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Based on the Census of the Population for 1960 and 1970 and the Survey of Income and Education in 1976, this study analyzes socioeconomic inequality between five minority populations (blacks, Hispanics, Japanese, Chinese, and Filipinos) and the majority population (white non-Hispanics) and then decomposes ethnic “gaps” into shares that are “explained” by age, nativity, residence, education, and other social background attributes. In general, Asian Americans approach socioeconomic parity with whites because of their overachievement in educational attainment. Over the past decade, there has been a marked decline in the direct negative effect of ethnicity on earnings (except among Chinese Americans). This suggests that the old-fashioned “open” discrimination by employers may be on the wane, but the remaining ethnic inequality, rooted in differential access to institutional settings, may be more persistent.

In recent decades, structural shifts in society and the economy, the changing role of the federal government, and decreases in popular prejudice are thought to have contributed to greater racial and ethnic equality—or at least to greater levels of opportunity—in the United States (Wilson 1980). There is, however, considerable controversy over the extent of minority socioeconomic gains and the determinants of changes in ethnic stratification (Moynihan 1972; Freeman 1973; Glazer 1975; Farley 1977; U.S. Commission on Civil Rights 1978; Hill 1981; Reich 1981). In the

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Minorities

present paper we review and analyze changes in the occupational and earnings attainments of minority men, relative to white (excluding Hispanics) men, from 1960 to 1976. Our primary focus is on Asian Americans—Japanese, Chinese, and Filipinos—minority groups whose positions are somewhat different from those of blacks and Hispanics (the other minority groups included in the present analysis). Although some social scientists conclude that Asians, particularly Japanese and Chinese, are model minorities, with above-average socioeconomic success (Peterson 1971; Hsu 1971), other researchers report that Asian Americans continue to encounter economic discrimination (Kuo 1981; Wong 1982). Our objective is to provide a systematic comparison of the factors influencing the socioeconomic attainments of minorities that have above- and below-average levels of labor market success (for preliminary studies, see Wong [1982]; Hirschman and Wong [1981]).

THEORIES AND MODELS OF ETHNIC INEQUALITY

The assimilation model, which posits the reduction of ethnic differences, if not their eradication, has been the theoretical bedrock of sociological research on race and ethnicity. Simply put, the theoretical foundation of the assimilation model is that the industrial organization of society weakens the traditional influences of kinship and geography on recruitment and promotion (social mobility). As bureaucratic management replaces paternalistic authority, selection based on ability and other achieved criteria will reduce the association of ethnicity and race (and other ascriptive statuses) with socioeconomic roles (Featherman and Hauser 1978, chap. 6). In spite of the limitations of this perspective (Blumer 1965), the basic hypothesis continues to inspire significant research on the salience of ethnicity and race (Gordon 1964; Taeuber and Taeuber 1964; Featherman and Hauser 1976).

The standard analytical procedure in the assimilation framework is to measure observed inequalities in socioeconomic attainments (occupations, earnings, etc.) between the majority and minority populations and then to introduce social background variables as additional independent variables (Hirschlman 1980). The basic idea is to decompose the observed racial or ethnic differential into components which might be labeled either due to factors unrelated to discrimination (age, education, region of residence, etc.) or due to discrimination. Discrimination is not measured directly but is the residual (or net) difference between majority-minority attainments after other factors are held constant (Siegel 1965; Duncan 1969). Some critics note that the omission of important social background variables (e.g., quality of schooling) may lead to an overestimation of the discrimination component (which is measured as the unexplained resid-
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ual). However, it is clear that a share of what is explained by ethnic differences in social background is really due to discrimination earlier in the causal chain (e.g., less access to educational opportunities). Nonetheless, this basic research strategy, which we identify as the major analytical method of the assimilation school, has given rise to an impressive body of research on race and ethnic inequality in the United States and elsewhere (Lieberson 1963; Taeuber and Taeuber 1965; Duncan and Duncan 1968; Eisenstadt 1953; Featherman 1971; Hirschman 1975; Hogan and Featherman 1977; Matras and Weintraub 1977; Tienda 1982).

Among the theoretical problems unaddressed in the conventional assimilation model are the motivations for discrimination and possible explanations for successful minorities. In the standard assimilation framework, discrimination is assumed to be present and is rarely the subject of much theoretical discussion. Although the trend in the level of discrimination is an empirical question, the general expectation is that discrimination—as a cultural residue from the past—will gradually diminish. Although there is wide room for speculation and occasional tests of reasons for changes in the level of discrimination (e.g., affirmative action programs, tight labor markets, etc.), there is no central hypothesis in the assimilation model concerning the maintenance of discrimination in industrial society. One exception is the debate over the competitive threat of minorities and women to the wages of white male workers (Hodge and Hodge 1965, 1966; Taeuber, Taeuber, and Cain 1966; Snyder and Hudis 1976). Debates over the causes of discrimination are a central element of the literature outside the assimilation framework.

Another anomaly in the assimilation perspective on racial and ethnic inequality is the presence of successful minorities. Why do some minorities, such as Jews and Asians in the United States, have higher socioeconomic levels than do the majority (white) population? Although part of their overachievement may be due to higher levels of education and disproportionate urban residence, a significant component often remains after other factors are held constant (Boyd, Featherman, and Matras 1980). Many observers are quick to label successful minority group achievement a result of adherence to cultural values, such as ambition and persistence. However, most empirical studies have found little support for the cultural interpretation (Featherman 1971; Lieberson 1980; Steinberg 1981). These studies and others suggest that there are differences in opportunities or “economic niches” in which members of some minority groups have greater chances of succeeding or being rewarded than nonmembers (Licht 1972; Bonacich and Modell 1980; Loewen 1971; Wilson and Portes 1980).

The analytical model we have formulated (shown in fig. 1) is based on the assimilation model but displays an awareness of its limits. The choice
FIG. 1.—Model of hypothesized influences of ethnicity and social background on occupational and earnings attainment.
of variables and their coding are influenced by the availability of comparable measures from the three data sources as well as the objective of a comparison of Asian American populations with other minorities and whites. In particular, we searched for variables that represent environmental opportunities or constraints on socioeconomic mobility.

Along with ethnicity, two ascribed characteristics, age and birthplace/length of U.S. residence (includes a proxy for time of immigration for the foreign born), are the exogenous variables in our analysis. Age, as a measure of cohort or successive generations, will have a strong effect on the quantity of education received, in addition to its direct effects on socioeconomic attainment (as an indicator of life-cycle career stage). Nativity and length of U.S. residence among immigrants, which vary sharply by ethnicity, are important because of the associated variance in levels of educational attainment and geographical concentration. Immigrant and native-born workers may also differ in their socioeconomic careers for many other reasons (language ability, access to informal networks, discrimination, etc.).

Current place of residence provides a crude indicator of differential access to labor markets, which are divided by geography. Years of completed schooling is the indicator of resources or human capital. Sector represents the institutional or industrial setting of employment. Intervening between occupation and earnings are two measures of work intensity, hours worked last week and weeks worked last year. These last two variables are partially a function of the industries and occupations in which workers are employed but may also represent the labor supply of workers.

DATA AND VARIABLES

The analysis of changes in socioeconomic status of the black, Hispanic, Japanese, Chinese, and Filipino male population relative to whites relies on three sources of data: the 1960 Population Census, the 1970 Population Census, and the 1976 Survey of Income and Education (SIE). Our sampling strategy was to select all Japanese, Chinese, and Filipino cases and representative samples of whites, blacks, and Hispanics (calculated to yield a maximum of about 3,000 cases of each population). We relied on the public use samples (PUS) of the master household files from each data source. From the .01 sample of the 1960 PUS, our sample consists of 3,473 white, 3,432 black, 963 Hispanic, 1,081 Japanese, 724 Chinese, and 694 Filipino males, aged 25–64. From the .01 PUS of the 1970 census (15% questionnaire, state file), comparable samples were selected (whites, \(N = 3,288\); blacks, \(N = 3,199\); Hispanics, \(N = 1,666\); Japanese, \(N = 1,271\); Chinese, \(N = 1,062\); and Filipinos, \(N = 825\)). The 1976 SIE, a
national sample survey of over 150,000 households, contained a sufficient number of Asians and other ethnic groups to select samples of 3,187 white, 2,992 black, 2,931 Hispanic, 672 Japanese, 287 Chinese, and 248 Filipino males, aged 25–64 (these are unweighted N's). All SIE data reported in this paper are weighted to provide representative estimates of the U.S. population (but the unweighted sample sizes are reported).

The data in all three sources were gathered by the U.S. Bureau of the Census with fairly comparable standards of data collection, questionnaire design, and coding (note, however, the caution in U.S. Bureau of the Census [1977a], p. 2). Moreover, by definition, all three data files are comparable in terms of universe (although the 1976 SIE was limited to the household population). (For more information on the methodological details, see U.S. Bureau of the Census [1972, 1975, 1977b].)

The present analysis is restricted to the sample of males between the ages of 25 and 64 years. Sex differences in socioeconomic achievement are sufficiently complex to require a separate analysis (see Wong and Hirschman 1983a). The age limitation is imposed in order to consider only those individuals in the economically active period of the life cycle (e.g., persons eligible for labor force participation). For the analysis of occupational attainment, we limit the universe to those with a reported occupation and industry—basically, those in the experienced labor force. For the analysis of earnings attainment, we restrict the universe to those who had positive earnings last year and responded positively to the questions on weeks worked last year and hours worked last week. For the universe of men in the adult years we lose a small fraction of the sample through these limitations, but those lost are disproportionately men at the bottom of the socioeconomic ladder (discouraged workers and those with sporadic labor market experiences) and members of minority groups (Hauser and Featherman 1974). For instance, about 15% of white men are excluded, but about 25% of black and Filipino men are omitted from our effective sample. The result is that our estimates of interethnic inequality are conservative; ethnic socioeconomic gaps would be wider if measured for the entire population.

A catalog of the measurement procedures for all variables is presented in table 1. The source and coding of some variables require explanation. Most of the ethnic categories are based on a self-identification question on "race," but the Hispanic designation was more complex to classify. A composite Spanish-heritage classification is coded in the public use file of the 1970 census (15% sample questionnaire) based on Spanish surname, Puerto Rican birthplace or parentage, and Spanish language. We did a comparable exercise to identify the Hispanic population with the same items in the 1960 census data and are confident that our classification is fairly comparable. The 1976 SIE included a question on Hispanic self-
TABLE 1

<table>
<thead>
<tr>
<th>Variable</th>
<th>Complete Title or Definition and Categories</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethnicity</td>
<td>Constructed measure based on race and Hispanic identifier items: white, black, Hispanic, Japanese, Chinese, Filipino</td>
<td>Race is a self-reported measure in all three data sources; Hispanic identity is self-reported in the 1976 SIE but constructed from the composite Spanish American heritage classification in the 1970 census (P93 in the 15% sample) and a comparable measure from the 1960 census; whites are non-Hispanic whites; black Hispanics are coded as black</td>
</tr>
<tr>
<td>Age</td>
<td>Age last birthday: 25–34, 35–44, 45–64</td>
<td>Standard measure of age at date of interview; the three-category classification is meant to provide a simple division of the socioeconomic life cycle into stages of early adulthood, middle years, and maturity</td>
</tr>
<tr>
<td>Birthplace/length of U.S. residence</td>
<td>A constructed measure based on country of birth (native vs. foreign born) and place of residence, five years ago: native born, includes American possessions (Puerto Rico); foreign born, in the U.S. five years ago; foreign born, not in U.S. five years ago</td>
<td>Comparable measures on year of immigration are not available from the three data sources; place of residence five years ago (in the United States or not) is a proxy for recency of immigration; the few cases of foreign born with an unknown place of residence five years ago are excluded from the sample</td>
</tr>
<tr>
<td>Current residence</td>
<td>State or region of residence at time of interview: California (entire state); Hawaii (entire state); New York (entire state); South, metropolitan areas; South, nonmetropolitan; rest of United States, metropolitan; rest of United States, nonmetropolitan</td>
<td>South includes those states in census-defined region; universe of metropolitan areas varies across time as new areas are designated metropolitan and because some metropolitan codes were suppressed in the PUS files for reasons of confidentiality</td>
</tr>
<tr>
<td>Years of schooling</td>
<td>Number of years of completed schooling (formal): 0–8, 9–11, 12, 13–15, 16 or more</td>
<td>Standard regrouping of years of schooling variable</td>
</tr>
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<td>-------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Occupational SEI</td>
<td>Duncan’s Socioeconomic Index of Occupations: interval scale with range from 1 to 99</td>
<td>Duncan (1961) provides index scores for three-digit occupation classification of the 1960 census; Hauser and Featherman (1977, app. B) provide comparable index scores for the occupational classification used in the 1970 Population Census and 1976 SIE</td>
</tr>
<tr>
<td>Sector</td>
<td>Composite measure based on class of worker and industry classification: self-employed; government employee; retail trade, not self-employed; other periphery, not self-employed, not government employee, not in retail trade; other core, not self-employed or government employee</td>
<td>According to the class of worker classification, the labor force is first divided into self-employed (including a few unpaid family workers), government employees, and private employees; from the last category (private employees), retail trade workers (industry classification) are first separated, and then the balance is divided into the core and periphery sectors according to the classification developed by Tolbert et al. (1980)</td>
</tr>
<tr>
<td>Weeks worked last year</td>
<td>Number of weeks worked (employed) during the calendar year prior to the interview: fewer than 50 weeks, 50 or more weeks</td>
<td>The time referent for this variable corresponds to earnings last year but not necessarily to the job held last week (the time referent for occupation and industry). It is not possible to measure periods of unemployment separately from time outside the labor force</td>
</tr>
<tr>
<td>Hours worked last week</td>
<td>Hours worked during the week prior to interview (or hours worked during an average week last year, 1976 SIE): less than 40, 40, more than 40</td>
<td>Measured for different reference periods in the 1960 and 1970 censuses and the 1976 SIE; for the 1960 and 1970 data, hours worked last week may not be an accurate measure of work intensity last year (as a determinant of earnings received last year)</td>
</tr>
<tr>
<td>Earnings</td>
<td>Total earnings received from all sources during the calendar year prior to interview, adjusted for inflation to constant 1975 dollars</td>
<td>Earnings consists of wage and salary income and self-employment income from farm and nonfarm sources; persons with zero or negative earnings are excluded from each sample</td>
</tr>
</tbody>
</table>
identification. The majority population (usually designated "whites") is the remainder after Hispanics are subtracted from the white population. We recognize the diverse socioeconomic and cultural composition of the Hispanic population (Chicanos, Cubans, Puerto Ricans, and other Spanish-origin) and use the inclusive category with considerable reluctance. However, measurement problems, small sample sizes, and the number of ethnic populations in our study have led us to the decision to use the global category of Hispanics. The alternatives would have been to exclude Hispanics from the analysis or to add them to the white population.

Combining the question on "place of residence five years ago" with the variable of place of birth, we created a "birthplace/length of U.S. residence" classification. We assume that the foreign born who were not living in the United States five years ago are recent immigrants. Those born in Puerto Rico (or in other U.S. possessions) or to U.S. citizens living abroad are classified as native born. The current-residence variable combines information on the state and metropolitan status of the current place of residence. After considerable preliminary analysis, we formulated the classification shown in table 1. Our aim is to identify those areas or labor markets which may be significant for understanding ethnic economic success. These areas differ in several ways, including the concentration of ethnic minorities and aggregate income levels. The metropolitan-nonmetropolitan distinction is not measured consistently for the same universe of cities across time, but this is unlikely to affect the results.

The sector variable is coded in an unusual way (using both class of worker and industry classifications) in order to capture important elements of ethnic stratification. Census data do not provide an adequate measure of the ethnic economy, but we have identified self-employment and retail trade (other than self-employed) as important sectors where Asian Americans are concentrated. The balance of the sector classification includes government, other periphery, and other core. Core and periphery are coded as suggested by Tolbert, Horan, and Beck (1980) in order to represent the monopoly and competitive sectors. According to dual economy theory, the core sector provides access to upward mobility

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2 Both the Spanish-heritage composite classification and the Spanish-origin question were included in the 1970 Census of the Population. However, their position on separate versions of the long-form questionnaires (15% and 5%) precludes direct comparison. The 1970 Hispanic population was counted at 9.6 million with the Spanish-heritage measure and 9.1 million with the self-identification question (U.S. Bureau of the Census 1973, p. x). During the 1970s, there were changes in the self-identification question and coding that may affect comparability of the Hispanic population across data sources (U.S. Bureau of the Census 1980, pp. 16–17). However, the major shift in the composition of the Hispanic population during the 1970s was due to the rapid growth in the number of immigrants.
and more highly remunerated employment. Other variables are coded in a fairly conventional fashion (see details presented in table 1).

TRENDS IN SOCIOECONOMIC ATTAINMENT BY ETHNICITY
Trends in socioeconomic structure have both a long-term pattern and short-term cyclical variations. With three data points for 15 years it is not possible to sort out the business-cycle component from the long-term trend (for the earnings data, 1959 and 1975 were recession years, whereas 1969 was at the peak of a long-term economic expansion). Although the metric of the scales is standardized for cross-time analysis (constant dollars control for inflation), the impact of economic fluctuations may be experienced differentially by minorities, for example, “minorities are the first to be fired and the last hired” (for a classic statement, see Tobin [1967]). In the present analysis we speak of the changes across the three time points as trends, but with an awareness of the limits of these data fully to address the question.

Changes over this span of years have also been influenced by the changing composition of minority populations—specifically, the rise in the proportion of immigrants after the reform legislation of the 1965 Immigration Act. The ending of national origin quotas led to a renewal of Asian immigration, beginning in the late 1960s (Wong and Hirschman 1983b). From 1970 to 1976 the percentage of foreign born rose for the Chinese in our sample from 68% to 83%, and for Filipinos from 76% to 81%. Immigration from Latin America also increased during the same period, with the percentage foreign born in our Hispanic sample rising sharply from 27% in 1970 to 48% in 1976.

Our analysis of ethnic socioeconomic attainment is limited to two indicators, occupational status (measured by the Duncan Socioeconomic Index [SEI]) and annual earnings (in constant 1975 dollars). Although other features of the stratification system are also important, these are the most widely used variables in the sociological literature. Table 2 presents an overview of these two indicators by ethnicity for 1960, 1970, and 1976 (for earnings, the reference periods are 1959, 1969, and 1975). In addition to mean occupational SEI and earnings, table 2 contains measures of dispersion (standard deviations and coefficients of variations) and indicators of inequality: the ratio of each ethnic group's mean to the white mean and the white-minority difference (gap).

Black and Hispanic men have made significant gains over the period and have even narrowed the relative and absolute advantage of whites (with a few exceptions); however, they remain the most disadvantaged of all minorities. The average SEI score of black men was 50% of the white level in 1960 and 64% in 1976 (for the age group 25–34, the comparable
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</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>38.0</td>
<td>41.1</td>
<td>42.5</td>
<td>11.2</td>
<td>14.4</td>
<td>13.5</td>
<td>3,197</td>
<td>3,181</td>
<td>3,063</td>
<td>3,055</td>
<td>3,023</td>
<td>2,900</td>
</tr>
<tr>
<td>Black</td>
<td>18.8</td>
<td>23.8</td>
<td>27.4</td>
<td>5.5</td>
<td>8.5</td>
<td>9.1</td>
<td>2,955</td>
<td>2,922</td>
<td>2,747</td>
<td>2,737</td>
<td>2,700</td>
<td>2,498</td>
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<tr>
<td>Hispanic</td>
<td>24.7</td>
<td>31.0</td>
<td>29.6</td>
<td>7.1</td>
<td>10.5</td>
<td>9.7</td>
<td>870</td>
<td>1,571</td>
<td>2,766</td>
<td>827</td>
<td>1,512</td>
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<tr>
<td>Japanese</td>
<td>38.3</td>
<td>41.9</td>
<td>43.6</td>
<td>10.2</td>
<td>14.7</td>
<td>15.1</td>
<td>1,002</td>
<td>1,221</td>
<td>656</td>
<td>973</td>
<td>1,189</td>
<td>625</td>
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<tr>
<td>Chinese</td>
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<td>46.2</td>
<td>9.4</td>
<td>13.1</td>
<td>11.7</td>
<td>631</td>
<td>1,014</td>
<td>278</td>
<td>603</td>
<td>969</td>
<td>260</td>
</tr>
<tr>
<td>Filipino</td>
<td>22.0</td>
<td>34.3</td>
<td>39.8</td>
<td>6.8</td>
<td>10.2</td>
<td>12.6</td>
<td>556</td>
<td>688</td>
<td>306</td>
<td>531</td>
<td>660</td>
<td>293</td>
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<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>SEI Standard Deviation</th>
<th>SEI Coefficient of Variation</th>
<th>Annual Earnings (Thousands of 1975 $) Standard Deviation</th>
<th>Annual Earnings (Thousands of 1975 $) Coefficient of Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>23.9</td>
<td>.63</td>
<td>11.3</td>
<td>1.0</td>
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<tr>
<td>Black</td>
<td>16.7</td>
<td>.88</td>
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<td>.7</td>
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<td>Hispanic</td>
<td>21.1</td>
<td>.85</td>
<td>6.6</td>
<td>.9</td>
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<td>.66</td>
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<td>.7</td>
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<td>Chinese</td>
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<td>.63</td>
<td>9.5</td>
<td>.8</td>
</tr>
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<td>Filipino</td>
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<td>1.00</td>
<td>3.8</td>
<td>.6</td>
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</table>

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Ratio to White Level</th>
<th>White-Minority Gap</th>
<th>Ratio to White Level</th>
<th>White-Minority Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
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<td>64</td>
<td>19.1</td>
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<tr>
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<td>65</td>
<td>75</td>
<td>70</td>
<td>13.3</td>
</tr>
<tr>
<td>Japanese</td>
<td>101</td>
<td>102</td>
<td>103</td>
<td>-.3</td>
</tr>
<tr>
<td>Chinese</td>
<td>113</td>
<td>109</td>
<td>109</td>
<td>-.5</td>
</tr>
<tr>
<td>Filipino</td>
<td>58</td>
<td>83</td>
<td>94</td>
<td>16.0</td>
</tr>
</tbody>
</table>

Sources.—1960 Population Census, .01 PUS; 1970 Population Census, .01 PUS; 1976 SIE.

* Earnings were measured for the year preceding the census or survey, namely, 1959, 1969, and 1975. All earnings figures were adjusted to constant 1975 dollars.

† Sample consists of men in the current labor force with a reported occupation and industry. The 1976 N's are unweighted.

‡ Sample consists of men in the current labor force with a reported occupation and industry and with positive earnings last year. The 1976 N's are unweighted.
figures are 52% and 70% [data not shown]). Compared with the fate of black and Hispanic men, the situation of Asian minorities appears very rosy. For occupational SEI scores, the Asian averages exceed those of whites. Although the Filipino position is not so favorable as that of Japanese and Chinese men, the socioeconomic gap between white and Filipino men has been reduced substantially during this time period.

The earnings levels of Asian Americans are not as consistently superior as their occupational attainments. Average Japanese earnings edged ahead of the white mean during the 1960s, whereas Filipinos registered amazing economic progress during the early 1970s (as the real earnings of most American workers were declining). Chinese men experienced uneven economic progress during the period (gaining on whites from 1960 to 1970, then losing ground from 1970 to 1976) but are generally closer to the white level than are black and Hispanic workers.

The indicators of variance show that black and Hispanic men have less absolute dispersion of occupational and earnings scores around their means than do white or Asian American men (as is revealed by comparison of standard deviations). The coefficients of variation (the standard deviation divided by the mean) show that there is less relative occupational inequality within the white, Chinese, and Japanese populations. There has been a sharp decline in the relative dispersion within the Filipino occupational structure over this period, as the average Filipino occupational SEI score has almost doubled. Relative earnings dispersion was much greater for whites than for other populations in 1960 and 1970 but not in 1976.3

Without too much exaggeration, one might summarize table 2 as showing two worlds of ethnic inequality. On the one hand, there is the socioeconomic experience of black and Hispanic men, which seems rather bleak. They have made some progress, but the gap between them and majority men is substantial. For Asian Americans, on the other hand, there appears to be only minor inequality. In some instances, the attainments of Asian men exceed those of white men. Even in cases where Asians lagged behind, the general trend is one of convergence. Why this is so is the primary question motivating this paper. A full resolution of this question would require a historical analysis of the dynamics that allowed Asians to make gains when blacks and other minorities could not. Lieberson (1980, chap. 12) has offered some provocative hypotheses

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3 Measures of variance in earnings are not comparable across the three data sources. The maximum reported value of earnings changed across censuses (an adjustment was made), but more serious was our adjustment of reported 1959 and 1969 dollars to 1975 dollars. This resulted in a higher maximum earnings category in the 1960 and 1970 samples. Because of this, cross-time measures of variance are not comparable, but within each time period, interethnic comparisons should be valid.
on this issue (also see Bonacich and Modell 1980; Light 1972). Our focus here is restricted to the post-1960 period, by which time Asian Americans had already advanced ahead of other minorities.

MODELS OF ETHNIC STRATIFICATION, 1960–1976

Following the logic in figure 1, we estimate the effects of ethnicity on occupational and earnings attainment both directly and as indirectly mediated by intervening variables. The objective of the analysis is to discover how ethnic advantages and disadvantages in attainment are affected by differences in social origins, opportunities, and resources. Table 3 presents the direct and indirect effects of ethnicity on occupational and earnings attainment. These effects are drawn from a sequence of multivariate regression equations, with most independent variables, including ethnicity, coded as dummy variables. The complete regression equations are available on request from the first author.

The effects of ethnicity on socioeconomic attainment are expressed as deviations from the white level. The top panel contains the models with occupational status (Duncan SEI) as the dependent variable, and the lower panel contains the results with earnings as the dependent variable. The first equation, labeled "gross effects," contains simply the observed level of ethnic inequality (reported in table 2 as white-minority gap). The other columns of coefficients represent the decomposition of effects according to the logic of multivariate analysis, guided by the model presented in figure 1. Columns 4–6 give the total effects, which represent the ethnic coefficients net of age and birthplace. Each total effect is then divided into three indirect effects (via residence, education, and sector) and a direct effect. The indirect effects are obtained by subtracting the ethnic regression coefficients in the equation with the intervening variable from the ethnic coefficients in the preceding equation without the intervening variable (see Alwin and Hauser 1975). The indirect effects reveal the mediation of the total effect through the intervening variables in the model. The direct effect plus the indirect effects add up to the total effect. All effects are in the original metrics: Duncan SEI points and thousands of dollars (constant 1975 dollars).

Occupational Attainment

The decline of the gross black-white gap from 19 SEI points in 1960 to 15 points in 1976 seems rather modest in the light of other social changes during this period. The Hispanic disadvantage is a bit less, but there is no evidence of progress. However, Japanese and Chinese occupational status is equal to or slightly above the white average. Filipino men started
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**Earnings Attainment (Effects Expressed as White-Minority Differences in Thousands of 1975 S$)**

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**Sources:** Same as table 2. The tables with complete regression equations are available from the first author on request.

* Statistically significant at the .05 level.

** Statistically significant at the .01 level.
out far behind in 1960 but have virtually eliminated their disadvantage with respect to whites over this period. With age composition and birthplace controlled, the total ethnic effects closely parallel the gross effects. Asians have occupational status approximately equal to that of whites but blacks and Hispanics lag far behind.

How can these patterns be explained? The three columns of indirect effects show the mediating role of the three variables of residence, education, and sector. The differential distribution of minorities across regions plays only a minor role in accounting for occupational differentials. A small share of the Filipino occupational disadvantage can be explained by geographical location in 1960 and 1970. Residence also seems to be a slight obstacle for Japanese (although none of these effects is statistically significant). Education or years of schooling plays the major intervening role in the production of ethnic differentials in occupational standing. The lower educational attainments of black and Hispanic men explain about half of their occupational disadvantage relative to white men. The relative importance of educational inequality as a cause of ethnic occupational differentials has increased over the span of years represented here. At the same time, the higher educational levels of Japanese and Chinese men (and of Filipino men in 1976) have been the primary reason for their occupational success. Holding educational composition constant across ethnic populations (this means that the educational levels of Chinese and Japanese men would be lowered to those of the total sample net of age, birthplace, and residence) would result in a lowering of the Asian occupational achievement by five to six SEI points (relative to white men). Sector of employment does not play a mediating role in the maintenance of ethnic occupational advantages and disadvantages.

The final columns show the direct ethnic effects on occupational attain-ment with the influence of all the other variables in the equations held constant. In these figures, the variation in relative positions of minorities is much less than in the original gross effects. All minorities (except Chinese in 1960) are below the white level in terms of occupational attain-ment, with blacks and Filipinos somewhat lower than Hispanics, Japanese, and Chinese. The net Chinese level is not statistically different from the white level. Except for the decline in the black-white gap, there is no significant trend evident in these data.

**Earnings Attainment**

The ethnic effects in earnings attainment expressed as deviations from white mean earnings—in thousands of constant 1975 dollars—are summarized in the lower panel of table 3. Extra columns show the indirect
mediation of occupational SEI, weeks worked last year, and hours worked last week in accounting for ethnic differentials in earnings.

The gross differences show that black and Hispanic men are the most disadvantaged—earning about $4,000 less than white men in 1975. Even though black men have the lowest earnings, they appeared to have narrowed their disadvantage in the early 1970s. The pattern and trends among Asian Americans are most uneven, with gains for Japanese and Filipino men but none for Chinese. Japanese men earned about $1,100 less than whites in 1960, but by 1976 they averaged about $1,600 above the white level. An even larger absolute gain was registered by Filipino men, who have gone from $4,500 below majority men in 1960 to only a $900 deficit in 1976 (not statistically significant). In spite of fluctuations over the time period, Chinese men receive, on the average, about $2,000 less than white men. The total effects show that a good share of the gross disadvantage of Chinese and Filipino men is due to their nativity and age composition. A majority of Chinese and Filipino workers are immigrants. Although recent immigrants typically earn less than the native born, several studies have suggested that the initial lower earnings of immigrants are reduced or even reversed after a period of residence and labor market experience in the United States (Chiswick 1979; U.S. Department of Labor 1979).

A reading of the total ethnic effects on earnings yields a conclusion similar to that derived from the comparable figures for occupational attainment. Asians (except Chinese men) have more or less reached parity with majority men once differences in foreign origins are taken into account, whereas black and Hispanic men are far below on the earnings hierarchy. The residential location of black men appears to be a minor handicap (statistically insignificant) in their relative position in the earnings attainment process. In 1960 and 1970, the favorable location of Japanese men gave them about a $1,000 advantage in earnings (comparable patterns for Chinese and Filipino men were not statistically significant). The assumption of additivity—that the effects of regional location are the same for all ethnic groups—may be questioned. Discrimination and ethnic economies that are rooted in certain geographical areas may well be specific to some populations.

For earnings as for occupational attainment, education proves to be the primary determinant of ethnic differentials. About $1,500 of the black and Hispanic earnings disadvantage (generally about one-third of the gross earnings gap) can be explained by the lower educational levels of black and Hispanic men. In contrast, it appears that a substantial share of Asian Americans’ economic success arises from their above-average educational achievements. If Asian educational levels were adjusted to
parity with the rest of the population, Asian average earnings would decline by about $1,000 in 1975. It is only through overachievement in education that Asian Americans reach socioeconomic parity with the majority population.

Net of all preceding factors, a small share of disadvantage (about $400–$700 in 1960 and 1970) accrues to black and Filipino men because they find employment in a lower-paying sector, presumably the category of other periphery. (These effects are not statistically significant.) We expected to find other Asians (especially Chinese) handicapped by their concentration in retail trade and self-employment. Although retail trade is a poorly paid sector, the overrepresentation of Asians in this sector may just be a function of foreign heritage (Hirschman and Wong 1981, table 5).

Even with all the preceding factors held constant, the net effect of "occupational underattainment" remains an obstacle for minorities (though less so for Japanese and Chinese than for others) in reaching earnings parity with whites. The largest (and the only significant) differences are for black men, who receive about $1,000 less than white men because they were able to obtain only lower-status jobs, even with equivalent schooling, geographical location, sector of employment, and age. Filipinos and Hispanics also accrue an earnings disadvantage (though statistically insignificant) because of the (net) problem of finding occupations as highly ranked as those occupied by whites.

Full-time, year-round employment is one of the most important determinants of earnings, yet it does not mediate much of the remaining earnings inequality between the majority and minorities. This may be because our samples exclude those with zero values on these two variables. It appears that in 1976 Asians received a minor advantage by working longer hours and year-round, and black men experienced a disadvantage for the opposite reason.

Net of the variables in our model, there remain substantial direct differences in ethnic earnings levels. To summarize briefly: black men earn less than white men ($2,500 in 1960, $2,200 in 1970, and $1,400 in 1976) even when they have equal resources, opportunities, and employment (as measured by the variables in our model). The net disadvantage narrowed substantially for Hispanics (only $1,000 in 1976) and Filipinos (only $700 in 1976) over the period. For Japanese men the net disadvantage of 1960 and 1970 ended, and they appear to earn about $1,000 more than white men in 1975 when all factors are held constant. For Chinese men, there was no change. They continue to receive about $2,300 less than white men in 1975, even when their backgrounds are equivalent.

How are we to interpret the remaining net differences? Although the typical interpretation of discrimination certainly has the ring of truth, we
feel that it is an insufficient explanation for what we cannot measure. Why should employers pay minority men less for their labor than they pay majority men? In some contexts it may be because they can get away with it—differential pay standards are part of the cultural fabric of the local community or specific industry. But we suspect that this practice is becoming less acceptable or less tolerated (observe the decline in the negative direct effects for most minorities). Less visible are the inequalities that are maintained by segregated institutional frameworks. Systematic differences in earnings can arise if minorities are disproportionately concentrated in firms and settings that pay less for the same qualifications and performance. For instance, does it amount to economic discrimination that black men have less access to suburban employment opportunities because of a lack of transportation from the inner city ghetto? The consequences are the same as those that arise from old-fashioned discrimination, but the problem is more complex. Employers may be one's own kinsmen, and the process of differential pay standards may arise out of a web of interorganizational exchange. It becomes more difficult to trace "interests" for the maintenance of ethnic inequality (Wong 1983). Our analytical model was meant to capture some of these institutional influences with the measures of residence and sector, especially designed to address the situation of Asians. We are only partially successful in this attempt, perhaps because of the crudeness of our measures.

SUMMARY AND CONCLUSIONS
At the onset of the civil rights movement in the 1960s, the average socioeconomic attainments of black and Hispanic men were only half to two-thirds those of white men. By the mid-1970s, some social scientists concluded that racial and ethnic inequality had been substantially eradicated (Glazer 1975). However, the evidence here does not support such an interpretation. For black and Hispanic men in the labor force, there have been real gains, but the gaps remain wide. In 1976, the average occupational position of black men was 15 points below that of white men, and black average earnings in 1975 remained more than $4,000 below the majority mean. Hispanic men fared only slightly better. In contrast, even in 1960, Asian minorities had occupations and earnings that were equal to or only slightly below those of the majority population. Filipinos, the one Asian minority with much lower socioeconomic attainments in 1960, made so much progress during the next 15 years that they were close to the Japanese and Chinese position by the mid-1970s. To reiterate an earlier point, these differentials are conservative estimates of interethnic inequality given the exclusion from our sample of those who were out of the labor force.
What explains the different positions of Asian American men and those of African and Hispanic origin? Although we cannot completely answer this question, we can rule out some explanations. The explanation is not differences between minority populations in age composition or nativity status. Although the Chinese and Filipino populations are predominantly foreign born and the other groups are overwhelmingly native born (including Japanese), this does not explain the major component of inter-ethnic differentials in occupational or earnings attainment (although it does account for part of the Chinese and Filipino earnings disadvantage).

We expected that differences in residence would be a major explanation of ethnic socioeconomic differences. Asians are concentrated in more affluent areas of the country (e.g., California), whereas blacks and Hispanics would appear to be more distant from good economic opportunities. Yet region or residence explained little of the variance—and then only in earnings—and the effect has lessened over time. We still believe that differential access to opportunities is an important explanation of minority disadvantage, but our residence indicator does not confirm this interpretation.

Perhaps the most important finding of our study is the contrasting role of education as an intervening variable in minority group achievement. For black men, about half of their occupational disadvantage and a third of their lower earnings (relative to whites, measured by total effects) can be explained by lower educational levels. For Hispanics, the handicap of low education explains an even larger relative share of socioeconomic disadvantage. Equivalent years of education would not eliminate the socioeconomic gap between whites and blacks and Hispanics, but it has a stronger impact on inequality than any other variable. (A key question is whether schooling is the real causal variable: if schooling were equivalent, would gatekeepers simply screen with some other criterion?) The years-of-schooling variable has an equally strong effect on Asian American socioeconomic inequality but in the opposite direction. The apparent equality between Asians and whites is largely a function of educational overachievement by Asians. If Asians experienced the same process of stratification as whites, their educational credentials would shift their (Asians) occupational and earnings levels substantially above those of the majority population.

A major hypothesis of our study is that minority advantages and disadvantages are maintained through institutional separation across the economy. Our effort to measure one aspect of this was sector, a fivefold classification that tapped the self-employment and retail trade components of the ethnic economy, two other components based on the dual economy hypothesis (core-periphery), and the government sector. However, this classification did not seem to identify a significant intervening
mechanism in the ethnic stratification process. Minorities may be disadvantaged because of unequal opportunities to participate in the more dynamic, more protected, or more rewarded segments of the American economy; but the sector variable (as measured here) did not provide much support for this argument.

What did prove to be a fairly important mechanism across all ethnic minorities, though significant only for black men, was the unequal participation in the occupational hierarchy after holding constant all other variables in the model. If minorities with the same resources and opportunities (as measured here) as whites were able to reach the same mark on the occupational ladder, earnings inequality would be reduced substantially. Differentials in work intensity (weeks worked last year and hours worked last week), with sector and occupation (and other variables) controlled, did not seem to explain ethnic differentials.

The direct effects of ethnicity on earnings revealed a quite different picture than the original comparison of gross (or total effects) differentials. All minorities, not just blacks and Hispanics, are disadvantaged relative to the majority population. However, the net (direct) disadvantages for black, Filipino, and Hispanic men in occupational attainment are greater than those for Japanese and Chinese men. For earnings, Chinese men experienced the greatest net (direct) handicap, although black, Hispanic, and Filipino men also encountered a significant negative direct effect. With all other variables controlled, Japanese men earned more than white men in 1976 (a shift from the earlier period). In general, from 1960 to 1976 there appears to have been a marked reduction in the direct impact of ethnicity on earnings, except for Chinese men.

We suspect that one of the major reasons for the continued strong direct effect on earnings of being Chinese is the maintenance of the Chinese ghetto (Chinatown) in many large cities. Although the enclave provides many essential services for the largely immigrant population, it may also provide a funnel that directs many Chinese Americans into lower-paying jobs. However, the lack of similar residential concentrations of most Japanese and Filipinos may be an important reason for the diminishing direct effect of their ethnicity on earnings. The arrival of Southeast Asian refugees as well as the substantial immigration from Latin America in recent years will provide an opportunity to test these ideas further.

Although we might label these remaining differences as the product of direct ethnic discrimination, this does not explain the source of the inequality. Inequality arises from a number of distributive mechanisms in society, and many may be linked to ethnicity. The question is whether these are the residue of ethnic inequalities from earlier generations or the result of direct discrimination by institutional gatekeepers (employers, supervisors) or of institutional and spatial separation into different or-
ganizations and careers. Moreover, what are the social or economic motivations for discrimination by those with authority? Our analysis provides only tentative answers to these varied questions.

The modest, but real, gains made by minority groups during the 1960s and early 1970s require as much theoretical and policy consideration as the wide gaps that remain. Since much of the progress that has been made is in the residual category of direct effects, we would argue that there has been a reduction in the old-fashioned discrimination by institutional gatekeepers. There seem to be few economic interests which are served by the maintenance of discriminatory behavior by employers, unions, and others in authority. Differential wage levels are difficult to explain to watchdog agencies and less likely to be tolerated by minority groups that can protest and appeal to external authorities (government, unions, etc.). With the exception of isolated pockets of the American economy, it seems that strong economic incentives for discrimination have largely been eased. However, there still may be culturally based preferences for whites over minorities.

Other social mechanisms, however, may reinforce ethnic inequality even with the lessening of overt discrimination. For instance, the literature in urban ecology has suggested that residential segregation and the social segregation that arise from such environments may limit the opportunities of minorities to move into more rewarding institutional settings and channel them to less well rewarded firms and industries (Hawley 1944; Duncan and Lieberson 1959). Since there is little sign of reduced discrimination in the housing market (Lake 1981), the effects of residential segregation may be an even harder nut to crack than overt discrimination in hiring. Without proximity, it is difficult for individuals to make the cross-ethnic informal contacts that are often the source of opportunities.

REFERENCES


Minorities


