Social inequality is used to describe the varying levels of group and individual access to resources and power in a given society. Social stratification is a closely related term, defined as the system of social inequality between various groups, within a fairly fixed hierarchical arrangement. Social inequality among groups is often based on a number of social group characteristics, such as social class, gender, race, ethnicity, religion, immigrant status, sexual orientation, age, or disability. Each of these characteristics can be overlapping and simultaneous because the bases for social inequality intersect for any given person. The major social inequalities most often studied are within the realms of income and wealth, education, housing, health care, work, family, and politics. This entry examines inequalities related to race and class.

Social Class

Social class is a key component of social inequality in society. Class, or socioeconomic status, refers to the ability of one group to access resources and influence other people in relation to other groups. Social class determines an individual's life chances: whether one lives a comfortable and privileged life and has access to educational and economic opportunities. Even life expectancy is tied to social class. It is a group that is not merely based on income or wealth (though this is a strong component of class and power), but also on occupational prestige, educational level, and cultural aspects (such as language, personal appearance, and food). Although class consciousness has not been especially strong in the United States recently (most U.S. residents state that they are “middle class,” whether this is reality or not), the social class of the individual at the time of birth continues to be a huge determinant of later privileges and opportunities. U.S. residents generally remain in the same social class as their parents, despite the supposedly fluid class system that is central to the so-called American Dream. Actually, evidence shows increasing class slippage, with a significant number of people doing worse economically than the generation before them.

Growing class inequality in the United States (as well as global inequality) has been a large concern of both scholars and journalists in this era of U.S. politics. Many trends since the 1970s indicate that the growing gap between the poorest and the wealthiest U.S. residents will continue to grow. Between 1979 and 2003, people in the bottom 20% of family income in the United States had their real incomes shrink by 2%, but people in the top 20% of family income had their incomes grow by 51%. Looking at the top 1% of earners, the growth in family income jumps to more than 75%.

Another illustration of this trend is visible in the disparity in wages between the chief executives of major corporations and the employees they oversee. There has always been a gap between what the average CEO of a top U.S. corporation was paid and what an average worker was paid; however, that gap has grown into a huge chasm. In 1980, the average CEO/worker pay gap was 42 (where the CEO is paid as much as 42 workers), but in 1995, the gap rose to 141, and in 2000, it reached an all time high of 531. We have seen this gap lessen in 2003 (with the average CEO being paid only 301 times the amount of the average worker), but this decline had more to do with a stock market dip, rather than a reining in of the top executives’ inflated wages, stock options, and bonuses.

Wealth Inequality
Although the income gap is one indicator of social inequality, wealth studies paint an even clearer picture of U.S. inequality. Wealth is the sum of all income plus all the financial assets one owns, minus debts. It can include anything of value, such as property, stocks, bonds, and insurance policies. Wealth has been a focus of social inequality studies because, unlike income, it grows exponentially and can be passed down from generation to generation. Wealth is even more unequally distributed than income. In 1976, the wealthiest 1% of U.S. residents owned 22% of all wealth, but in 2001 the top 1% owned 38% of wealth. Thus, the bottom 99% of U.S. residents must share the remaining 62% of wealth left over, most of which is controlled by the top 10% (who owns 70% of all wealth). Many U.S. residents (about one out of six) have zero or even negative wealth. This number has grown in recent years, going from 15.5% in 1983 to 17.6% in 2001. Without some form of financial assets to rely on, many families are at a distinct disadvantage when paying for health care, funeral expenses, a college education, or adequate housing.

Race-based social inequality is at its most apparent when investigating racial differences in wealth accumulation. The income gap between Whites and Blacks and Latinos is closing; however, the large wealth gap between Whites and non-Whites shows that the historical legacy of lack of wealth among racial minorities is still at work. Blacks have 26 cents of wealth for every White dollar of wealth, and the median household net worth in 2001 was $19,000 for Blacks, $11,500 for Latinos, and $121,000 for Whites. This wealth difference cannot be accounted for by spending habits or a lack of savings. Because wealth is intergenerational, the public and private policies of the past, which barred many Black Americans from accumulating wealth (such as not being able to purchase homes in middle-class areas, attend elite universities, or obtain more prestigious jobs) remain an obstacle for current and future generations of Blacks. As racism (individual and institutional) and racial segregation continue into the 21st century, racial inequality also continues, and the wealth gap between Whites and racial minorities grows.

Poverty and Contingent Work

Poverty is another area in which social inequality based on race, class, gender, and other group characteristics is made apparent. The poverty line in the United States is determined by the federal government, and represents the dollar amount necessary for a family of four to survive at subsistence level. Although numerically more Whites live at or below the poverty line than any other race, Blacks, Latinos, Asian Americans, and Native Americans are disproportionately represented, in relation to their percentage of the population.

Women of all races are also more likely to be in poverty, especially those women who head their own single-parent households. This phenomenon has been termed the feminization of poverty because women are more likely than men to be financially responsible for children, fare worse in the labor market, and suffer from changes in social service programs, such as the 1996 Personal Responsibility and Work Reconciliation Act, which created lifetime time limits and work requirements for welfare recipients. Racial and ethnic minority children are especially likely to be poor in the United States, with about one-third of all Black and Latino children living in poverty. Poverty is most concentrated in segregated inner-city Black neighborhoods, reflecting the lack of educational and work opportunities in isolated poor neighborhoods.

Recent economic restructuring in the workplace has made it even more likely that one may work but still be in poverty. Contingent work, which includes temporary, part-time, seasonal, day labor, and
contract workers, has become much more common in the United States. Although some workers take on contingent work because it offers more scheduling flexibility than does regular work, at least two-thirds of contingent workers would like to obtain permanent positions. The average contingent worker receives lower wages and fewer benefits and lacks control over work conditions and time spent in each job. Few contingent workers receive health insurance or retirement pensions, which implies that the government will have to cover these benefits for the companies that rely on contingent labor. Women, racial and ethnic minorities, and immigrants are overrepresented in this workforce.

**Trends for the Future**

Social inequality in the United States shows no sign of lessening. There continues to be growth in the concentration of income and wealth in the top 10%, whereas the bottom 90% face rising debts, a decline in savings, consumer inflation, outsourcing of jobs to foreign nations, rising university and college tuitions, a lack of health insurance and retirement security, and a growing temporary workplace. Because these trends disproportionately affect those with less wealth, such as Blacks, Latinos, and White women, race and gender inequality will continue to be intertwined with rising social stratification.

*See also*

Gender and Race, Intersection of; Social Mobility; Wealth Distribution; Welfare Reform

**Further Readings**


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