

# 8

## SOCIAL STRATIFICATION IN THE UNITED STATES

### Student “Haves” and “Have-Nots” in Higher Education

The world of higher education is stratified in various ways. For example, a status hierarchy is formed by graduates of high-ranking Ivy League universities, mid-level state universities, and lower-level community colleges. Whatever the level of the higher education system from which you graduate, another aspect of stratification, and one that undoubtedly interests and may even trouble you, is the high cost of your education. Cost is not much of a problem for the very wealthy or those brilliant (or athletically gifted) enough to earn full scholarships. However, for most students, it is a major issue, and for many (and likely their parents), it can be a hardship if not an overwhelming barrier to attending and ultimately graduating from college. The ability to afford a college degree is closely related to social class position.

Students from the middle and lower classes deal with the cost of education in various ways, such as by holding part-time jobs, attending lower-cost state and especially community colleges, and taking out loans, either on their own or through their parents. Whatever route they take, they are disadvantaged in comparison to those who have no problem affording whatever college they wish to attend.

Student loans represent an especially big problem for many students. Private loans are likely to have variable interest rates and offer little protection in case of default. This stands in contrast to federal student loans, which have fixed rates and many protections, including against default. Total student loans in the United States amount to more than \$1.36 trillion, a fourfold increase between 2000 and 2016. Many students leave college owing \$35,000 or more, and they are then likely to find themselves unemployed or with low-paying jobs. As a result, many are unable to make the payments due on their loans, and they may remain saddled with college debt for a large part of their lives, perhaps even into old age.

DON EMMERT/AFP/GettyImages

### LEARNING OBJECTIVES

- 8.1** Describe the three dimensions of social stratification.
- 8.2** Identify factors contributing to economic inequality.
- 8.3** Identify different types of social mobility.
- 8.4** Discuss theories of social stratification.
- 8.5** Explain the relationship between consumption and social stratification.

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Of great and particular concern is debt incurred by students who attend for-profit colleges such as the University of Phoenix, as well those institutions that don't even deserve to be thought of as colleges (or universities), such as the scandalous Trump "University," where students lost tens of thousands of dollars (Carey 2016). Such colleges are most likely to be attended by those who are underprepared for higher education, are economically disadvantaged, and rank low in the stratification system. These students may receive a poor education, have a lower-than-average graduation rate, and incur higher-than-average student debt, even if, as is often the case, they do not complete their degrees. For-profit colleges enroll only 11 percent of all college students in the United States, but they account for almost 35 percent of student defaults on loans (Douglas-Gabriel 2016; Shen 2016). Further complicating matters for such students is the fact that they are preyed upon by debt-relief companies that charge high fees and/or often do not deliver on their promises to cut or eliminate the debt. These students' debt is high both because they have fewer economic resources with which to avoid or repay the debt and because for-profit colleges are often more expensive than other colleges are.

The educational experience is just another example of the highly stratified character of many areas of U.S. society in which the poor pay more—and get far less. ●

We often hear that American society, as well as the world as a whole (see Chapter 9), is unfair. This is generally taken to mean that a relatively small number of people have way too much, while most of the rest of us have far too little. In the United States, this unfairness is made abundantly clear when we see news reports about the excesses of the super-rich, such as multimillion-dollar bonuses, private jets, and mansions, or condos in New York or London worth tens or hundreds of millions of dollars. At the other extreme, the gap is just as clear when we encounter homeless people begging on street corners and at turn lanes on heavily traveled roads.

What is it that some people have, or are thought to have, and others lack? The most obvious answer is money and what money buys. However, **social stratification** involves hierarchical differences not only in economic positions but also in other important areas, such as status, or social honor, and power. Social stratification has a profound effect on how monetary and nonmonetary resources are distributed in American society and around the globe (global stratification is discussed in more detail in Chapter 9).

## DIMENSIONS OF SOCIAL STRATIFICATION

Any sociological discussion of stratification draws on an important set of dimensions derived from the work of the great German social theorist Max Weber ([1921] 1968; Bendix and Lipset 1966). These three dimensions are social class, status, and power.

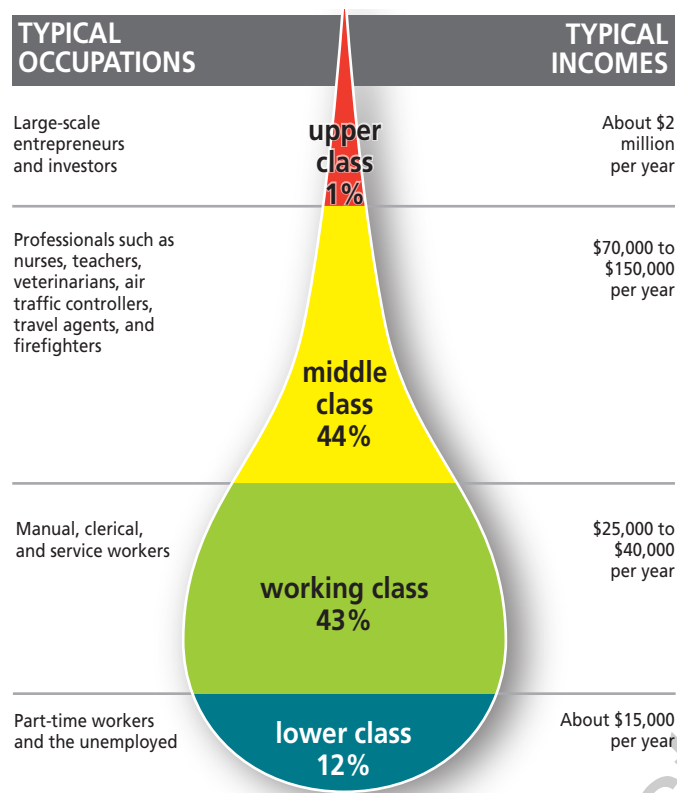
### SOCIAL CLASS

One's economic position in the stratification system, especially one's occupation, defines one's **social class**. A person's social class position strongly determines and reflects his or her income and wealth. Those who rank close to one another in wealth and income can be said to be members of the same social class. For example, multibillionaire entrepreneurs such as Bill Gates and Warren Buffett belong to one social class; the janitor in your university building and the mechanic who fixes your car at the corner gas station belong to another. Terms often used to describe a person's social class are *upper class* (for example, large-scale entrepreneurs and many large investors, especially in hedge funds), *middle class* (nurses, teachers, veterinarians, air traffic controllers, travel agents, and firefighters), *working class* (manual, clerical, and full-time service workers in industries such as fast food), and *lower class* (part-time service and other workers and the unemployed). Figure 8.1 illustrates the relationships among occupation, income, and social class in the United States (Gilbert 2015). Its teardrop shape represents the percentage of Americans in each class; there are substantially more people in the working and lower classes than there are in the upper class. As we will soon see, the United States is even more stratified than Figure 8.1 suggests.

As discussed in Chapter 2, Karl Marx had a conception of social class that was different from Weber's. To Marx, social class was defined by ownership of the *means of production*, or the resources necessary for production to take place, such as factories, machines, tools, and raw materials. Those who owned the means of production were the *capitalists*, and they stood at the pinnacle of the stratification system. Members of the *proletariat* lacked the means of production. Therefore, they had to sell their labor time to the capitalists in order to work and be productive. This created a hierarchal stratification system, with the capitalists on top and the proletariat standing far lower in the hierarchy. This constituted a class system in the sense that the capitalists kept the vast majority of profits for themselves, had higher incomes, and accumulated great wealth. In contrast, the capitalists barely paid the proletariat enough to survive. Thus, the proletariat found it impossible to accumulate wealth.

While Marx's conception of social class is still useful, changes in the economic system have made it less relevant today. For example, it is now much harder to argue

**FIGURE 8.1 • Social Classes, Occupations, and Incomes in the United States**



SOURCE: Adapted from Gilbert, D. L. (2015). *The American class structure in an age of growing inequality*. Thousand Oaks, CA: SAGE.

that capitalists are defined by, and gain their position in the stratification system from, their ownership of the means of production. Such capitalists (like Facebook founder Mark Zuckerberg) have come to be replaced at the center of the economic system by corporations (like Zuckerberg's Facebook). The stocks and bonds of these corporations are owned by thousands, hundreds of thousands, or even millions of shareholders and bondholders. However, the people who stand at the pinnacle of the stratification system (like Zuckerberg) today own a disproportionate number of these stocks and bonds, and many have become fabulously wealthy, with a net worth of billions of dollars (Zuckerberg's was in excess of \$50 billion in early 2017). They do not own the means of production, such as factories, at least not directly. They may also hold executive positions at or near the top of the corporations, but, again, those positions alone do not give those who hold them ownership of the means of production.

Today, members of the proletariat still occupy lower-level positions in these corporations; they still must sell their labor time for access to the means of production, and they continue to be relatively poorly paid. However, they may

be minor stockholders in these corporations through, for example, 401(k) or profit-sharing retirement plans. Still, there is a vast economic difference between those who occupy high-level positions in corporations and/or own large blocks of stocks and those at the bottom who own few (if any) shares. Bill Gates (of the Microsoft Corporation) was the richest person in the United States as of mid-2017, a position he has held for twenty-three straight years (Dolan and Kroll 2014; [www.forbes.com/forbes-400](http://www.forbes.com/forbes-400)). Compare his net worth, estimated at \$81 billion, to the near-total absence of wealth among the lower-level, often temporary, Microsoft employees. (This disparity will be addressed further later in this chapter, in the discussion of the growing income and wealth gaps in the United States.)

## STATUS

The second dimension of the stratification system, *status*, relates to the prestige attached to a person's positions within society. The existence and importance of this dimension demonstrate the fact that factors other than those associated with money are considered valuable in society. For example, in a 2015 Harris Poll of 2,223 U.S. adults, the well-paid doctor was ranked the most prestigious, followed by the less well-paid scientist, and in third place the comparatively modestly paid firefighter. However, the often exorbitantly paid and rewarded corporate executive was not even in the top 10 occupations in terms of prestige (Harris Interactive 2016).

## POWER

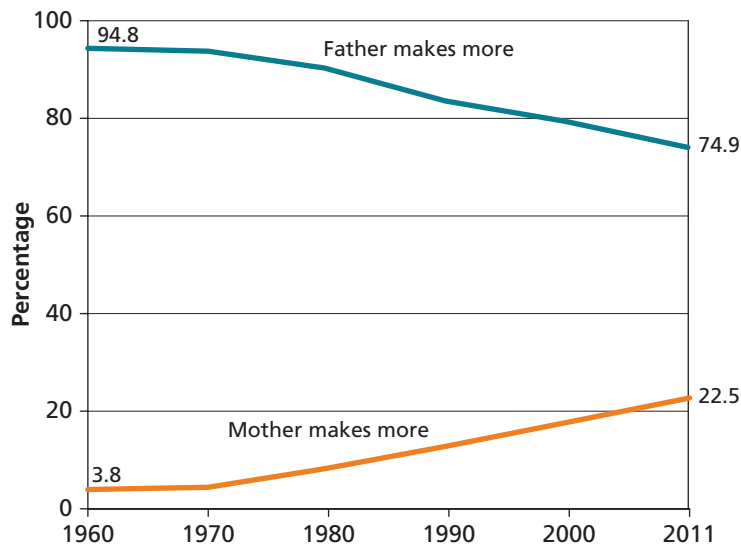
A third dimension of social stratification is **power**, or the ability to get others to do what you want them to do, even if it is against their will. Those who have a great deal of power rank high in the stratification system, while those with little or no power are arrayed at or near the bottom. This is clearest in the case of politics, where, for example, the president of the United States ranks very high in power, while millions of ordinary voters have comparatively little political power. Still lower on the political power scale are disenfranchised citizens, such as convicted felons, and noncitizens, including undocumented immigrants.

Power, of course, is not restricted to the political system but also exists in many other institutions. Thus, top officials in large corporations have greater power than do workers, religious leaders have more power than do parishioners, and those who head households are more powerful than are their spouses or children (Collins 1975).

Greater income is generally associated with more power, but there are exceptions to this rule. In the late 2000s, an increasing number of media stories focused on the phenomenon of "breadwinner wives" and "breadwinner moms," or those wives and moms who are the sole or primary providers of

**FIGURE 8.2 • Percentage of Married Women Who Earn More than Their Husbands, 1960–2011**

% based on married couples with children under age 18



NOTE: The category of father and mother having the same income not shown.

SOURCE: Who Makes More in the Family? 1060–2011, from p. 12 in *Breadwinner Moms*, May 29, 2013. Reprinted by permission of Pew Research Center, Washington, DC. Data from Wendy Wang, Kim Parker, and Paul Taylor, “Breadwinner Moms,” Pew Research Center, Pew Social and Demographic Trends, May 29, 2013.

income for their families. Only 11 percent of households with children under 18 had breadwinner moms in 1960, but that had risen to 40 percent in 2011 (Wang, Parker, and Taylor 2013). Then there are “alpha wives and moms”—women who earn more than their husbands (Chae 2015; Mundy 2012; Roberts 2010). As shown in Figure 8.2, only 3.8 percent of wives in 1960 had income greater than that of their husbands, but by 2011, 22.5 percent of married women were alpha wives.

In spite of their greater income, breadwinner wives and moms may not have greater power in the marital relationship, and in many cases, they are compelled to be content with sharing power with their husbands (Cherlin 2010). In fact, many high-earning women have great difficulty even finding mates, and they face disapproval for breaking gender norms. Expectations regarding gender, and other types of minority status, can clearly complicate power relations.

### ASK YOURSELF

Is your position in the social stratification system characterized by inconsistency? That is, do you rank higher on one dimension of stratification than on the others? Are the positions of other people you know well inconsistent in the same way?

## CONSISTENCY/INCONSISTENCY ACROSS DIMENSIONS OF STRATIFICATION

Some people rank similarly across all three dimensions of social stratification. For example, a midlevel supervisor within a U.S. corporation is likely to earn a middle-class income, to enjoy middling prestige, and to have some power. This is known as **status consistency**, or *crystallization status* (Lenski 1954). However, it is likely that many people will be characterized by **status inconsistency**. That is, their position on one dimension of stratification will be different, perhaps very different, from their positions on the other dimensions of stratification (Stryker and Macke 1978; Wang, Elder, and Spence 2012). For example, famous movie stars, musicians, and athletes are likely to earn huge sums of money—they are high in social class—but they are not likely to have much power. While they often acquire great wealth, celebrities (such as Chris Brown and Bill Cosby) with well-publicized legal and moral issues (such as drug addiction and sexual harassment) are likely to have little status.

### CHECKPOINT 8.1: THE DIMENSIONS OF SOCIAL STRATIFICATION

DIMENSION	DESCRIPTION
Social class	A person's economic position, reflecting and determined by income and wealth
Status	The prestige attached to a person's position within society
Power	The ability to get others to do what you want them to, even if against their will

## ECONOMIC INEQUALITY

A major concern in the sociological study of stratification is **inequality**, a condition whereby some positions in society yield a great deal of money, status, and power, while others yield little, if any, of these. While other bases of stratification exist, the system of stratification in the United States, and in much of the contemporary world (see Chapter 9), is based largely on money. Money is not inherently valuable and desirable—it has these characteristics only when it is so defined in a money economy, such as in the United States,

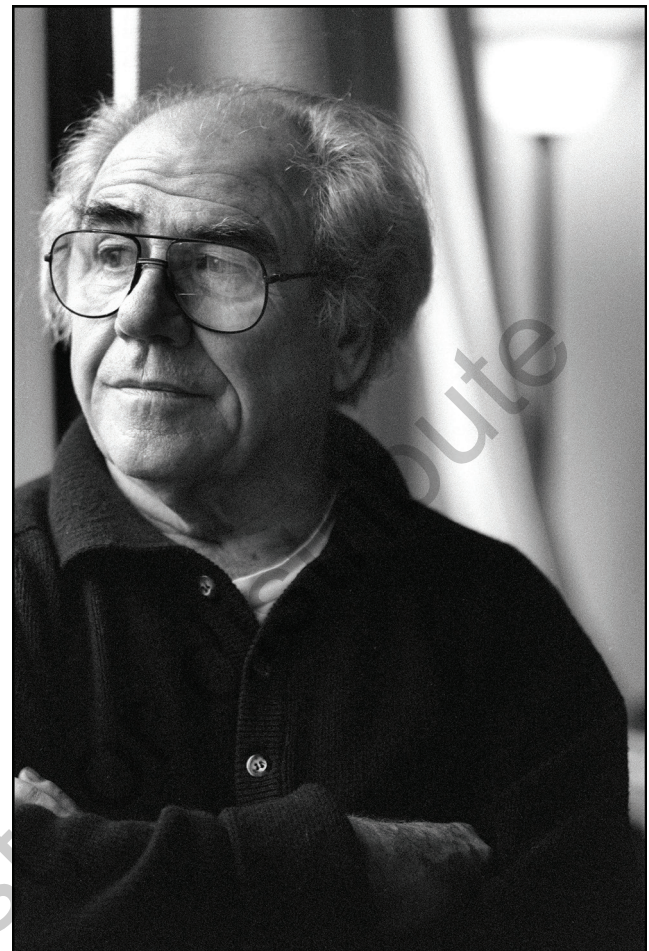
as well as in much of the rest of the world today (Simmel [1907] 1978). In such an economy, the occupational structure is characterized by a payment system in which those in higher-level positions, and those who perform well in these positions, are rewarded with larger paychecks. The use of money as a reward makes money seem valuable to people. They come to desire it for itself as well as for what it will buy.

We continue to use, although to a decreasing extent, bills printed on paper-fabric blends and metal coins, but they are being rapidly replaced by the use of digital, or electronic, payments and currency. Online money transfers such as PayPal are already well established. Apple Pay allows for money transfers using mobile devices. Much attention is now devoted to a revolutionary, open-source currency, Bitcoin, which exists only electronically and does not require the involvement of banks or other institutions. Many believe that it represents the future of e-money.

Other kinds of economies existed before the development of the money economy and continue to exist, at least to some degree, in some areas, such as northern Ecuador (Ferraro 2011; Hirth and Pillsbury 2013). One is the barter economy, in which people exchange goods with one another without money mediating the exchanges. In such economies, there is little or no need for money. There are ways of recognizing people's relative contributions other than through the size of their bankrolls. It is worth noting that even within advanced money economies, we find a great deal of barter. Thus, it is not unusual for people to exchange services, or to do services in exchange for products. This is often done, illegally, to avoid the taxes that would likely need to be paid if money did change hands. Of course, there are also transactions—such as illegal drug transactions and payment for under-the-table labor—where money changes hands without any records that might attract the attention of the Internal Revenue Service.

French social theorist Jean Baudrillard ([1976] 1993), among many others, criticized the money economy and the economic exchange that lies at its base. Baudrillard (1929–2007) argued instead for an economy and a society characterized by symbolic exchange. In **symbolic exchange**, people swap all sorts of things, but, most important, the process of exchange is valued in itself and for the human relationships involved. It is *not* valued because of the economic gains—the money—that may be derived from it. A greater contribution to the group's well-being may be rewarded with higher ranking in the group rather than with more money. In such a system, you might acquire a high-level position by helping others more than they help you and by gaining recognition for your helpfulness.

Still, while other bases are possible, money remains at the root of the American stratification system. Money can take the form of income or wealth. **Income** is the amount of money a person earns from a job, a business, or returns



Antonio DiBiase/Osama Kaplan via Getty Images

Jean Baudrillard's idea of "symbolic exchange" laid the basis for thinking about an alternative to the system of stratification in capitalist society. This and other ideas of Baudrillard's, as well as his published works, earned him noted recognition and made him one of the most famous social theorists of the twentieth century.

on various types of assets (e.g., rents on real estate) and investments (e.g., dividends on stocks and bonds). Income is generally measured year by year. For example, you might have an income of \$25,000 per year. **Wealth**, on the other hand, is the total amount of a person's financial assets and other properties less the total of various kinds of debts, or liabilities. Assets include, among others, savings, investments, homes, and automobiles, while debts include home mortgages, student loans, car loans, and amounts owed to credit card companies. If all your assets total \$100,000 but you owe \$25,000, your wealth (or net worth) amounts to \$75,000.

Wealth can be inherited from others, so that a person can be very wealthy yet have a modest income. Many elderly widows and widowers find themselves in this position. Conversely, people can earn substantial incomes and not be very wealthy because, for example, they squander their money on expensive vacations or hobbies, or on alcohol or drugs.

## INCOME INEQUALITY

Sociologists (and economists) are interested in inequality in status and power, but they tend to be most concerned about economic inequality. In many parts of the world, incomes became more equitable from the late 1920s until the 1970s. However, since the 1970s, there has been a substantial increase in income inequality in many countries, with a few individuals earning a great deal more and many earning little, if any, more. Even in the United States, which we historically and erroneously (Massey 2008) regard as an egalitarian society, income inequality has been rising since the 1970s and now rivals levels that existed in the late 1920s (DeSilver 2013). That was at the peak of the boom years of the Roaring Twenties and just before the bursting of the economic bubble that heralded the beginning of the Great Depression. In 1928, the top 1 percent of families, the main beneficiaries of the economic boom of the 1920s, received almost 24 percent of all pretax income, while the bottom 90 percent of families earned only about 51 percent of that income. The Depression and World War II altered the economic landscape and led to greater equality. By 1944, the top 1 percent was receiving *only* about 11 percent of income, while the bottom 90 percent was earning more than 67 percent of that income. However, the situation began to change again in the 1970s, and by 2015, the top 1 percent of American families earned nearly 17 percent of all income, up from 10.03 percent in 1960 (see Figure 8.3)—this was almost as much (in percentage terms) as in 1928. At the same time, the share of the bottom 90 percent was below 50 percent, even less than in 1928.

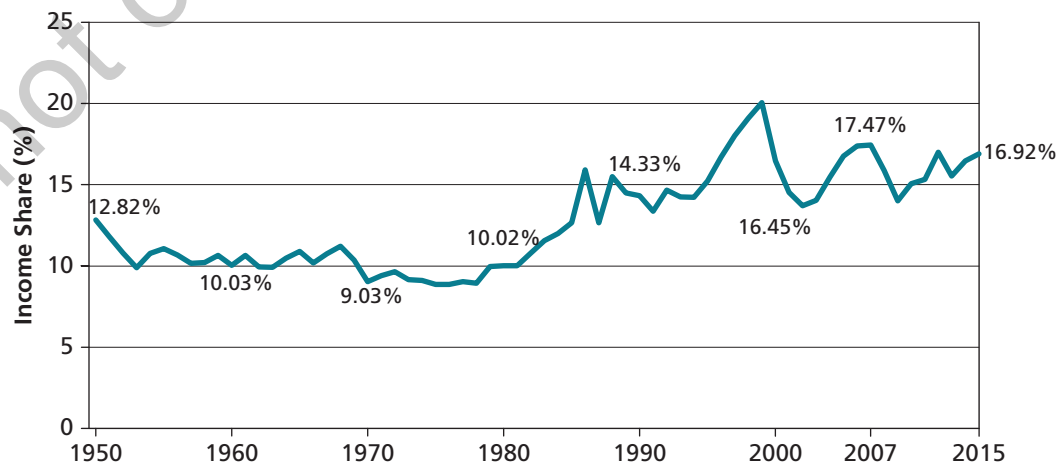
Income inequality today is even greater if we focus not on the top 1 percent but on the elite of the elite, the top 0.1 percent of households. In 2012, the average annual household income for the top 0.1 percent was a whopping \$6,373,782. By comparison, the top 1 percent had to make do with an income of *only* \$1,264,065. How about the bottom 90 percent? Their average household income was \$30,997. In other terms, the top 0.1 percent earned 206 times as much as the bottom 90 percent, while the top 1 percent made 41 times the income of those at the bottom. This gap, too, has worsened over time. In 1980, the multiples were 47 and 14; in 1990 they were 87 and

21 (Lowrey 2014). Thus, it's a great time to be rich, but it is an even better time to be uber-rich.

However, there is even further stratification within the ranks of the very rich. Those in the top one-hundredth of 1 percent—the billionaires and those with hundreds of millions of dollars—are in an economic world of their own compared to *mere* millionaires (Frank 2014). As a result, while demand for less expensive light private jets has been declining, demand for the most desirable and expensive jet—Gulfstream's G650, which costs \$65 million—has been increasing. Similarly, sales of megayachts (longer than 300 feet) are booming (one 330-footer sold for \$250 million), while demand for smaller yachts is declining, along with price. Plans are afoot to build even bigger yachts, perhaps rivaling the 590-foot yacht now owned by the president of the United Arab Emirates.

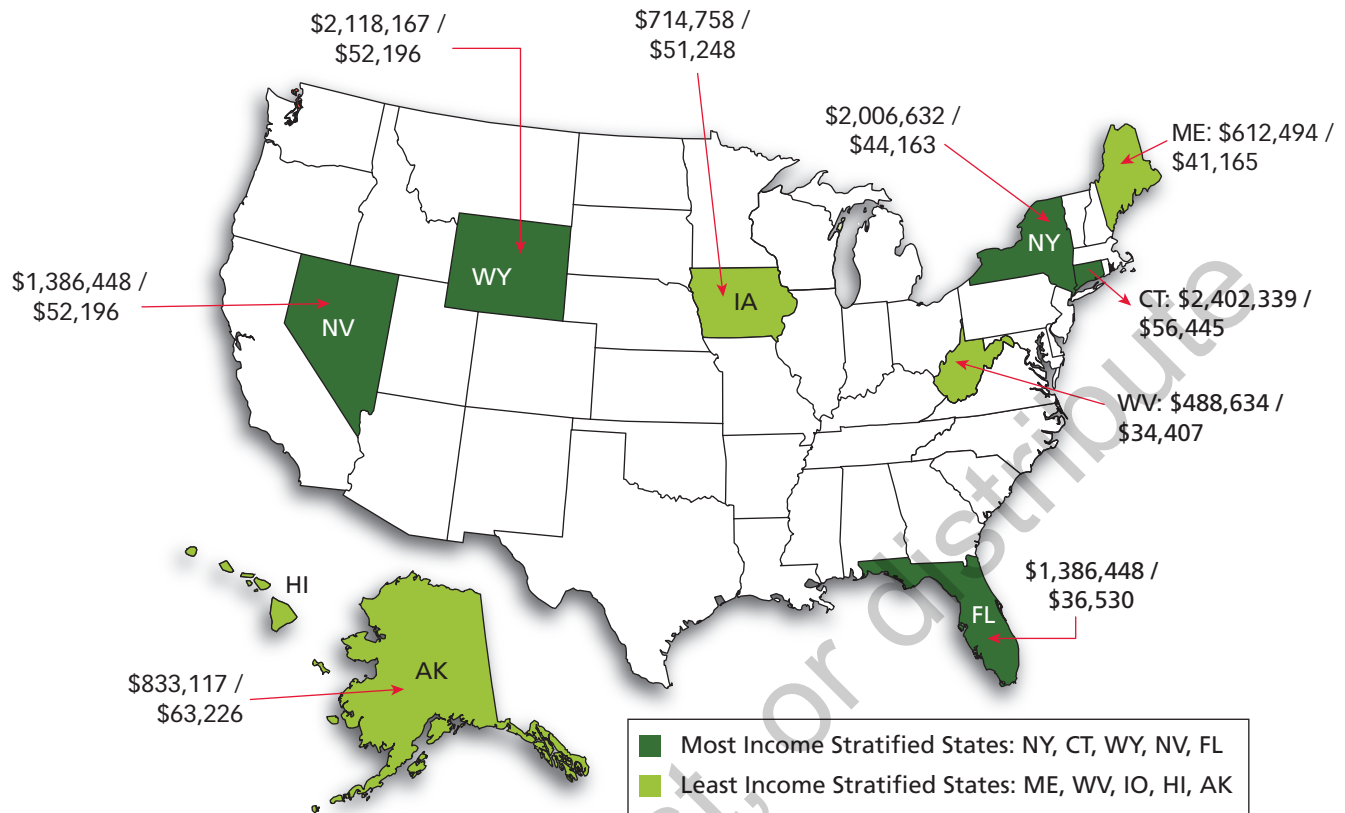
Enterprises of all sorts are now catering in new and ever-more elaborate ways to the super-rich (Schwartz 2016b). There are now, for example, ships-within-cruise-ships for the elite. They are separate areas that are largely inaccessible and invisible to other people on the cruise. They can offer a concierge, 24-hour butler service, as well as a private pool, sun deck, and restaurant. A “Royal Suite” on Royal Caribbean's *Anthem* costs \$30,000 for a seven-day cruise, compared to \$4,000 for a run-of-the-mill stateroom elsewhere on the ship. The super-rich in the “royal” area of the cruise ship never need to mingle with the merely rich, let alone the middle class on the rest of the ship. We are increasingly living in an era where the elites are segmented from the rest of the population and treated to a lifestyle that most people can only fantasize about. This segmentation, however, might not make everyone happy. As one corporate advisor put it, “If I'm in the back of the plane, I want to hiss at the people in first class. . . . If I'm up front, I cringe as people walk by” (Schwartz 2016b, 22).

**FIGURE 8.3 • Income Share of the Top 1 Percent of Families in the United States, 1950–2015**



SOURCE: Dennis L. Gilbert, *The American Class Structure in an Age of Growing Inequality*, 9th ed. (Thousand Oaks, CA: SAGE, 2015); personal communication with Dennis L. Gilbert.

**FIGURE 8.4 • Most and Least Stratified States in Average Income, 2013**



SOURCE: Estelle Sommeiller, Mark Price and Ellis Wazater, 2016. *Income Inequality in the U.S. by State, Metropolitan Area and County*. Washington D.C.: Economic Policy Institute, 2016: pp. 8–9; [www.epi.org/files/pdf/107100.pdf](http://www.epi.org/files/pdf/107100.pdf).

While income inequality is a national (and, even more, an international) problem, it is greater in some parts of the United States than in others. As one might expect, New York and California have the greatest income inequality, but inequality exists throughout the United States as well (Sommeiller, Price, and Wazater 2016). Between 2009 and 2013, the top 1 percent captured *all* of the gains in income in fifteen states; in another nine states, they captured half to nearly all of those gains. For the United States as a whole, the top 1 percent captured 85 percent of income growth in that period. In 2013, the top 1 percent of families earned 25.3 times as much as did the bottom 99 percent. To be in the top 1 percent, a family would need a yearly income of almost \$390,000, and that number is much higher in more affluent areas. For example, in Connecticut, a family would need to earn nearly \$660,000 a year to be in the top 1 percent; in the Bridgeport-Stamford-Norwalk area of Connecticut, a yearly income of \$1 million would be needed to make the cut.

It is important to note that this concentration of wealth represents a sharp reversal of historic trends. Between 1928 and 1979, the top 1 percent's share of income *dropped* in every state but Alaska. See Figure 8.4 for the most and least stratified states when looking at average income.

Several broad reasons have been put forth to explain recent increases in income inequality:

- *Deindustrialization.* The decline of U.S. industry, as well as of industry in other developed countries, has led to the loss of many higher-paying industrial jobs (Bluestone and Harrison 1984; Kollmeyer and Pichler 2013). Many who achieved middle-class status and relatively high incomes through such jobs have been reduced to lower-paying service jobs in, for example, the fast-food and tourism industries, or have become unemployed. The latter have found themselves without income, and in many cases out of the work force completely.
- *Decline of labor unions.* Deindustrialization is also related to the decline in the power of labor unions, which had helped many industrial workers obtain higher pay and generous benefits. Many nonindustrial workers also joined and benefited from unions, but most of those unions have declined as well.
- *Technological advances.* The highest-paying new jobs in recent years have been created in high-tech, high-skill areas, such as information technology (IT). Many Americans have not received the training necessary to shift from industrial

to high-tech work. In fact, there is an insufficient supply of people adequately trained to handle such highly skilled work. As a result, income inequality due to technological advances may be a short-term problem that will be rectified as more people are trained for such jobs. However, many people, including former industrial workers, likely lack the education needed to acquire the skills necessary for success in tech jobs. They may also be too tied down by other obligations at this point in their lives to move to new job locations. And they may be too “tainted” by their long-term unemployment to even be considered for the new jobs. Furthermore, there may not be nearly enough of these high-tech jobs to make up for the lost industrial jobs.

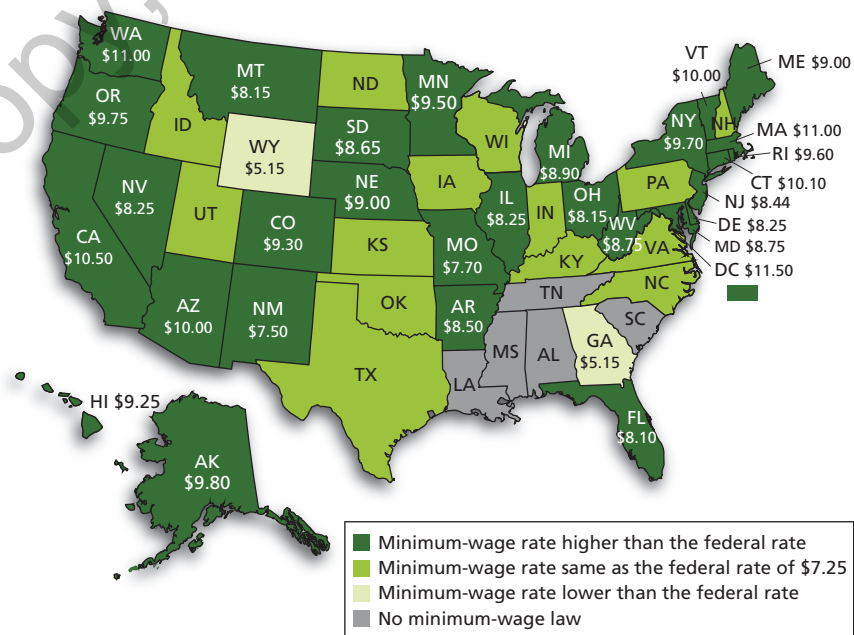
- Political climate.* A variety of political decisions help explain the increase in income inequality (Levy 1999; Sacchi and Salotti 2014). There is, for example, political opposition in the United States (mainly from Republicans and their wealthy supporters and backers) to raising the federal minimum wage, currently \$7.25 per hour, or to raising it very much (Ritzer 2015b). This is the case even though various polls indicate that a significant majority of Americans favor an increase in the minimum wage (see, for example, Drake 2014). In his 2013 inaugural address, Barack Obama pushed for an increase in the federal minimum wage to \$9.00 per hour, but the proposal did not succeed; in fact, as of mid-2017, the minimum wage was still \$7.25 per hour in most states (see Figure 8.5 for a look at minimum wages by state). In real dollars, the minimum wage has actually declined in recent years. Those who hold minimum-wage jobs have lost ground to those in higher-paying occupations. As a result of the low minimum wage, an increasing number of people, especially men, are choosing not to work. The percentage of men 25 to 54 years of age who are not working (16 percent) has tripled since the late 1960s (Appelbaum 2014).
- Increasing power of those at the top.* Those at the pinnacle of many hierarchies, such as business (Lowrey 2014), finance, politics, sports, entertainment, and the professions (physicians and lawyers), have used their power to grab more income and many other goodies as well. This is a symptom of what has been called a *winner-take-all* society (Frank and Cook 1995, 2013). In such a Darwinian economy, the rich use their advantages to succeed wildly, and the

poor, with few (if any) advantages, grow increasingly worse off (Frank 2011).

A series of more recent and narrower changes have also contributed to the huge and growing income gap:

- Tax cuts made in the early years of President George W. Bush’s administration (2001–2009) favored the rich and disadvantaged most others; the Congressional Budget Office contended that federal taxes were doing less to equalize income in 2007 than they had in 1979. That is, taxes had grown less progressive. Most of the Bush-era tax cuts remain in place, and tax cuts for the rich have meant that the tax system continues to foster income inequality. In fact, as we saw previously, income inequality has grown dramatically. President Trump has discussed tax cuts that would greatly favor the rich and create even more inequality.
- Federal benefits are doing little to address inequality, and may even be exacerbating it. For example, Social Security payments go to the increasing number of older Americans, irrespective of their income and their economic status. Like clockwork, older wealthy Americans get their Social Security payments every month. Further, wealthy Americans tend to live longer than do poorer citizens, meaning that they get more from Social Security than do those who need it the most (Irwin 2016). However, the relationship between federal benefits and

**FIGURE 8.5 • Minimum Wage Rates in the United States, 2017**



SOURCE: Data from U.S. Department of Labor, Wage and Hour Division, “Minimum Wage Laws in the States,” January 2017.



## ASK YOURSELF

Which of the proposed reasons for the steady increase in income inequality do you think has had the greatest impact on people you know? What about in society at large? Why?

inequality changed somewhat with the implementation of the Affordable Care Act of 2014, which added millions of people to the ranks of those with health insurance. This did more to address inequality than any federal program had since the 1960s. However, in the early days of his administration, President Trump began the process of dismantling the structures created by the Affordable Care Act. This could mean more inequality in the coming years. Tax policies have shifted to favor income derived from wealth (see the following discussion), especially long-term capital gains. Such gains involve income derived from investments in capital such as real estate, stocks, and bonds that are held for more than one year. Although the capital-gains tax increased slightly in recent years, at the maximum, long-term capital gains are still taxed at only slightly more than half the top rate for ordinary income. Those with the highest incomes pay 20 percent on capital gains, while the top tax rate on ordinary income is 33 percent to 40 percent. This is a huge advantage for the after-tax income of mainly the rich, although farmers have also benefited to some degree. The super-rich, who own a disproportionate share of the capital, reap the vast majority of the benefits of the low capital-gains tax.

## WEALTH INEQUALITY

As unfair as income inequality may seem, the greatest disparities in society—the largest differences between the haves and the have-nots—are found in the enormous differences in wealth (that is, economic assets) in society. Wealth inequality tends to be much greater than income inequality. The two are linked, however, because wealth tends to produce various sources of income, such as dividends and interest. Those with significant amounts of income from such sources are far more likely to rank toward the top of the stratification system in terms of income than are those who rely mainly on wages and salaries. Thus, wealth itself is important, as is the seemingly endless stream of income that wealth tends to produce.

Like income inequality, wealth inequality has tended to increase in recent years in the United States and other Western countries (Mishel and Bivens 2011; Wilterdink 2007),

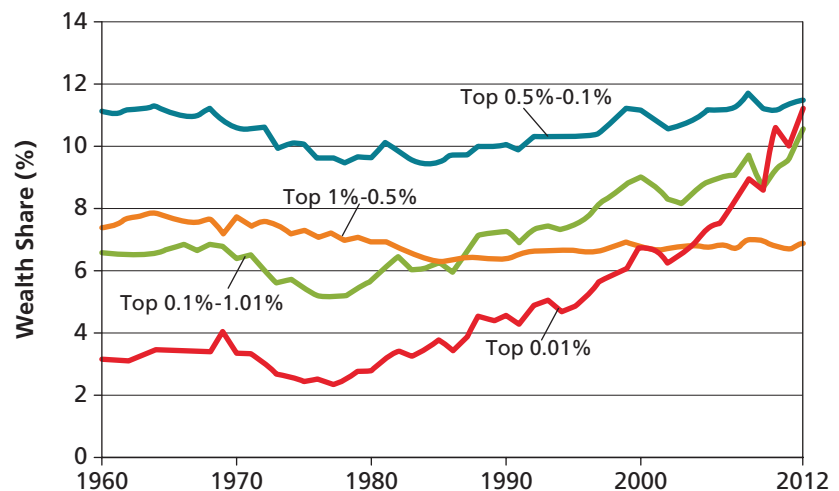
and the U.S. tax system is of decreasing utility in reducing that inequality (Looney and Moore 2016). More than 80 percent of the wealth gain in the United States between 1983 and 2009 went to the wealthiest 5 percent of the population. Over the last three decades, the wealth of the top 0.1 percent of households has increased from 7 to 22 percent of the total. In contrast, the poorest 60 percent of the population saw a 7.5 percent decline in wealth. Their wealth has eroded because of such factors as the decline of many housing values and stagnant wages (Saez and Zucman 2014), as well as the large number of people who have given up and left the labor force, thus earning no income and acquiring no wealth (Appelbaum 2014).

As with income inequality, the super-rich (the top 0.01 percent in terms of wealth) are growing dramatically better off in terms of wealth (see Figure 8.6). The share of the wealth for the top 0.01 percent grew from about 3 percent in 1960 to about 11 percent in 2012.

As we saw previously in the case of cruise ships, those with great wealth live lifestyles beyond the wildest dreams of those who live on the lowest rungs of the economic ladder. Wealth brings with it a wide range of advantages:

- It can be invested to generate income and ultimately even greater wealth.
- It can be used to purchase material comforts of all sorts: mega-homes, vacation retreats, luxury cars, and custom-tailored clothes, as well as the services of housekeepers, gardeners, mechanics, personal trainers, and so forth.
- It can afford a high level of financial security, allowing the wealthy, if they wish, to retire at an early age with the means to live well for the rest of their lives.

**FIGURE 8.6 • Wealth Share of the Top 0.01 Percent to 1 Percent of Households in the United States: 1960–2012**



SOURCE: Wealth Inequality in the United States since 1913. October 2014. Reprinted with permission from Emmanuel Saez (UC Berkeley) and Gabriel Zucman (LSE).

- It purchases far more freedom and autonomy than less wealthy individuals can acquire. An example would be the freedom to leave unsatisfactory employment—or not to work at all—without worrying about how the bills will be paid.
- It allows the wealthy to get the benefit of the doubt from the criminal justice system. In the unlikely event that they are even arrested and charged with crimes, the wealthy can hire expensive lawyers who are likely to be able to fashion favorable outcomes for them. And white-collar criminals of any class tend to be only lightly sanctioned (drawing probation instead of parole for embezzlement and fraud, for example).
- Most wealth can be passed on to offspring, even generations away, guaranteeing that they will live a similarly privileged lifestyle.

Wealth and the growing disparities in wealth received enormous academic and media attention with the publication of economist Thomas Piketty's *Capital in the Twenty-First Century* (2014; see also Antonio 2014). Piketty sees wealth as being of greater importance than income. Rather than relying on pay or a salary (even though it might be high) for their labor, those with wealth rely much more on the income their wealth produces, such as earned interest, rental from properties, dividends on stocks and bonds, and royalties. Overall returns from such sources have historically outstripped increases in salaries and pay. With growth in pay projected to remain slow in the years to come, those who live off the income from their wealth will further outstrip those who live off their wages and salaries.

Those with wealth also stack the deck in their favor by, for example, influencing the government to pass laws that favor wealth enhancement (such as a lower tax rate on capital gains from the sale of stocks than on income). Furthermore, wealth can be passed from generation to generation through inheritance, meaning that the advantages of the wealthy grow exponentially over time. The top 10 percent in the United States already own 75 percent of the nation's wealth, and that fraction is likely to grow, while the bottom 50 percent own only 2 percent of the wealth, and that is unlikely to increase. The only hope, as far as Piketty (2014) is concerned, is a significant and progressive tax on global wealth (it must be a global tax, because wealth itself is so mobile globally), with the wealthy paying a significantly higher rate. That is the only way to halt the growing gap between the wealthy and the rest of society. However, the barriers to instituting a global tax on wealth are almost insurmountable. The wealthy and their political supporters will oppose it with the extensive resources at their disposal. Furthermore, it is difficult to imagine the many diverse societies across the globe agreeing to such a transformation.

## Status, Power, and Wealth

Perhaps of greatest importance is the fact that wealth not only accords a high-level position on one dimension of stratification, social class, but it is also an important factor in gaining similar positions on the other dimensions of stratification, status and power. Those who have great wealth tend to rank high in social class because class is, to a considerable degree, defined economically and wealth is a key indicator of it. Those with great wealth are also generally able to buy or to otherwise acquire whatever gives them high status and great power. There are exceptions, however, to the link between great wealth and high social class. An example is those who retain a high social ranking even though they have lost much or most of their wealth over time. Another exception is the *nouveau riche* (some might consider Donald Trump to be in this category), whose extravagant and inelegant tastes and behaviors may lead others in the upper class to refuse to accept them as members of their class. However, in general, those with great wealth *are* members of the upper class.

In terms of status, the wealthy can afford an increased level and better quality of education. They can, for example, send their children to very expensive and exclusive prep schools and Ivy League universities. In some elite universities, being a “legacy” applicant—the son or daughter of an elite who attended the same school—can increase the chances of gaining admission, perhaps by as much as 45 percent (Mandery 2014). The practice of favoring legacy applicants is sometimes called “affirmative action for the rich” (Kahlenberg 2010). At Princeton, in 2009, for example, 41.7 percent of legacy applicants were admitted, compared with 9.2 percent of nonlegacies. The wealthy can also purchase more of the trappings of high culture, such as season tickets to the opera or multimillion-dollar paintings by famous artists. The wealthy can also achieve recognition as philanthropists by, for example, attending \$1,000-per-ticket charity balls or even donating the money needed to build a new wing of a hospital.

Power over employees is a fact of life for wealthy individuals who own businesses or run other organizations. Their needs for financial, household, and personal services give the wealthy another source of power. They have the ability to direct the activities of many charities and civic groups. And if that weren't enough, the wealthy can buy more power by bribing political officials or making generous campaign contributions to favored politicians. Such contributions often give donors great behind-the-scenes power. In some cases, the wealthy choose to use their money to run for public office themselves; if successful, their families may come to occupy positions that give them great power. These families can even become political dynasties, with two or more generations attaining high political office. Joseph P. Kennedy used the large sums of money he earned during the Great Depression to become a powerful political figure. His money and his political influence helped get his sons elected to office:



## Stratification in the New Sharing Economy

In the sharing economy, instead of buying or renting in the usual ways, we share goods and services—at low cost or free of charge—with others (Gansky 2010; Stein 2015). Instead of renting a hotel room, we can get a room in a private home, or even an entire home, through the online site Airbnb. Instead of hailing a taxi, we can use Uber’s smartphone app and get a prepaid ride in a private automobile. Instead of waiting for a table at a “hot” restaurant, we can hire someone online to do so through TaskRabbit.

The sharing economy is clearly the wave of the future. But while some sharing is free of profit making and the exchange of money (Atsushi 2014), big businesses have become deeply engaged, and the sharing economy is growing highly stratified.

At the top are the founders, executives, and financiers of the most successful companies. Uber is now valued at about \$68 billion (Austin, Canipe, and Slobin 2015), and its founders are likely to be millionaires or even billionaires. But for most of the drivers, the job is part-time and the pay low. Drivers use their own cars, pay their own expenses, and lack benefits and job security. As a result, they are likely to land in or near the lower class. Worse, their success is costing traditional taxi drivers their jobs. Uber cars now outnumber yellow taxis in New York City by more than three to one (Hu 2017; Pramuk 2015).

Airbnb, valued at about \$25 billion, has created a similar stratification system, with founders and executives on top and many who list their apartments and homes nearer the bottom. However,



Russell Hardlam/Stock Photo

Smartphone apps, such as those of Uber and Airbnb, create a divide between those who control the sharing economy and those who work in it. Is such increased stratification inevitable?

few of those participants are actually individuals sharing space with others. While New York City is attempting to crack down on this, commercial operators there supply more than one-third of Airbnb rental units and earn more than one-third of the profits; 6 percent of the hosts earned 37 percent of the revenue, and one had 272 units, earning revenue of \$6.8 million. Some critics argue that, at least in this case, “the very term ‘sharing economy’ is ridiculous” (Austin, Canipe, and Slobin 2015; Streitfeld 2014, A1).

Belk (2014) argues that in all these cases and many others, sharing is being transformed into “pseudo-sharing” by, among others, profit-making organizations that have found this to be a way

to grow rich. As Ritzer (2017) puts it, there is “woefully little sharing” in the sharing economy. The sharing economy is creating a new stratification system, or at least new positions in the current system. Many people will be at or near the bottom.

### Engaging the Digital World

Do you think that the stratification taking place in the sharing economy is inevitable? Why or why not? Should consumers avoid participating in this economy, even if the services offered are desirable and affordable? Why or why not? If you participate in the sharing economy, explain what types of services you use (or provide) most often and what the alternatives would be to each of them.

John F. Kennedy as president, Ted Kennedy as U.S. senator, and Bobby Kennedy as U.S. senator before he was assassinated while running for the presidency. Prescott Bush made his money on Wall Street and became a U.S. senator. His son, George H. W. Bush, became president of the United States, as did his grandson, George W. Bush. Another grandson, Jeb Bush, former governor of Florida, was a (failed) candidate for the Republican nomination for president in 2016.

The lifestyles that large amounts of money can buy are a source of interest and fascination for many people. In the 1980s, Robin Leach hosted a popular TV show called *Lifestyles of the Rich and Famous*. The show took viewers behind the scenes to explore the mansions of the elite. On a modern version of this show, MTV's *Cribs*, celebrity musicians and athletes show off their homes, pools, cars, and other trappings of wealth. Reality TV shows, such as Bravo's *Real Housewives* series and E!'s *Keeping Up with the Kardashians* and *Rich Kids of Beverly Hills*, feature the daily lives of an elite group of the extremely wealthy. These shows highlight the gap between the wealthy and everyone else. For example, many of the real-life elites do not know how to do things that seem commonplace to most of us, including pumping their own gasoline and waiting in line at the Department of Motor Vehicles for a driver's license. The prevalence of such entertainment suggests a deep curiosity about how people with a great deal of status, money, and/or power live.

### The Perpetuation of Wealth

One of the great advantages of the wealthy is their ability to maintain their social class across generations. Their ability to keep their wealth, if not expand it, often allows the members of the upper class to pass their wealth, and the upper-class position that goes with it, to their children. Financial mechanisms (for example, generation-skipping trusts) have been devised that allow the wealthy to pass on their wealth not only to the next generation but also to many generations to come. Thus, wealth tends to be self-perpetuating over the long term.

The wealthy are able to perpetuate their wealth in large part because they have been able to use their money and influence to resist taxation systems designed to redistribute at least some of the wealth in society. For example, the wealthy have fought long and hard against the estate tax, which places a high tax on assets worth more than a certain amount that are left behind when an individual dies. Many of the wealthy prefer to refer to the estate tax in more negative terms, as a "death tax."

The year 2010 was fascinating from this point of view because the estate tax law was allowed to expire, the result being that *no* estate taxes were paid by the estates of millionaires and billionaires who died that year. One particular beneficiary was the family of George Steinbrenner, then owner of the New York Yankees, who died that year with an estate estimated to be worth slightly over \$1 billion. Even more extreme was the case of the much less well-known

Dan Duncan, whose estate was estimated at about \$9 billion. The Steinbrenner and Duncan families saved hundreds of millions, perhaps billions, of dollars in taxes because these billionaires happened to die in 2010.

The estate tax was renewed in 2011. In 2015, the estate tax exemption was set at a generous \$5.43 million per person, rather than the \$3.5 million exemption in force in 2009. In other words, a single person pays *no estate tax* on the first \$5.43 million of his or her estate (the exemption is \$10.86 million for a married couple). Beyond 2015, the exemption was set to increase in line with the rate of inflation. Thus, for 2016, the exemption increased only modestly, to \$5.45 million per person. Only a few Americans have anything approaching an estate of that magnitude, with the result that proposals to reduce or eliminate the estate tax are of little or no relevance to them. Reducing or eliminating that tax will serve only to make the rich even richer.

Like having a great deal of wealth, having little wealth tends to be self-perpetuating. Those who have little or no personal wealth can be fairly sure that their children, and generations beyond them, will also lack wealth. Of course, there have been, and will be, many exceptions to this pattern, but in the main there is great consistency from generation to generation. This contradicts the Horatio Alger myth (Alger was a late nineteenth-century author of cheap, but very popular, rags-to-riches novels), which tells us that anyone can get ahead, or rise in the stratification system, through hard work and effort. This myth is functional in that many people believe in it and continue to strive to get ahead (and some even succeed), often in the face of overwhelming barriers and odds. But it is also dysfunctional in that it tends to put all the burdens of achieving success on the shoulders of individuals. The vast majority of people are likely to fail and to blame themselves, rather than the unfairness of the highly stratified system, for their failures.

Recent research has shown that people throughout the stratification system greatly overestimate the amount of upward mobility in U.S. society, although such overestimation is greater among those who rank lower in that system (Kraus, Davidai, and Nussbaum 2015). Overestimation of upward mobility by those at the top of the stratification system serves to legitimate their position because it makes it seem that positions at the top are open to a great many people. More important, and consistent with the Horatio Alger myth, overestimation of upward mobility offers those at or near the bottom of the stratification system the hope that they will be able to ascend to higher positions in that system.

### THE DECLINE OF THE AMERICAN MIDDLE CLASS

Much has been written in recent years about the decline, or the hollowing out, of the American middle class (Frank 2013). While there is no clear economic dividing line that separates the middle class from the upper and lower classes,



AP Photo/Mark Lamich

How are poverty and social class related? Is poverty inevitable in a stratified society?

we can say that to be considered part of the middle class, a family of four must have earnings (adjusted for inflation) between \$35,000 and \$100,000 per year (Searcey and Gebeloff 2015). The proportion of the U.S. population in the middle class *declined* from 53 percent in 1967 to 50 percent in 2015 (Parlapiano, Gebeloff, and Carter 2015). Some of those in the middle class have been able to rise into the upper class, which grew from 7 percent to 21 percent of the U.S. population between 1967 and 2015. However, many have dropped into the lower class (which, nonetheless, dropped from 40 percent to 29 percent of the population in that period).

The major reason for the decline of the middle class is the decline of middle-income jobs, such as better-paid, often unionized, positions in manufacturing, usually owing to technological change. In other cases, those jobs have been lost to successful companies elsewhere in the world. Some displaced workers have been able to get better-paying jobs and thereby move up the stratification hierarchy. However, many more have had to take lower-paying service jobs, such as in the fast-food industry. They have likely dropped into the lower class, as have those who have been unable to find jobs or have been unwilling to accept poorly paid work. Said one man who was once a highly paid electrician but has now been out of work for four years: “I’d work for them [Chick-fil-A], but they’re only

willing to pay \$10 an hour. . . . I’m 49 with two kids—\$10 just isn’t going to cut it” (Appelbaum 2014, A1). While many middle-class people are counted among the unemployed, others—like this electrician—are not, because they are not looking for work. They have given up hope of finding the kind of work they want, or any kind of work at all.

Another major factor in the decline of the middle class is wage stagnation in the kinds of jobs that members of this class are likely to continue to hold (Greenhouse 2015; Wisman 2013). They may still have the same jobs they had a decade or two ago, but the wages associated with them have tended to increase little, and actually have been more likely to decline in real terms over that time. As a result, they are worse off because they are trying to pay for various goods and services whose prices have risen, sometimes dramatically, over time, but with wages that have not kept pace with those price rises. As a result, many may still be considered part of the middle class, but they may not feel that way because their expenses have risen faster than their income—they may no longer be able to afford the things usually associated with a middle-class lifestyle.

The Great Recession badly hurt the middle class. For example, many lost their homes because they could no longer afford their mortgage payments. Government efforts in

the wake of the recession (such as bailing out banks and investment companies) greatly aided the upper class, but they did little or nothing for the middle class (the government bailed out few homeowners in danger of losing their homes; Hacker and Pierson 2010).

The decline of the middle class is of great concern, especially to those who are no longer in it, or who can no longer aspire to be part of it. From a large-scale perspective, this decline creates a stratification system that splits into the upper and lower classes, with an increasingly massive hole in the middle. This leads to growing inequality and to increasingly less hope for those in the lower classes of finding middle-income positions that will allow them to rise in the stratification system.

## POVERTY

While some in the middle class have become poor and dropped into the lower class, poverty is obviously a problem mainly for the much more numerous and often long-term members of that class. Poverty and the many problems associated with it are of great concern both to sociologists and to society as a whole (Desmond 2016; Edin and Schaefer 2015; Iceland 2007, 2013). The poor are likely to be underemployed or unemployed, or to have given up hope of finding a job and to be out of the workforce completely (see Chapter 15). Those who are seeking a full-time job and are able to find only a part-time job, at, for example, McDonald's or Walmart, are unlikely to have enough income to live on and must often rely on others or welfare payments of various kinds.

Poverty is troubling for many reasons, the most important of which is its negative effect on the lives of the poor themselves. The lack of a job, or having one that does not offer a living wage, is likely to be associated with many troubling conditions. Those suffering from poverty are likely to suffer from food insecurity—that is, to have difficulty getting enough to eat. They are also likely to be in poor physical and mental health and, as a result, to have a lower life expectancy. In fact, the poor are falling increasingly behind the rich as the gap between the rich and poor in terms of lifespan has widened dramatically over the years. For men born in 1920, those in the top 10 percent of earners could expect to live six more years than those in the bottom 10 percent of earners. For men born in 1950, the gap had more than doubled to 14 years. For women over the same time period, the gap had grown from 4.7 years to 13 years (Tavernise 2016). Major causes of these growing disparities in lifespan are significant class differences in smoking, obesity, and involvement in the prescription drug epidemic, especially among poor whites.

Beyond its effects on the poor themselves, poverty hurts the economy in various ways. The economy is less likely to benefit from the contributions of those who are only in the workforce part time or, worse, out of it completely. The vibrancy of the economy is reduced because poverty adversely

affects the ability to work of at least some of those who do have a job. For example, they may be less productive or lose more work time due to illness. Further, the level of consumption in society as a whole is reduced because of the inability of the poor to consume very much. Crime, social disorder, and revolution are more likely where poverty is widespread.

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## ASK YOURSELF

**Do you believe that the poor are victims? If so, of whom? Or do you believe that the poor have chosen not to raise themselves from poverty? If so, what sociological factors would explain this choice?**

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The great disparity between the rich and the poor is considered by many to be a moral problem, if not a moral crisis, for society as a whole. The poor are often seen as not doing what they should, or could, to raise themselves out of poverty. They are seen as disreputable, which makes them objects of moral censure by those who have succeeded in society (Damer 1974; Matza 1966; Shildrick and MacDonald 2013). They may be blamed for the degradation of society and may even blame themselves for that degradation as well as for their own poverty. However, some see poverty as an entirely different kind of moral problem. They argue that the poor should be seen as the “victims” of a system that impoverishes them (Ryan 1976). The existence of large numbers of poor people in otherwise affluent societies is a “moral stain” on those societies (Harvey 2007). Something must be amiss in the economic and political systems in societies that perpetuate so much poverty. Not only are the poor blamed for poverty; they must also suffer most of the burdens associated with it. However, poverty adversely affects all of us and society as a whole in various ways (Rank 2014). We pay a steep economic and social price for poverty. We would all benefit from less poverty, and even more from the elimination of poverty completely.

## ANALYZING POVERTY

It may be tempting to blame the poor for the existence of poverty, but a sociological perspective notes the larger social forces that create and perpetuate poverty. To the sociologist, poverty persists for three basic reasons:

- Poverty is built into the capitalist system, and virtually all societies today—even China—have capitalist economies. Capitalist businesses seek to maximize profits. They do so by keeping wages as low as possible and by hiring as few workers as possible. When business slows, they are likely to lay off people, thrusting most of them into poverty. It is in the interest of the capitalist system to have a large number of unemployed, and therefore poor, people. This population serves as what

Marx called the “reserve army of the unemployed.” This is a readily available pool of people who can be drawn quickly into the labor force when business booms and more workers are needed. The presence of this reserve army also keeps existing workers in line and reluctant to demand much, if anything, from management.

- Competition among social classes encourages some elite groups of people to seek to enhance their economic position by limiting the ability of other groups to maintain even their lower economic positions. The elites do so by restricting the poor’s access to opportunities and resources such as those afforded by various welfare systems.
- Government actions to reduce poverty, or to ameliorate its negative effects on people and society, are generally limited by groups of people who believe that the poor should make it on their own and not be afforded the aid of the government. They also believe that government aid reduces people’s incentive to do what they need to do on their own to rise above the poverty line. These beliefs are fairly common among political conservatives.

There are two broad types of poverty:

- **Absolute poverty** is a measure of what people need in order to survive. No matter the standard for measuring poverty, absolute poverty remains constant over time, although its level is revised to take inflation into consideration. The United States, for instance, uses the poverty line (see the following section), based on income level, as the measure of absolute poverty. By contrast, the level of consumption is used to determine poverty in the developing world, where income can be essentially nothing. Thus, absolute poverty might be defined in a developing nation as the consumption of goods valued at less than \$2 per day. While the poor in the United States may be impoverished according to some absolute standard and in some absolute sense, they are often much better off than the poor in most other places in the world. However, as recent research has discovered, there is a surprising number of American families suffering from “extreme poverty” and living on as little as \$2 per day (Edin and Schaefer 2015). The researchers estimate that 1.5 million households, including 3 million children, are in that category. They might survive, for example, from income obtained through donating their blood plasma.
- **Relative poverty** is defined not by some objective standard but rather by the fact that some people, irrespective of income, are, or consider themselves to be, poor, relative to others to whom they relate. Townsend offers such a relative view when he argues that poverty occurs when “resources fall seriously short of the resources commanded by the average individual or family in the

community in which they live” (2010, 99). Thus, even middle-class people (especially those who have experienced wage stagnation or have lost their jobs) and some upper-class people can see themselves as poor in comparison with those around them who have greater incomes and more of the trappings that go with such incomes (such as bigger homes and more luxurious cars). While relative poverty is a reality, it is harder to feel much sympathy for the relatively poor when they are compared with those in absolute, let alone extreme, poverty.

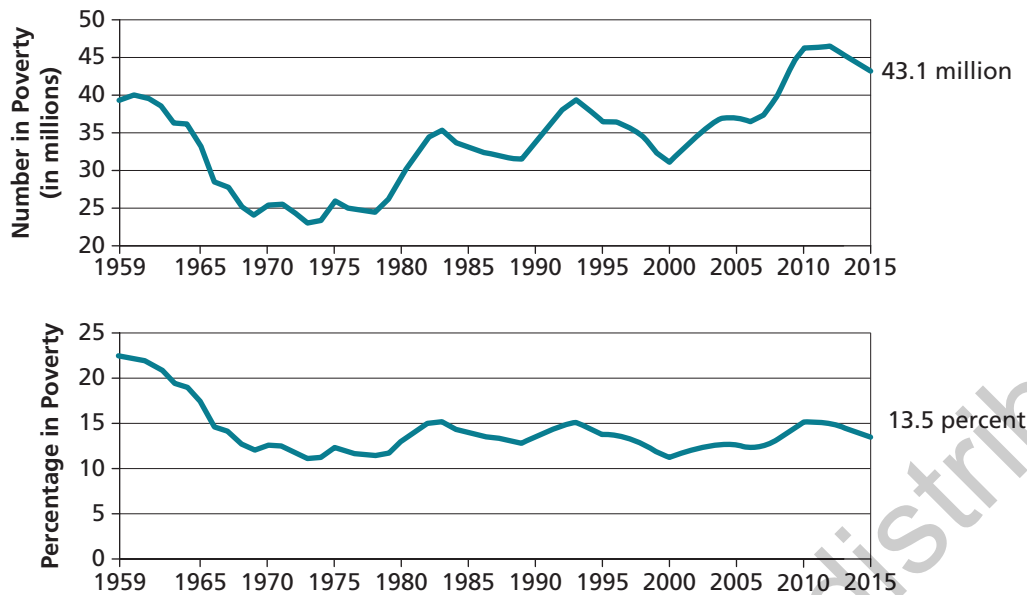
## Poverty in the United States

While many sociologists adopt a more relativistic view of poverty, governments, including the U.S. government, tend to use absolute measures. A **poverty line**, or threshold, in terms of income is set, and then the income of a household is compared with it. A household whose income falls below the threshold is considered poor. Poverty lines vary from country to country. In the United States, the Social Security Administration sets the poverty line. The formula involves multiplying the cost of what is deemed to be a nutritionally adequate food plan by three. This is because a family is assumed to spend a third of its budget on food. It is worth noting that many people criticize this calculation for not considering other necessary expenses, such as child care, housing, and transportation. The poverty line in 2017 for a family of four was a pretax income of \$24,600, and \$12,060 for a single adult (U.S. Department of Health and Human Services 2017). In 2014, 15 percent of the U.S. population, or 46.7 million people, lived below the poverty line and were therefore officially categorized as poor (DeNavas-Walt and Proctor 2015).

Of course, millions who exist at or slightly above that line would also be considered poor by many people in society. In the wake of the Great Recession’s lingering effects, there have been calls for a stronger focus on the “near poor” (DeParle, Gebeloff, and Tavernise 2011; Hokayem and Heggeness 2014). Those who have income that is less than 25 percent above the poverty line would be included in this category. Using this measure, it has been estimated that in 2014, almost 15 million people in the United States were considered near poor. If we combine that number with the number of the poor, we see that almost 60 million Americans are poor or very close to it. There is no question that poverty is a huge problem in the United States, but it is almost certainly far greater than most of us imagine.

Looking at the longer-term trends shown in Figure 8.7, we can see that there has been considerable variation in the numbers of people living in poverty from year to year since 1959. What is striking, however, is the sharp increase in poverty that coincided with the beginning of the Great Recession; 6 million more households were below the poverty line in 2015 as compared with 2009.

**FIGURE 8.7 • Poverty in the United States, 1959–2015**



SOURCES: Data from U.S. Census Bureau, Current Population Survey, 1960 to 2015 Annual Social and Economic Supplements; Bernadette D. Proctor, Jessica L. Semega, and Melissa A. Kollar, Figure 4: “Number in Poverty and Poverty Rate: 1959 to 2015,” in *Income and Poverty in the United States: 2015*, Current Population Reports P60–256(RV), U.S. Census Bureau, September 2016.

One indicator of the level of poverty in the United States is the number of people receiving aid from the Supplemental Nutrition Assistance Program (SNAP), or what were called food stamps before 2008 (Bartfeld et al. 2016). At the beginning of 2010, 44.1 million people received SNAP; by October 2016, 43.2 million were receiving such aid (<https://www.fns.usda.gov/sites/default/files/pd/34SNAPmonthly.pdf>). This is a modest decline, but the fact remains that well over 40 million Americans are on SNAP, and the program cost the U.S. government \$74 billion in 2015.

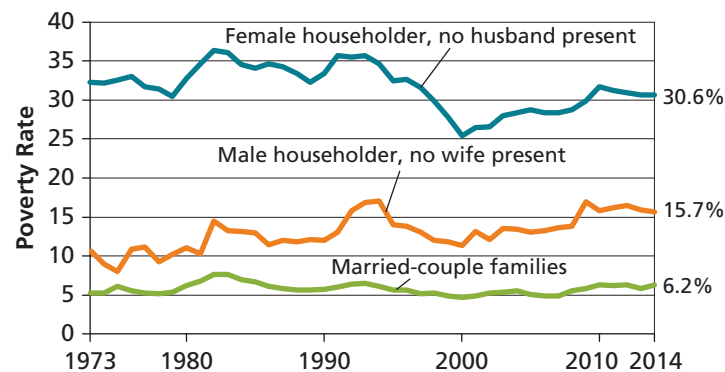
As you might expect, given their disadvantages in income and wealth, minorities suffer disproportionately from poverty. The poverty rate in 2014 for non-Hispanic whites was 10 percent. The 12 percent poverty rate for Asians was down significantly from 16 percent in the mid-1980s, but still higher than the rate for non-Hispanic whites. Even more telling, the poverty rate was over 20 percent for both blacks (26 percent) and Hispanics (24 percent; DeNavas-Walt and Proctor 2015; U.S. Census Bureau 2014b).

Figure 8.8 looks at poverty by family type. Three types of families are covered here: those headed by a married couple, those with a male householder and no wife present, and those with a female householder and no husband present. Families headed by women with no husband present have long had dramatically higher poverty rates than have the other family types. For example, in 2014 the poverty rate for families headed by women was almost double that of families

headed by men. Meanwhile, poverty rates are much lower for married-couple families than for single-parent households, although rates for married-couple families increased slightly in 2014 from the year before.

One indication of poverty and its effect on the family is the increase in the number of families experiencing “doubling up” (Bitler and Hoynes 2015). Doubled-up families are those that include at least one additional adult who is 18 years old or older and not in school, the householder, and the spouse (or one cohabiting with the householder). Between 2007 and 2011, there was an 11 percent increase in

**FIGURE 8.8 • Poverty Rates by Family Type in the United States, 1973–2014**



SOURCES: Data from U.S. Census Bureau, Current Population Survey, 1960 to 2014 Annual Social and Economic Supplements; Carmen DeNavas-Walt and Bernadette D. Proctor, *Income and Poverty in the United States, 2014*, Current Population Reports P60–252, U.S. Census Bureau, September 2015.



the number of doubled-up households. Further, there was a 26 percent increase during that period in the number of 25- to 34-year-olds living with their parents (Johnson 2011). The latter trend should be especially worrisome to many readers of this book.

### The Feminization of Poverty

A central issue in the study of poverty is the degree to which women and children are overrepresented among the poor (Abercrombie and Hastings 2016; Hinze and Aliberti 2007). In 2014, 15 percent of U.S. women were below the poverty line, whereas only 12 percent of men lived in poverty (U.S. Census Bureau 2015). Poverty levels vary by age: Women between the ages of 45 and 64 are less likely to be poor than are those 18 and below and 65 and above. Female poverty levels also vary based on race and ethnicity: Both black and Latino women are more than twice as likely to be poor as are white women. Also, as noted previously, female-headed households with no husband present have far higher rates of poverty than do families headed by married couples.

The **feminization of poverty**, first framed as a concept in 1978, means that those living in poverty are more likely to be women than men (Goldberg 2010; Pearce 1978). Although in recent years the improved position of women in the work world, as well as increases in women's earnings, would seem to indicate that the poverty gap is narrowing,

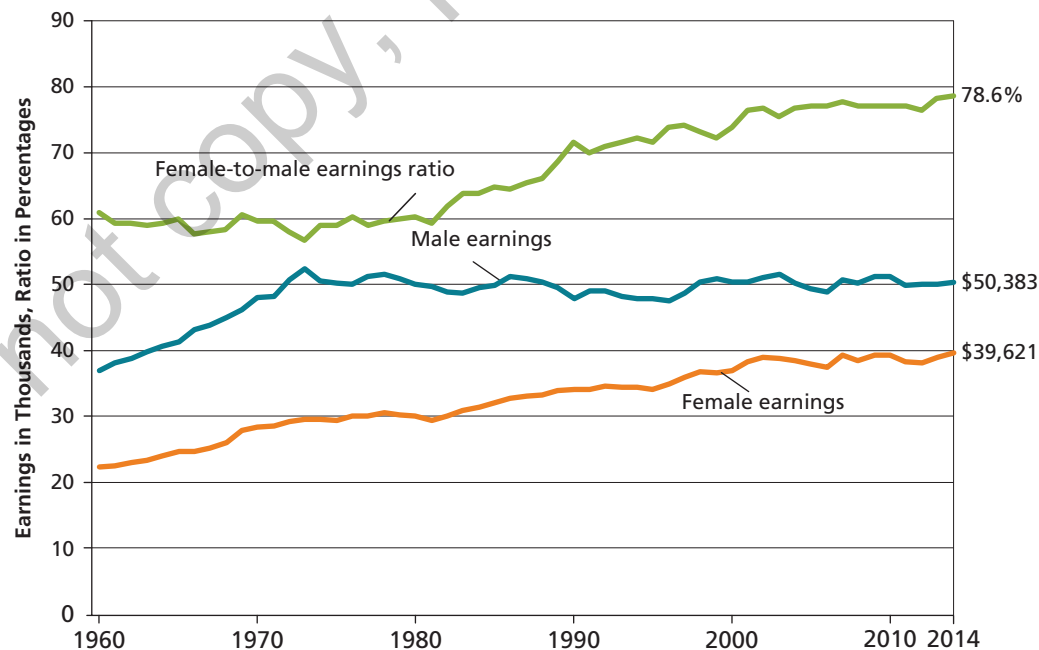
the gender gap persists (McLanahan and Kelly 1999). One of the reasons for that persistence is the fact that the trend toward gender wage equalization has been more than offset by the increasing tendency for a greater proportion of men to raise their earnings through "overwork"—that is, by working more than 50 hours per week (Cha and Weeden 2014).

A variety of demographic factors and changes help explain the feminization of poverty:

- Women are more likely than men to live alone (because, for example, single women marry later, and divorced women are less likely to remarry than are divorced men).
- Women have lower average earnings than men do. This is the case even when they do the same work.
- More children are being born to unmarried women, who tend to earn less than married women and who are more likely to be fully responsible for their dependents.
- Women have longer life spans than men do, increasing the likelihood that older women will be living on their own.

Economically, women suffer from a variety of disadvantages. Historically, males were considered to be the main breadwinners, and women, if they worked, were thought of as secondary earners. Women today exist in a sex-segregated labor force in which the best and highest-paying positions

**FIGURE 8.9 • Female-to-Male Earnings Ratio and Median Earnings of Full-Time Workers in the United States by Gender, 1960–2014**



SOURCES: Data from U.S. Census Bureau, Current Population Survey, 1961 to 2014 Annual Social Economic Supplement, Figure 2; Carmen Denavas-Walt and Bernadette D. Proctor, Table A-4: "Number and Real Median Earnings of Total Workers and Full-Time, Year-Round Workers by Sex and Female-to-Male Earnings Ratio: 1960 to 2014," In *Income and Poverty in the United States, 2015*, Current Population Reports P60–252, U.S. Census Bureau, September 2015.

go largely to men. The subordinate economic position of women is reinforced by the systematic wage discrimination practiced against them. They are routinely paid less than men, even for the same work. In regard to income, women are also adversely affected by the fact that they are more likely than men to work part-time, to hold temporary jobs, or to work at home (Presser 2005). Female workers have gained some ground in recent years: They earned about 61 percent of male earnings in 1960 but 79 percent in 2014 (DeNavas-Walt and Proctor 2015), in part because of stagnation in male earnings. In spite of the improvement, the gender gap in earnings persists to this day (see Figure 8.9).

CHECKPOINT 8.2: FACTORS IN ECONOMIC INEQUALITY	
FACTOR	DESCRIPTION
Income inequality	This is substantially higher since the 1970s, due to deindustrialization, technological advances, and political choices.
Wealth inequality	This is much greater than income inequality, because it can be passed on to the next generation.
Decline of the middle class	Because of job loss and wage stagnation that have struck the middle class most severely, society is increasingly dividing into the upper and lower classes.
Poverty	This can be absolute or relative, and tends to affect women and children disproportionately.

## SOCIAL MOBILITY

Those who live in poverty are understandably eager to improve their lot. However, virtually everyone in a stratified system is concerned about **social mobility** (Hout 2015; van Leeuwen and Maas 2010), or the ability or inability to change one's position in the hierarchy. *Upward mobility*, the ability to move higher (Kupfer 2012; Miles, Savage, and Bühlmann 2011), is obviously of great personal concern to many Americans. In addition, the possibility of such mobility for most is what lends legitimacy to the U.S. stratification system, indeed the entire U.S. economic system (Leventoglu 2014). This is especially the case for those who are poor. Upward mobility is the route out of poverty. However, as a major recent study in Baltimore demonstrated, upward mobility for most poor people is more myth than reality. The poor tend to end up in about the same place in the stratification system as where they started; they have little upward mobility (Alexander, Entwisle, and Olson 2014). This is undoubtedly what causes many of the poor to question the legitimacy of our economic system.

Those in the middle class are more likely to be upwardly mobile and may have an even greater desire to be mobile—and to continue to be mobile—than the poor do. The reason is that they are likely to have experienced at least some of the improved possibilities associated with upward mobility. They have some class, status, and power, but they tend to want more. They often want to move into the upper class. Even those in the upper class are interested in and concerned about upward mobility. They often want to move to higher-level positions than those occupied by their rivals within the upper class. They are also interested in keeping tabs on those below them who may be moving up the ladder. Those who are on the move up the stratification system threaten to supplant them, and perhaps even reach positions higher than their own.

People in all social classes are also concerned about *downward mobility* (Wilson, Roscigno, and Huffman 2013). That is, people worry about descending to lower levels within their social class or to lower classes (for example, dropping from the upper to the middle or even lower class). Downward mobility causes people real hardships, and even its mere possibility is a great cause of concern. Immigrants and refugees who move to a new country almost always experience serious difficulties, such as language differences (Guo 2013), and as a result they are likely to experience downward mobility during the first generation in their new locale. This is especially true of those who held high-level occupations in their countries of origin (Gans 2009). More generally, it is likely that, given the current economic problems in the United States and Europe, many people will experience downward mobility relative to their parents' status. As one newspaper columnist put it, "Young people today are staring at a future in which they will be less well off than their elders, a reversal of fortune that should send a shudder through everyone" (Herbert 2011).

### ASK YOURSELF

Why should the public "shudder" at the prospect that young people today will be less well off in the future than their elders? What negative effects could this future reality have on social institutions, such as schools, workplaces, and industries like banking and real estate? Would it be likely to have any positive effects, perhaps on consumerism or the natural environment? How might it affect the world standing of the United States as a society? Explain your answers.

### TYPES OF SOCIAL MOBILITY

To this point, we have discussed upward and downward mobility, but there are a number of other types of social

mobility as well. Upward and downward mobility are the key components of the general process of **vertical mobility**. Also of interest is **horizontal mobility**, or movement within one's social class. For example, the chief executive officer (CEO) of a given corporation may experience horizontal mobility by becoming the CEO of a different corporation. At the other end of the spectrum, the taxi driver who becomes a driver for Uber also exhibits horizontal mobility (Ultee 2007a).

Sociologists are also concerned about two other types of mobility. One is **intergenerational mobility**, or the difference between parents' position in the stratification system and the positions achieved by their children (Corak 2013; Park and Myers 2010). Children who rise higher in the stratification system than their parents have experienced upward intergenerational mobility. Those who descend to a lower position on the ladder have experienced downward intergenerational mobility. Chetty et al. (2014) found that children born today have about the same chance of upward mobility as did children born in 1970.

**Intragenerational mobility** involves movement up or down the stratification system in one's lifetime. It is possible for some to start their adult lives in the lower class and to move up over the years to a higher social class. However, it is also possible to start out in the upper class and slide down the stratification ladder to a lower class in the course of one's lifetime (Corak, Lindquist, and Mazumder 2014; Ultee 2007b).

Much of the concern about mobility relates to the work that people do or the occupations they hold. **Occupational mobility** involves changes in people's work, either across or within generations (Blau and Duncan 1967; Treiman 2007). Research on occupational mobility has generally focused on men, even though such mobility obviously also applies to women (Mandel 2012). For example, in the case of intergenerational mobility, the focus has been on the difference between a man's occupation and that of his father.

All the previously discussed types of mobility are concerned with individual mobility. **Structural mobility** describes the effects of changes in the larger society on the positions of individuals in the stratification system, especially the occupational structure (Gilbert and Kahl 1993; Miller 2001). For example, China under communism offered people little mobility of any type. Now that China has a booming capitalist economy, the country has experienced a vast increase in structural mobility, because many more higher-level positions (especially occupations) are now available (Lui 2014; Vogel 2011). Millions have moved out of the peasantry and into an expanding hierarchy of nonagricultural occupations and thus higher social positions.

## STRUCTURAL MOBILITY IN THE UNITED STATES

There have been many changes in the occupational structure of the United States over the last century. These changes

have profoundly affected occupational mobility and, ultimately, all the other types of mobility. For example, in 1900, the largest single occupational category was farming. A male born in 1900 was likely to have a father who was a farmer. However, over time, farm work became a smaller part of the economy, and there were few opportunities for a son in farming. He might end up in a wide range of occupations, but wherever he ended up, he was likely to experience occupational mobility. He was also likely to experience upward intergenerational mobility, because his occupation was apt to be of higher status and offer higher pay than his father's did. Even if the son had started in farming, he was unlikely to end up in farming. Thus, he would experience upward intragenerational mobility as well.

If we fast-forward to 1930, we find that the largest occupational category was no longer farming but manual, or blue-collar, work. Fathers, and perhaps their sons, were likely to do manual work in factories. However, since that time, manufacturing work has also declined dramatically in the United States. The production of textiles, steel, automobiles, and other manufactured goods has largely shifted to other parts of the world, especially Asia. An American worker today is much more likely to be in a white-collar occupation (professional, managerial, clerical, service, or sales) than in a manual occupation. In other words, she is likely to have experienced intergenerational mobility. Some contemporary workers who started out as factory workers and then moved into some sort of white-collar work have also experienced intragenerational mobility.

Great inter- and intragenerational upward mobility were characteristic of the United States throughout the twentieth century. This was due to the fact that the country prospered and the number of high-level occupational positions expanded greatly. There were certainly people in the twentieth century who experienced downward mobility, but they were far outnumbered by those who experienced upward mobility. However, with the American economy in decline in the early part of the twenty-first century and other global economies rising dramatically (especially India and China), it is likely that we will see a rise in downward mobility and a decline in upward mobility in the United States (Levy 1987; Room 2011; Strobel 1993). Downward occupational mobility in the United States increased from 19 percent to 27 percent among males between the 1970s and 2000 (Gilbert 2011). As described previously, young people today are going to have a hard time maintaining the positions in the stratification system held by their parents. It is also possible that because of change in the occupational structure in the rest of the twenty-first century, many people, especially the young, will experience downward intragenerational mobility as more high-status, high-paying jobs are lost.

American women's mobility has been somewhat different from men's in recent years. It may well continue to be different in the decades to come. While women's intergenerational

mobility is similar to that of men, their intragenerational mobility is much greater as a result of the changing structure of the labor force (Park and Myers 2010). Women have many more opportunities today to attain high-status occupations, such as professional and managerial positions, than they did in the past. Upward intragenerational mobility has thus grown more likely for women in recent years. They, too, will be affected by the declining fortunes of the American economy in the twenty-first century, but the effect will be muted because changes in the labor force will continue to operate to their advantage—at least relative to the fortunes of men.

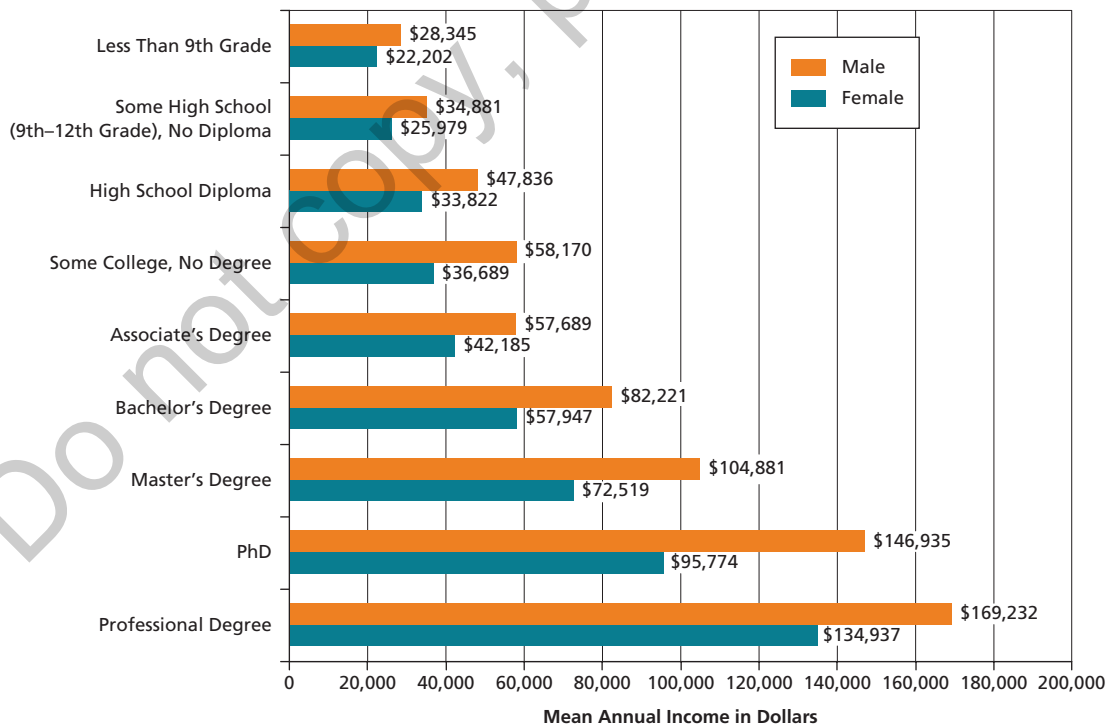
The good news for U.S. workers is that intragenerational mobility can be affected by access to human capital resources. For example, a college education is very helpful for obtaining initial employment. Also very helpful is education pursued throughout a career. Ongoing education can be a resource for maintaining employment, and it is likely to increase the chances of upward mobility (Carnevale, Rose, and Cheah 2009). Figure 8.10 shows that more education pays off economically for both males and females. With each increase in educational level, there is a significant increase in earnings. However, males earn more than females at *all* educational levels. Male advantage remains even though females are getting more than their share of college degrees. This reflects the continuing sexism and institutional discrimination in the work world.

## ACHIEVEMENT AND ASCRIPTION

Thus far, we have been describing a system of social stratification defined by status, power, and class—especially economic class. This, however, is but one type of stratification system. A chief characteristic of this system is the idea that social positions are based on **achievement**, or the accomplishments—the merit—of the individual. For example, a person becomes a physician, and thereby attains a high-level position in the stratification system, only after many years of education, hard work, and practical experience. Conversely, some people believe that a person at or near the bottom of the stratification system is there because he or she lacks the accomplishments necessary to achieve a higher level. These people might suggest that a homeless person is homeless because that individual has not worked hard enough to earn a living wage. The idea that achievement determines social class is accurate to some extent, but the fact is that where a person ends up in the stratification system may have little or nothing to do with achievement. Instead, it can be explained by external factors over which the individual has little control.

A person's status usually has a great deal to do with **ascription**, or being born with, or inheriting, certain characteristics, such as race, gender, wealth, and high status (or, conversely, poverty and low status; Bond 2012). Thus, a person's position in the social hierarchy may be due to nothing more than the accident of being born a man or a woman,

**FIGURE 8.10 • Educational Attainment and Earnings in the United States by Gender, 2012**



SOURCE: U.S. Bureau of the Census, 2013.

or black or white. At the extremes, ascribed status has little or nothing to do with a person's accomplishments, skills, or abilities. Further, once in a given position in the stratification system, a person is likely to remain in that position throughout his or her lifetime.

CHECKPOINT 8.3: TYPES OF SOCIAL MOBILITY	
TYPE	DESCRIPTION
Vertical	Upward or downward movement through the social hierarchy
Horizontal	Movement within the same social class
Intergenerational	Movement by children to a different social class than their parents'
Intragenerational	Upward or downward movement over the course of one person's lifetime
Occupational	Changes in people's work across or within generations
Structural	Changes in the larger society that affect the positions of individuals in the stratification system

## THEORIES OF SOCIAL STRATIFICATION

Within the sociology of social stratification, the dominant theoretical approaches are structural/functional theory and conflict/critical theory. These approaches are also involved in the major theoretical controversies within this area of sociological study (de Graaf 2007). Also to be discussed here are inter/actionist theories of stratification.

As in all areas of the social world, different theories focus on different aspects of social stratification. Instead of choosing one theory over another, it may make more sense to use all of them. Structural/functional and conflict/critical theories tell us much about the macro structures of stratification, while inter/actionist theories offer great detail about what goes on within those structures at the micro levels.

### STRUCTURAL/FUNCTIONAL THEORIES

Within structural/functional theory, it is structural-functionalism that offers the most important—and controversial—theory of stratification. It argues that all societies are, and have been, stratified. Further, the theory contends that societies need a system of stratification in order to exist and to function properly (Davis and Moore 1945). Stratification is needed, first, to ensure that people are motivated to occupy the less pleasant, more difficult, and more important positions in society. Second, stratification is needed

to ensure that people with the right abilities and talents find their way into the appropriate positions. In other words, society needs a good fit between people and the requirements of the positions they occupy.

The structural-functional theory of stratification assumes that higher-level occupations, such as physician and lawyer, are more important to society than are lower-level occupations, such as laborer and janitor. The higher-level positions are also seen as being harder to fill because of the difficulties and unpleasantness associated with them. For example, both physicians and lawyers require many years of rigorous and expensive education. Physicians are required to deal with blood, human organs, and death; lawyers have to defend those who have committed heinous crimes. It is argued that in order to motivate enough people to occupy such positions, greater rewards, such as prestige, sufficient leisure, and especially large amounts of money, need to be associated with them. The implication is that without these high rewards, high-level positions would remain understaffed or unfilled. As a result, structural-functionalists see the stratification system as functional for the larger society. In this case, it provides the physicians and lawyers needed by society.

### CONFLICT/CRITICAL THEORIES

Conflict/critical theories tend to take a jaundiced view of stratified social structures because they involve and promote inequality. These theories are especially critical of the structural-functional perspective and its view that stratification is functional for society. Conflict/critical theories take a hard look at who benefits from the existing stratification system and how those benefits are perpetuated.

Critical theorists focus on the control that those in the upper levels of the stratification system exercise over culture (Kellner and Lewis 2007; Lash and Lury 2007). In contrast to Marx's emphasis on the economy, they see culture as of utmost importance in the contemporary world. Elites are seen as controlling such important aspects of culture as television and movies, and as seeking to exert increasing control over the internet and such major social networking sites as Facebook and Twitter. Elites use the media to send the kinds of messages that further their control. Furthermore, the amount of time that people lower in the stratification system are led to devote to TV, video games, movies, and the internet is so great that they have little time to mobilize and oppose, let alone overthrow, those in power.

### ASK YOURSELF

**Do you agree with the structural-functional perspective that stratification provides an important function for society? Or do you believe, as conflict/critical theorists do, that stratification exists to perpetuate benefits for the elite and expand their control? Justify your choice.**

## Social Rewards and Status

While critical theorists focus more on culture, conflict theorists are mainly concerned about social structure (Huaco 1966; Tumin 1953). Conflict theorists ridicule the idea that higher-level positions in the social structure would go unfilled were it not for the greater rewards they offer. They ask, for example, whether higher-level positions in the stratification system are less pleasant than those at the lower end of the continuum. Is being a surgeon really less pleasant than being a garbage collector? The argument being made by structural-functionalists seems preposterous to conflict theorists and to many others.

Conflict theorists accept the idea that higher-level positions, such as being a lawyer, may be more difficult than lower-level positions, such as being a garbage collector. However, they wonder whether higher-level positions are always more important. Is a lawyer who engages in shady deals or who defends environmental polluters more important than a garbage collector? In fact, the garbage collector is of great importance to society. Without garbage collectors, diseases that could seriously threaten society would develop and spread.

Conflict theorists also criticize the idea that those at the upper levels of the stratification system require the large rewards offered to them. Many people would be motivated to occupy such positions as CEO of a multinational corporation or hedge fund manager without such extraordinary rewards. Fewer economic rewards for those at the top, and more for those at the bottom, would reduce the economic gap and make for a more equal society. Conflict theorists also argue that providing huge sums of money is not the only way to motivate people to pursue an advanced education or whatever else is necessary to occupy high-ranking positions. For example, the status or prestige associated with those positions would be a strong motivator, as would the power that comes with them. It may even be that economic rewards motivate the wrong people to occupy these positions. That is, perhaps those who are motivated to become surgeons are more interested in maximizing their income than in doing right by their patients. Focusing on the non-monetary rewards associated with making positive contributions to society would likely improve the way in which medicine, law, business, finance, and other high-status occupations function.

## Gender, Race, and Class

Operating from another variant of conflict/critical theory, feminist theorists tend to focus on the issue of stratification in the work world. Because men owned the means of production in the development of capitalism, they gained positions of great power and prestige that yielded major economic rewards (Hartmann 1979). Women, by contrast, were



Despite some notable exceptions, such as Indra Nooyi, CEO of PepsiCo, women are still vastly underrepresented in the executive suite. How does feminist theory explain this imbalance?

relegated to subordinate positions. Over the years, women's position in the U.S. stratification system has improved with the entrance of more women into the workforce and greater legal protections against workplace gender discrimination. There are now many more women in such high-ranking positions as executive, physician, and lawyer. Yet, compared with men overall, women still occupy a subordinate position in the stratification system. They can also find it harder to rise very high in that system.

Feminist theorists have dealt with this issue under the heading of *occupational gender segregation*, or the unequal allocation of occupations to men and women (Reskin 1993). Women have been disadvantaged by occupational gender segregation in various ways. They have tended to get inferior occupational training and therefore to be hired at lower-level, lower-paying positions than men. Women have also tended to be hired, and to remain, in female-dominated occupations. These factors have led women into careers in which they do not rise as high in the employing organization and are not paid as much as men. Women are also likely to confront more problems in the day-to-day operations and procedures of their employing organizations. For example, organizational policies on day care are far more likely to have adverse effects on female employees than on male employees. Further, while males have been advantaged by their ability to engage in overwork and earn extra income (see the previous discussion), females, especially in male-dominated occupations, are likely to be disadvantaged, and even forced to leave the labor force entirely, because of excessive work-related demands (Cha 2013). Such factors are far more likely to impede women's career progress.

While the occupational situation for women has improved in recent years, the occupational world remains segregated on the basis of gender (Gauchat, Kelly, and

Wallace 2012). For example, women face a “motherhood penalty” (Budig, Misra, and Boeckman 2012, 2016; Correll, Benard, and Paik 2007) in the workplace that limits upward mobility among women with children. Mothers seeking jobs are less likely to be hired, are offered lower salaries, and are seen by others as less committed to the workplace. Illustrating how pervasive this penalty is, the wage gap between women without children and mothers is greater than the wage gap between men and women (Boushey 2008; Hausmann, Ganguli, and Viarengo 2009). Even women at the highest levels of the corporate world continue to face barriers unique to their gender. Recent research finds that women tend to boast less about their accomplishments and to give themselves lower self-ratings than do men. This internalized modesty about work performance contributes to lower upward mobility over and above external factors such as the glass ceiling (Hutson 2010; Smith and Huntoon 2014).

## INTER/ACTIONIST THEORIES

From an inter/actionist theory perspective, social stratification is not a function of macro-level structures but of micro-level, individual actions and interactions. While both structural/functional and conflict/critical theorists see stratification as a hierarchical structure, inter/actionists see it as much more of a process or a set of processes. As a process, stratification involves interactions among people in different positions. Those who occupy higher-level positions may try to exert power in their interactions with those below them, but the latter can, and usually do, contest such exertions of power.

To the symbolic interactionist, inequality ultimately depends on face-to-face interaction. It is what happens in face-to-face interaction that leads to inequality. One symbolic interactionist approach identifies four processes that produce and reproduce inequality (Schwalbe et al. 2000). First, the dominant group defines the subordinate group into existence. Second, once in existence, the subordinate group finds ways of adapting to its situation. Third, efforts are made to maintain the boundaries between the two groups. Finally, both groups must manage the emotions associated with their positions in the stratification system. For example, those at the top must not show too much sympathy for those below them, and those at the bottom must not display too much anger toward those above them.

Symbolic interactionists see social stratification as much more fluid than do structural/functional and conflict/critical theorists. While the theories discussed previously focus mainly on economic factors, symbolic interactionists are more concerned about the struggle over things that are symbolically important to those at

various positions in the stratification system. Those in higher-level positions define what they have as of great importance. Those below them may accept that definition and work to gain those symbols. However, the latter can also reject that definition and find or create other symbols that are of importance to them and that serve to elevate them and their positions. For example, those in lower-level positions may reject the long hours and high stress associated with higher-level positions. Instead, they may place a higher value on positions that involve less responsibility and offer more reasonable hours, and therefore more time to enjoy leisure activities.

Ethnomethodologists note that people may exist within a stratified structure, but what really matters is what they *do* within such a structure. As in other aspects of the social world, people use commonsense procedures to operate and make their way in such structures. These procedures are used by elites and the downtrodden alike to “do” their positions in the system. For example, elite members of society are likely to carry themselves with authority and self-importance. In contrast, those at the bottom rungs of the stratification system are more likely to appear overburdened and to slouch throughout the day. In other words, one of the ways in which people do stratification is in their body language.

People can and do use the system of stratification to accomplish their goals. On the one hand, elites may get others to do their bidding merely by acting in ways they think elite members of society should, along with sporting the trappings of their position, such as driving a luxury car. On the other hand, those at the bottom may use their position to extract handouts at street corners or from charitable agencies. Alternatively, they may use their position to obtain loans or scholarships that allow them to move up the stratification system.

Clearly, sociological theory regarding stratification entails a vibrant, ongoing discussion offering a variety of insights and perspectives.

**CHECKPOINT 8.4: THEORIES OF SOCIAL TRENDING: STRATIFICATION**

TYPE OF THEORY	MAIN HYPOTHESIS
Structural/functional theories	All societies need stratification to exist and to function properly.
Conflict/critical theories	Stratified social structures promote inequality and control by those in higher-level positions.
Inter/actionist theories	Social stratification is a function of micro-level individual actions and interactions among people in different positions.

## *Evicted: Poverty and Profit in the American City* (Crown Publishers, 2016)

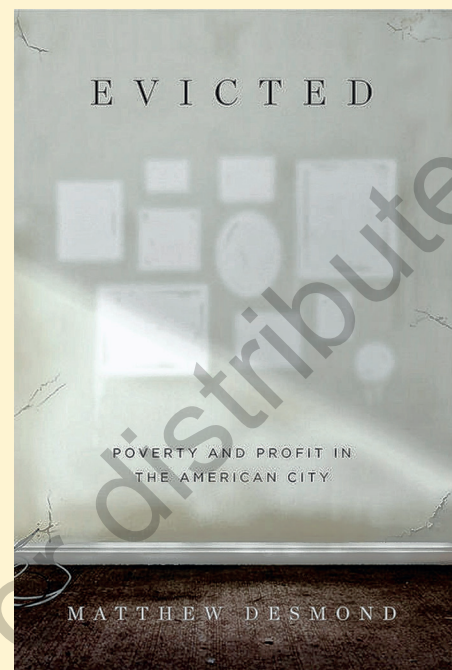
**Matthew Desmond** (John L. Loeb Associate Professor of the Social Sciences at Harvard University; PhD, University of Wisconsin–Madison, 2010)

Lack of access to safe and affordable housing is a serious problem in the United States, especially for poor families who are forced into the private rental market. Though many of us might assume that these families live in public or government-subsidized housing, most (67 percent) receive no federal assistance (Desmond 2016, 303). Matthew Desmond lived in a trailer park on the south side of Milwaukee and a rooming house on the north side of the city to better understand the relationship between renters who live at or below the poverty line and their landlords. He discovered that landlords can make a substantial profit from impoverished renters. Landlords hold considerable power over their poor tenants, charging them high rents for properties that have broken toilets or are infested with cockroaches. Tenants are reluctant to complain, because they fear that if they do, they will then be evicted. Even if they do not complain, millions of families across the country are evicted every year because they do not have enough income to make their rent payments on time.

Once a person is evicted, it can be difficult to find a new place to live; many landlords refuse to rent to someone with an eviction record, deeming it too risky.

The feminization of poverty is evident in Desmond's study: Women

of color and their children are most likely to be evicted. But they are not alone. Whites, the elderly, widowers, people with physical and mental disabilities, and those addicted to opioids join their ranks. Many of these poor renters spend up to 70 or 80 percent of their income on housing, so they have little left for food, clothing, or utilities. The few personal possessions they do own are often lost when they are evicted—unless they can afford to put them in storage until they find new housing. In terms of stratified consumption, Desmond describes how landlords judge their tenants in terms of their personal possessions. If a tenant who is behind on her rent buys herself a new pair of shoes, the landlord might feel slighted and demand that the rent be paid immediately or threaten eviction. Tenants, however, also judge their landlords this way. A landlord who drives around in an expensive truck or wears what they consider to be too much jewelry might be viewed as greedy and not in need of rent payments. Yet landlords can also be generous, purchasing groceries for their tenants or letting them miss rent payments for a few months. This generosity, however, is mitigated by tenants enduring substandard housing, living in dangerous neighborhoods, and, most



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important, eventually paying their late rent. In sum, impoverished renters suffer from a variety of injustices because of a lack of affordable, quality housing in the United States.

### Supplementary Resources

- You can watch Desmond discuss *Evicted* on C-SPAN BookTV at <https://www.c-span.org/video/?405981-1/evicted>.
- Sociologist Barbara Ehrenreich explains the social significance of *Evicted* in her book review that appeared in *The New York Times*: [http://www.nytimes.com/2016/02/28/books/review/matthew-desmonds-evicted-poverty-and-profit-in-the-american-city.html?\\_r=0](http://www.nytimes.com/2016/02/28/books/review/matthew-desmonds-evicted-poverty-and-profit-in-the-american-city.html?_r=0).



## CONSUMPTION AND SOCIAL STRATIFICATION

Much of this chapter relates to issues of production and work, but social stratification is also related to consumption in various ways. For one thing, different positions in the stratification system involve differences in consumption. Most obviously, those in the upper classes are able to afford to consume products (such as yachts, Maserati automobiles, and Dom Pérignon champagne) and services (such as those provided by maids, chefs, and chauffeurs) that those in the middle and especially the lower classes cannot even contemplate. For another, the nature of consumption itself forms a stratification system. The consumption of certain sorts of things accords a higher position than does consumption of other kinds of things.

### STRATIFIED CONSUMPTION

In addition to the class differences on cruise ships discussed previously, fashion is a good example of a stratified form of consumption. Georg Simmel ([1904] 1971) argued that those in higher levels of the stratification system continually seek to distinguish their consumption from that of those below them. This is evident in the realm of fashion, where the elites adopt new fashions, thereby displaying that they can afford the latest styles. However, elites soon find that those below



Kim Kardashian West epitomized the concept of conspicuous consumption when she carried a Hermès bag worth \$120,000 to a casual lunch.

them have copied their fashions with cheaper, if not cheap, imitations. Thus, fashion, as well as other choices by elites, has a tendency to “trickle down” the social stratification ladder to the middle and eventually the lower classes. To distinguish themselves from the masses, elites must continually move on to new and different fashions. This phenomenon most obviously applies to fashions in clothing, but there are fashions in many other things as well, such as cars, homes, vacations, and even ideas (Lipovetsky [1987] 2002, 2005).

### ASK YOURSELF

Do you think Simmel’s concept of trickle-down fashion or Veblen’s notion of conspicuous consumption is a more accurate description of the relationship between consumption and social stratification? Why? Can you provide examples to support your answer?

Simmel’s contemporary Thorstein Veblen ([1899] 1994) also theorized about stratification and consumption. In Veblen’s view, the elite members of society want to be “conspicuous.” In the past, they had been conspicuous about their accomplishments in the work world, but over time, these feats became less and less visible as they came to be concealed by the walls of factories and office buildings. As a result, elites shifted more toward *conspicuous consumption*, wanting others to see what they were able to consume, especially those things that served to differentiate them from those in lower social classes (see Chapter 2). Thus, their money came to be invested in mansions, fancy furnishings, fine riding horses, expensive automobiles, designer dresses, and exquisite jewelry, because such things can easily be seen and admired by others.

This is a key difference between Simmel’s and Veblen’s theories. Simmel’s concept of trickle-down fashion assumes that the middle and lower classes will, in a sense, copy the consumption patterns of the elite. In contrast, Veblen believed that because the things that the elite consume are very expensive, their consumption patterns cannot be copied so easily by those who rank lower in the stratification system. Therefore, elite status is expressed and solidified through conspicuous consumption. What appears to involve unnecessary expense has a payoff in supporting and enhancing the status of elites. In fact, in Veblen’s view, the factor that distinguishes elites from others is their ability to engage in wasteful consumption.

### SOCIAL CLASS AND TASTE

A person’s taste in consumption also helps indicate the social class to which that person belongs. For example, if you read the *New York Times* (whether online or in hard copy), you are likely to be classified as being in the middle or upper class.

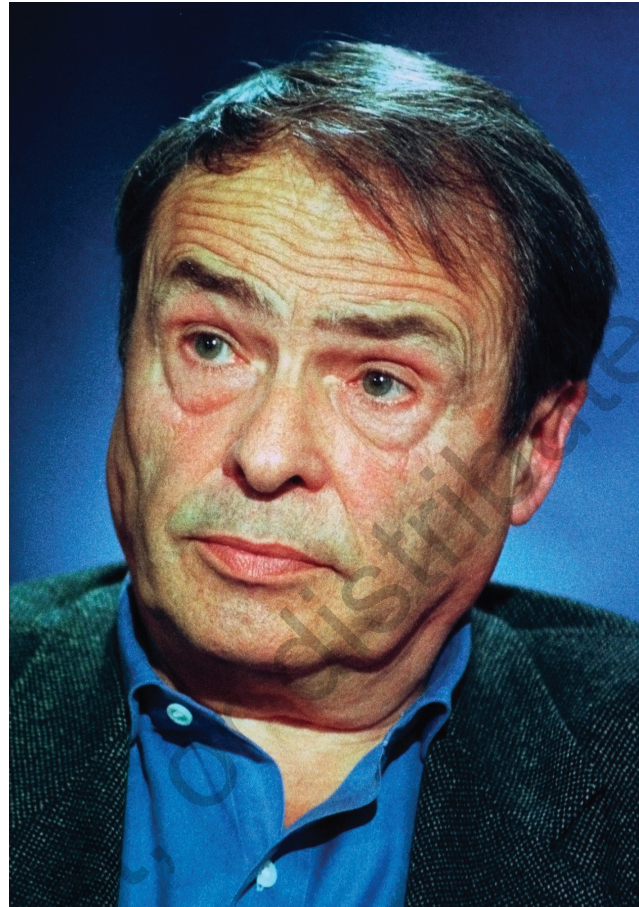
However, if you read *USA Today* or don't follow the news at all, you would be classified by most as standing lower in the stratification system. While taste can be demonstrated in the purchase and display of expensive consumer goods, it also can be shown much more subtly in the way in which one talks, the kind of music one listens to, and the books one reads. Good taste in these and other areas demonstrates and enhances the position of elite members of society. It supposedly shows that they have good breeding, come from a good family, and have a good education, and especially that they value things according to their merit and not simply because of how much they cost. Those without such taste, who have a taste for the necessary rather than the good taste of elites (Holt 2007)—in music, for example (Prior 2011)—are likely to be relegated to the lower reaches of the stratification system.

Taste must be considered not only in terms of how others classify you but also in terms of how you classify yourself through your demonstration of taste, lack of taste, or, more extremely, tastelessness. For example, at a formal business luncheon, wearing a conservative suit would show good taste, while wearing either a tuxedo or a sports jacket would show a lack of taste; being either over- or underdressed demonstrates a lack of taste regarding appropriate attire. A T-shirt and jeans would be considered completely tasteless for such an occasion and might result in your losing a business opportunity. Demonstrations of taste or tastelessness are not simply indications of individuality but also indications of linkages to the larger social world, especially the social class system.

### The Quest for Distinction

Both Simmel and Veblen focus on the economic aspects of consumption, but a more contemporary sociologist, Pierre Bourdieu (1930–2002; 1984; Bennett et al. 2009), adds a cultural dimension to the analysis of consumption and stratification. What animates Bourdieu's work is the idea of **distinction**, the need to distinguish oneself from others. Both Simmel and Veblen address the desire of elites to distinguish their superior economic position through the wasteful things it enables them to buy. An example would be, as discussed previously, paying \$30,000 per week for a suite on cruise ship that offers perfectly nice cabins for \$4,000 and that takes everyone to the same ports of call. Although Bourdieu, too, recognizes the economic factors involved, Bourdieu adds the more cultural dimension of taste to the analysis of consumption and stratification (Gronow 2007; Marsh 2012). That is, elites seek to distinguish themselves from others by their good taste. With members of the lower classes constantly imitating the tastes of the upper classes, the latter are continually forced to find new ways to achieve distinction. In other words, in Bourdieu's view, in order to achieve distinction, elites are forced to become ever more refined, sophisticated, and exclusive in their tastes.

Perhaps the most important aspect of this work on distinction and taste is that it is closely related to struggles for



Pierre Bourdieu was a major intellectual figure of the twentieth century. His research in part focused on people's practices and developing theory related to those practices, which reflected some Marxist ideas that Bourdieu rejected early in his career but continued to express in his work. For instance, among his contributions is the idea that society's elites define high and low culture because they have won a power struggle with the masses.

power and position within the stratification system. On the one hand, elites use culture to obtain and maintain their position. They might do this by focusing on high culture, such as opera or art (see Chapter 4). Such taste helps elites gain high-level positions in the stratification system and make those below them accept their lesser positions in that system. The focus of elites on high culture serves to exclude the lower classes from higher-level positions in the stratification system by discouraging them from even thinking of trying to move into those positions. Even those from the lower classes who manage to acquire considerable wealth are often not likely to have or to develop the level of cultural sophistication needed to appreciate something like ballet. Like Marxian theorists, Bourdieu and his followers see the stratification system as an arena of ongoing struggle. However, while Marxists tend to see this as largely an economic struggle, Bourdieu sees it as a cultural struggle, although he certainly recognizes its economic aspects.

## Elites as Cultural Omnivores

The idea of *cultural omnivores* (Katz-Gerro and Jaeger 2013; Peterson and Kern 1996) offers a very different view of the relationship among social class, consumption, and taste. From this perspective, elites are not seen as refined and exclusive in their tastes; they are not viewed as “snobs.” Rather, they are seen as having very diverse tastes, ranging from those that are highly refined to those that are unrefined, even coarse. Their tastes are not exclusive but rather wide-ranging and inclusive. In other words, elites are omnivores who appreciate all sorts of things. Thus, elites might attend both the opera and kickboxing matches, might download highbrow books on their Kindles as well as pornography on their hard drives, and might buy both opera arias and country and western music from iTunes. In contrast, those in lower classes have been seen as having more limited tastes, which might be more oriented toward kickboxing, pornography, and country and western music; in other words, those in the lower classes are less likely to be omnivores. However, this is likely changing dramatically, as the lower classes, and non-elites more generally, are gaining access to much more highbrow (as well as lowbrow) culture on the internet. Similarly, elites have greater access to lowbrow (and highbrow) culture online than ever before.

Another example of the amalgamation of high and low culture is found in “fast fashion,” a retailing strategy led by such Europe-based firms as H&M and Zara. Although they have become global firms, these brands are rooted in Europe because the fashion capitals of the world, the centers of expensive haute couture (high fashion), are there—in particular, Paris and Milan (Lipovetsky [1987] 2002). This is important because the styles of fast-fashion firms are heavily influenced by the creations of

the world’s great fashion houses. As soon as these creations are shown, they are quickly copied (Steele 2011), produced (Menkes 2008), and shipped rapidly around the world by the fast-fashion firms (Joy et al. 2012). The copies created by the fast-fashion companies are helping erode the difference between stratified tastes.

As we have seen, there are several contrasting views on the social stratification of consumption—on why people at various levels of society consume what they do. The overriding point, however, is that many people in the world, especially in the United States, are enmeshed in consumer culture. Whether we buy tickets to the ballet or a kickboxing match, we are participating in a highly stratified consumer culture.

CHECKPOINT 8.5: STRATIFIED CONSUMPTION	
FORM OF STRATIFIED CONSUMPTION	DESCRIPTION
Trickle-down theory	Elites adopt a fashion that is copied by the classes below them, prompting elites to adopt a new fashion so that they can differentiate themselves.
Conspicuous consumption	Elites display their wealth and class position through consumer goods.
Distinction	Elites distinguish themselves from others by their cultural tastes.
Cultural omnivores	Elites possess a wide variety of tastes, not just refined ones.

## SUMMARY

Social stratification results in hierarchical differences and inequalities. Three important dimensions of stratification are social class, status, and power. In the money-based stratification system in the United States, wealth and income are the main determinants of social class. Since the 1970s, the United States has experienced increasing income inequality. However, the greatest economic differences in U.S. society are due to differences in wealth. People with great wealth often have high class, status, and power and can usually pass most of these advantages to future generations. Those who have little have a difficult time amassing their own wealth. The middle class in the United States has declined in recent decades, leaving a large hole in the stratification system between the lower and the upper classes. In the United States, the measure of absolute poverty is the poverty line, the level of income that people are thought to need in order to survive in our society. Members of minority groups, women, and children are overrepresented among the poor.

While individuals in the United States have generally experienced intergenerational upward mobility, it seems likely that young people in the twenty-first century will experience more downward mobility. Sociologists are also concerned about structural mobility, or changes in the occupational structure.

Structural-functional theories of stratification argue that societies need a system of stratification in order to function properly. Conflict theorists challenge this assumption, particularly the idea that positions at the higher end of the stratification system are always more important. Finally, symbolic interactionists view stratification as a process or set of interactions among people in different positions.

Social stratification is related to consumption in a number of ways. Those in the higher classes can afford expensive items that those in the lower classes cannot. Elites use their patterns of consumption to distinguish themselves, sometimes conspicuously, from those beneath them.

## KEY TERMS

absolute poverty, 217  
achievement, 222  
ascription, 222  
distinction, 228  
feminization of  
poverty, 219

horizontal mobility, 221  
income, 207  
inequality, 206  
intergenerational  
mobility, 221  
occupational mobility, 221

poverty line, 217  
power, 205  
relative poverty, 217  
social class, 204  
social mobility, 220  
social stratification, 204

status consistency, 206  
status inconsistency, 206  
structural mobility, 221  
symbolic exchange, 207  
vertical mobility, 221  
wealth, 207

## REVIEW QUESTIONS

1. According to Max Weber, what are the various dimensions of social stratification? What are some examples of people who rank high on each of these dimensions? Other than the examples discussed in the chapter, can you identify individuals who are status-inconsistent?
2. How does the system of social stratification in the United States differ from the symbolic exchange system of stratification discussed by Jean Baudrillard? How are the two systems of social stratification related to values in society?
3. What is the difference between income and wealth? Which is more important to explaining the differences between the haves and the have-nots? Why?
4. How has inequality in the United States changed since the 1970s? In what ways are the explanations for these trends related to globalization?
5. What has happened to the U.S. middle class in recent decades? What accounts for the change?
6. What are the differences between absolute and relative poverty? How can we use inter/actionist theories to understand relative poverty?
7. What do we mean when we refer to the feminization of poverty? What factors help explain the position of women in the system of social stratification?
8. How has the nature of individual social mobility in the United States changed since the 1900s, and in what ways are these changes related to structural mobility?
9. According to structural-functional theories, how is inequality beneficial to society? How can the income and wealth of celebrities and sports stars be used as a criticism of this model?
10. How does access to the internet and new technologies relate to the system of stratification? How can the internet be used to alter the system of stratification?

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