jobs, taxes, housing, test scores, diversity, and much more—reveals the lingering effects of this profound dishonor, this sense of the “social otherness” of blacks that remains yet to be fully eradicated.

Consider some basic facts about race and social intercourse in the United States. According to the 1990 Census of the Population, among married persons 25–34 years old in 1990, some 70 percent of Asian women, 39 percent of Hispanic women, but only 2 percent of black women had white Anglo husbands.<sup>6</sup> In the larger northeastern and midwestern cities, geographers find clusters of impoverished African Americans within a few miles of each other, surrounded by the richest middle class on earth.<sup>7</sup> So culturally isolated are black teenagers living in these urban ghettos that scholars find convergence in their speech patterns over great geographic distances, even as this emergent dialect grows increasingly dissimilar from the speech of poor whites living only a few miles away.<sup>8</sup> These instances give some idea of the way stigma can circumscribe opportunities for (some) blacks to develop their personal capacities, to become more integrated into society, and thus to diminish their own stigmatization.

Important political results follow from the ways citizens process social information, and the causal mechanisms they are prepared to credit. In a survey of racial stereotyping conducted by the Stanford political scientist Paul Sniderman and his colleagues, the “mere mention” of affirmative action made white respondents significantly more likely to agree with negative racial generalizations like “most blacks are lazy.”<sup>9</sup> The researchers concluded that animus to affirmative action policies was coloring respondents’ attitudes to race. To the contrary, I suggest that the ideological meanings of a contested racial policy like affirmative action are determined within a social-

cognitive matrix that is colored by racial stigma—which is to say that a similar policy with a different set of beneficiaries might not have the same ideological resonance.

In contemporary public deliberations over policy issues like welfare and crime, there is evidence of racial stigma at work. In the wake of the 1996 welfare reforms that gave states greater autonomy to set their regulations, evidence is emerging that jurisdictions with more blacks on the rolls have used their new discretion to implement more punitive revisions of their welfare regulations. They are, for example, more likely to cap benefits to mothers who have additional children while on the rolls, and to impose time limits and work requirements for beneficiaries that are stricter than the minimal federal requirement.<sup>10</sup>

Incarceration policy offers a particularly telling instance. The jails of America overflow with young black men. The number incarcerated on a given day has more than quadrupled over the past two decades, largely as a consequence of antidrug law enforcement policies.<sup>11</sup> We have huge urban neighborhoods where the norm is that young men will spend time in jail, where the entire communal life orients around institutions dedicated to the physical control of human bodies. Why is there so little public debate about so really dramatic a social fact?

A nonracial example may help us to grasp how extraordinary is this public silence. We know that there is disparity in the social outcomes for boys and girls in the schools and in the jails. Suppose that, when compared with girls, boys are overrepresented among those doing well in math and science in the schools, and also among those doing poorly in society at large by ending up in jail. There is some evidence to support both propositions, but only the first is widely perceived to be a problem for public policy. Why? Because we instinctively believe it is not right. Our baseline expectation is that equality should prevail, and when it does not, we search for a solution by examining our social practices. Gender disparity in rates of imprisonment occasions no such disquiet. That is because, tacitly if not explicitly, we think boys and girls are different in ways that are relevant to the observed disparity, either in their biological natures or their deeply in-

The ideas discussed in this article are developed at length in Glenn C. Loury, *The Anatomy of Racial Inequality* (Cambridge, MA: Harvard University Press, 2002), and further considered in Glenn C. Loury, “*The Anatomy of Racial Inequality: The Author’s Account*,” *Review of Black Political Economy*, Fall 2004, pp. 75–89.

grained socialization. In this sense, we do not perceive there to be a problem, and so we do not seek a solution.

For my purpose here, it does not matter whether either assumption is right or wrong. In both cases, the bare facts of gender disparity do not in themselves suggest any course of action. To act, we must marry the facts we observe to some model of social causation, which need not be explicit and usually will lurk beneath the surface of our conscious reflections. It is the facts *plus* the model that lead us to perceive that a given circumstance indicates some failing in our social interactions. And the converse: A given instance of social disparity is less likely to be thought a social problem when people believe the disparity is caused by the deficiencies of those who lag behind. In American society, when the group that lags behind is black, the risk is especially great that observers will fail to see the systematic interactions that lead to bad social outcomes for blacks, and will instead attribute those outcomes to factors inherent in the black community itself.

If the meaning of a policy—job preferences or incarceration—is sensitive to the race of those affected, popular support for or opposition to the policy will depend upon the explanations ordinary people are inclined to give for the racial disparities they observe. In the minds of many Americans, the tacit association of “blackness” with “unworthiness” distorts cognitive processes and makes it difficult to identify with the plight of people whom they see, mistakenly, as simply “reaping what they have sown.” In turn, this tendency to see racial disparities as a communal (group) problem rather than a societal problem encourages the reproduction of inequality through time. Absent intervention, the low social conditions of many blacks persist, the negative social meanings ascribed to blackness are reinforced, and the racially biased social-cognitive processes are reproduced.

## Racial stigma and inequality

The concept of an enduring racial stigma afflicting African Americans suggests that any successful and consistent theory of racial inequality must account for the processes that systematically block realization of their human potential. One can do so, it would appear, in only two ways. One can show that the rewards accruing to the members of a disadvantaged group, given their productivity, are lower than the rewards garnered by others (call this the *reward bias* argument). Or one can show that, owing to processes unrelated to their innate capabilities, members of the disadvantaged group lack opportunities to realize their productive potential (call this the *development bias* argument).

Both reward bias and development bias characterize the situation of African Americans in the United States. Reward bias (“racial discrimination”) in the public sphere is

a relatively straightforward, universally recognized moral problem. Almost everyone now agrees that such discrimination should be proscribed in the interest of creating a “level playing field.” (Of course, there is plenty of disagreement over just how this should be done.) Moreover, this form of discrimination against blacks has declined sharply throughout the United States over the past half-century.<sup>12</sup>

Entrenched racial disparity in developmental opportunities is, however, an intractable, often neglected moral problem that gives rise to unavoidable conflicts between cherished values and challenges settled intuitions about social justice. Only if greater attention is given to development bias can the normative challenge posed by enduring racial inequality be fully grasped and effectively met.

To see this more clearly, consider an elemental distinction between two kinds of behavior: discrimination in contract and discrimination in contact. Discrimination in contract invokes the unequal treatment of otherwise like persons on the basis of race in formal transactions—the buying and selling of goods and services, for instance, or interactions with organized bureaucracies, public and private. It is a standard means of effecting reward bias against blacks. By contrast, discrimination in contact involves discrimination on the basis of race in the informal, private spheres of life—in the associations and relationships that are formed among individuals in social life, including the choice of social intimates, neighbors, and friends.

Discrimination in contract occurs in settings over which a liberal state could, if it chose to do so, exercise review and restraint in pursuit of social justice. Thus the U.S. courts no longer enforce racially restrictive housing covenants or allow employers to advertise that “no blacks need apply.” Such discrimination is legally proscribed. In any liberal political order, however, discrimination in contact must remain an individual prerogative, for two reasons. First, the social exchanges from which such discrimination arises cut so close to the core of our being that all but the most modest intervention in this sphere must be avoided if liberty and autonomy are to have any real meaning. More fundamentally, although the ethical case against racial discrimination in formal transactions is relatively easy to make, it is far less obvious that there is anything wrong in principle with forming or avoiding close association with another person partly on the basis of racial identity.

But although discrimination in contact may not be as unambiguously objectionable as is discrimination in contract, its real-world consequences can be just as debilitating for a racially stigmatized group. This is because the mechanisms of social mobility and intergenerational status transmission in any society are sensitive to the patterns of contact, as well as the rules of contract, at work in that society. In the United States, as elsewhere around the

world, both formal and informal social relations mediate the provision of nearly all of the resources thought to be necessary for human development.

A vast body of research in the social sciences has established the central place of race in the relational structures that mediate social life in the United States: in the roles played in the shaping of persons by the family, the social network, and (using the word advisedly) the “community” and in how people come to hold the ideas they do concerning who they are (their identities), which other persons are essentially like them (their social identifications), and what goals in life are worth striving for (their ideals).

Empirical work on racial inequality has focused almost entirely on the differential treatment of individuals, on the basis of race, in formal market transactions (jobs, housing, credit, and so on). Yet it is increasingly obvious in the United States that eliminating discrimination in markets cannot be expected to lead, even in the long term, to a solution for the problem of racial economic inequality, in part because it can never ensure equality of developmental opportunity. The substantial gap in skills between blacks and whites is the result of processes of social exclusion (discrimination in contact) that deserve to be singled out for explicit study and, where possible, for policy remedy. The inner workings of development bias should be explored more fully, with the role of racial stigma in these opportunity-blocking processes made more explicit.

It is conventional for economists to see the individual as an atomized agent acting more or less independently, seeking to make the best of opportunities at hand. But in actuality, individuals are members of nuclear and extended families, belong to religious and linguistic groupings, have ethnic and racial identities, and are attached to particular localities. An individual’s location within this network of social affiliations substantially affects access to various resources. A newborn is severely handicapped if its parents are relatively uninterested in (or incapable of) fostering the youngster’s early intellectual development. A talented adolescent whose peer group disdains the activities required for that talent to flourish may not achieve full potential. An unemployed person without friends or relatives already working in a certain industry may never hear about job opportunities available there.

In earlier work, I introduced the term “social capital” to suggest a modification of the standard human capital theory in economics, providing a richer context within which to analyze racial inequality.<sup>13</sup> I formalized the observation that family and community backgrounds can play an important role, alongside factors like individual ability and human capital investments, in determining individual achievement. Some important part of racial inequality, in this view, arises from the way geographic and social segregation along racial lines, fostered by the

stigmatized status of blacks, inhibits the development of their full human potential. Because access to developmental resources is mediated through race-segregated social networks, an individual’s opportunities to acquire skills depend on present and past skill attainments by others in the same racial group.

Thus a complex web of social connections and a long train of historical influences interact to form the opportunities and shape the outlooks of individuals. Everything of importance in social life has an informal dimension. The effort, talent, and luck of an individual are crucial. But what a person achieves also results from the social background, cultural affinities, and communal associations to which he or she is heir. For some three centuries now, political, social, and economic institutions that by any measure must be seen as racially oppressive have distorted the communal experience of American blacks. The stigmatized “underclass culture” of today’s inner cities is a product of that oppressive history, perpetuated now via discrimination in contact, and engendering profound development bias. Thinking in this way, I believe, helps account for the durable racial inequality with which the United States is still encumbered. ■

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<sup>1</sup>The concept of “racial stigma” builds upon the work of sociologist Erving Goffman, who studied the problems faced by people whose social identities—the way they are viewed by others—are in some way disreputable or “spoiled.” These may be people who carry bodily marks that incline others to judge them negatively or may also be people with less visible markings who live at constant risk of being “exposed.” So for Goffman, writing in the 1960s, the blind, the deaf, the disabled, the alcoholic, the ex-mental patient, and the homosexual were stigmatized classes. E. Goffman, *Stigma: Notes on the Management of Spoiled Identity* (New York: Simon & Schuster, 1963).

<sup>2</sup>Modern genetics has shown that there are no “races” as such, and some critics such as Paul Gilroy have therefore argued that social analysts should abandon the use of racial categories. See, e.g., L. Cavalli-Sforza, *Genes, Peoples, and Languages* (New York: North Point Press, 2000); P. Gilroy, *Against Race: Imagining Political Culture Beyond the Color Line* (Cambridge, MA: Harvard University Press, 2000).

<sup>3</sup>These were identified as long ago as 1944 by Gunnar Myrdal; see G. Myrdal, *An American Dilemma: The Negro Problem and Modern Democracy* (New York: Pantheon, 1944).

<sup>4</sup>C. Charles, “Neighborhood Racial-Composition Preferences: Evidence from a Multiethnic Metropolis,” *Social Problems* 47, no. 3 (2000): 379–407.

<sup>5</sup>The implications of slavery across cultures and historical epochs are discussed by Orlando Patterson in *Slavery and Social Death* (Cambridge, MA: Harvard University Press, 1982).

<sup>6</sup>R. Farley, *The New American Reality: Who We Are, How We Got Here, Where We Are Going* (New York: Russell Sage Foundation, 1996).

<sup>7</sup>D. Massey and N. Denton, *American Apartheid: Segregation and the Making of the Underclass* (Cambridge, MA: Harvard University Press, 1993).

<sup>8</sup>See, for example, W. Labov, *Language in the Inner City: Studies in the Black English Vernacular* (Philadelphia: University of Pennsylvania Press, 1972).

<sup>9</sup>P. Sniderman and T. Piazza, *The Scar of Race* (Cambridge, MA: Harvard University Press, 1993).

<sup>10</sup>See, for example, J. Soss, S. Schram, T. Vartanian, and E. O'Brien, "Welfare Policy Choices in the States: Does the Hard Line Follow the Color Line?" *Focus* 23, no 1 (2004): 10–15.

<sup>11</sup>M. Tonry, *Malign Neglect: Race, Crime, and Punishment in America* (New York: Oxford University Press, 1995); and see P. Oliver, "Racial Disparities in Imprisonment: Some Basic Information," *Focus* 21, no. 3 (spring 2001): pp. 28–31: "The imprisonment rate of black American men is over eight times greater than that of European Americans. Young black men are even more severely affected. Federal statisticians at the Bureau of Justice Statistics now estimate that the 'lifetime expectancy' that a young black man will spend time in prison is about 29 percent. For Hispanics, the rate of imprisonment is about three times higher than that of European Americans."

<sup>12</sup>In so saying, I do not mean to suggest that conventional efforts to combat discrimination should be suspended. The evidence of continuing racial unfairness in day-to-day social intercourse in this country is quite impressive.

<sup>13</sup>See, for example, G. Loury, "A Dynamic Theory of Racial Income Differences," in *Women, Minorities, and Employment Discrimination*, ed. P. Wallace and A. Lamond (Lexington, MA: Lexington Books, 1977).

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1180 Observatory Drive  
3412 Social Science Building  
University of Wisconsin  
Madison, Wisconsin 53706  
(608) 262-6358  
Fax (608) 265-3119

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