

America in Flux: New Evidence About Our Changing Society

Bad news travels faster than good news. It gets repeated more often. For fifteen years, an increasingly popular theme for those who write about current trends is that America is in decline, perhaps in rapid decline. Every year, one or two books receive great attention for a new or variant interpretation describing how social and economic trends are weakening this country.

Censuses are cameras that capture and freeze-frame a history. They were used primarily to calculate how many men could be mobilized for war or how much property a new king might tax. The counting of the Israelites that Moses decreed the second year after the Exodus from Egypt gives us the *Book of Numbers*, and the gospel of Luke informs us that Christ was born in Bethlehem because of Caesar Augustus' decree that all persons be taxed in their home cities. The United States is different. With great ingenuity, the framers of our Constitution decided that population size would determine democratic representation in the United States: Article I mandates that Congress carry out an enumeration every ten years. Thus, we are the only nation in the world with a history of twenty-one consecutive censuses.

The censuses provide us with the basic data we need for our system of representative democracy. But since the early 1800s they have been much more than mere head counts, thanks to Thomas Jefferson's suggestion that censuses be used to gauge the state of our union. They are the primary sources of information about ourselves, our jobs and earnings, our prosperity or poverty, where we live and with whom, what kinds of homes we own or apartments we rent, our skin color, the languages we speak, and our ethnic roots. They reveal social and economic trends in a uniquely rich and detailed manner. The 1990 census and many surveys conducted more recently tell us how people are now adapting—some with great success and others not well at all—to the massive social and economic trends that will make the

United States in 2000 extremely different from what it was in generations past. And by informing us about where we as a nation are today and how we got here, censuses supply the crucial information we need if we are to continue our efforts to reduce poverty, to increase the productivity of our work force, to eradicate crime, and to provide equal opportunities for women, for African Americans, and for the Native Americans who were here long before Leif Eriksson, Christopher Columbus, Henry Hudson, and Giovanni Verrazano sailed west from Europe.

Just a little more than a generation ago, in the 1950s, a young white man with a high school education, a strong back, and a dedication to hard work could likely find a good blue-collar job with a prosperous manufacturing firm, a job with comprehensive fringe benefits, including health insurance and a pension program. He knew that if he came to work regularly and pleased his boss, his wages would rise year after year. He most likely had a union to protect his interests, a union strong enough to shut down his plant if wage increases were meager. He could afford to marry while he was in his early twenties and could buy a starter home in the suburbs before he reached thirty. Although some women in the high school graduating classes of the 1950s attended college, most did not. Rather, they married before they were old enough to vote or drink liquor. Divorces occurred, but they were rare, and women expected that their husbands would remain with them and support them while they stayed at home taking care of the three or even four children they had while they were still in their twenties. Many white women held jobs in that brief interval between the completion of school and marriage, but few did so when they were caring for young children. It was unusual for couples to live together before their weddings, and childbearing by single white women was very rare. Some women did get pregnant while single, but most of them married quickly because childbearing by single women was unacceptable, and men knew that if they impregnated a woman, they would be obligated to marry her. Women had few occupational choices, so one aspiring to serve in Congress, become a military officer, a corporate executive, or an advocate for equal rights for women was an oddity.

It is a very different nation in the 1990s. A young man graduating from high school with a dedication to work and a strong back may find an attractive job with good benefits, but the odds are not in his favor. If he is successful in locating work, the job will pay about 25 percent less—adjusted for inflation—than did a similar job twenty

years ago, and seldom will there be an effective union demanding annual pay increases. A young woman might marry her high school sweetheart right after graduation but, if she does, she knows that their chances for a home in the suburbs and middle-class prosperity are slim unless both of them work full-time and at least one of them gets specialized training in college. Since more than one-half of recent marriages end in divorce, a realistic young married woman must plan for the possibility that, by her thirties, she will be heading her own family with a child or two.

Young people have adjusted to these pervasive changes. They now stay in school longer, improving their chances for employment, and typically they delay their marriages until they are much older. And a growing proportion apparently will not marry at all. Compared to their peers of a generation ago, young people are having few children. Other changes provide young people with possibilities unknown—almost unthought of—four decades ago. Much progress has been made in expanding opportunities for women. As recently as the 1970s, just a handful of women earned advanced degrees in medicine, law, and business administration. Now, thousands do every year, and not just the top-ranking professions are undergoing this shift. Women are now pursuing many occupations; for example, as telephone linemen, bartenders, or police officers. Many of the barriers facing blacks also have been lowered or eliminated, producing substantial increases in black political power and a modestly growing African American middle class.

New Social Values

During the last third of the twentieth century, our population participated in major changes in social values dating from the 1960s and dramatic economic shifts dating from the 1970s. Why have these changes occurred? Will these trends continue or will there be a shift back to the lifestyles of the post-World War II era? Let's consider the social values first. Three long-term trends culminated in major turning points in the 1960s. First, there was the civil rights revolution. Although many organizations, such as the National Association for the Advancement of Colored People (NAACP), sued for equal opportunities for blacks, the system of racial segregation that evolved from slavery and was ratified by federal courts in the late nineteenth century continued to thrive after World War II. We defended our democracy

and defeated both German and Japanese dictators with strictly segregated, or Jim Crow, armed forces. During and after that war, blacks migrated to the North where there were no *official* segregation laws but where there were neighborhood, school, and job segregation patterns akin to those of the South. Jim Crow had moved North just as rapidly as did African Americans.

This was challenged after World War II. Dr. Martin Luther King Jr. led an effective movement, capped by the historic March on Washington in August 1963. The next year, Congress enacted and President Johnson signed one of the most important laws of this century: the Civil Rights Act of 1964. Twelve months later, after bloody marches in Selma, Alabama, caused three deaths, Congress passed the Voting Rights Act—a law that finally made the Fifteenth Amendment operative in all fifty states. Following the murder of Dr. King in April 1968, Congress approved the third major civil rights act of that decade—the Fair Housing Law, banning racial discrimination in the sale or rental of housing. White Americans who had accepted a system of racial stratification based on white dominance and black subordination came to endorse principles of racial equity and nondiscrimination.

Blacks and whites have not achieved equality of status nor has racial discrimination disappeared. However, there is no longer social support for those blatant practices of racial discrimination that kept our sports teams all white, that kept blacks home on election day, that steered black women to domestic service and black men to manual labor, and that kept Rosa Parks in the back of the bus until that fateful December 1, 1955. By 1995, forty African-Americans served in Congress, four were selected by President Clinton for his cabinet, two have served on the Supreme Court, and one was appointed the nation's highest military officer. While blacks still have extremely high poverty and unemployment rates compared to whites, opportunities for recent generations are much improved and, in all major metropolises, there are now moderate-to-large middle-class black communities.

The second long-term trend concerns society's views about careers for women. The employment of mothers has changed dramatically since the 1960s. When urban jobs replaced farming and when industrial work became the standard for men, our society reached a consensus that the welfare of children was best served if mothers maintained the home and raised the family while men worked outside the home for pay. A woman might work before marriage or even before the birth of her first child, but most employers fired women when they married or became mothers. No federal law prevented such practices but, more importantly, few women—or men—challenged this pervasive and

widely enforced norm. Women who invested in higher educations benefited, not so much because their own earnings were great, but rather because they married college-educated men with high earnings. This changed. Women born in the baby boom breached those traditions: they continued their schooling and then began their careers, careers that increasingly resembled those of their brothers and fathers. Betty Friedan, in *The Feminine Mystique* (1963), challenged the traditional values that stressed that men should achieve in their occupational careers while women, even highly educated women, contentedly raised their children, aided their husband's careers, and maintained their homes. And then, in a surprising development, women in the House of Representatives successfully amended Title VII of the Civil Rights Act of 1964 to ban discrimination on the basis of either race or *gender* in the labor market. In important ways, the 1960s were the years when doors began to open, eventually permitting women to pursue occupational achievements in much the same way as men did. Now women benefit more directly from their investments in advanced education.

The third major change in social values dating from the 1960s is the sexual revolution. No accurate survey tells us what sexual practices had been in the past, so it is difficult to measure the extent of the changes. Perhaps the sexual revolution is an overstatement, but there have been great symbolic changes. Historically, many state laws sought to limit sexual activity to married heterosexual adults. Many of these were removed from the law books in the 1960s or 1970s. Sexual practices among consenting adults became a private matter much less subject to state regulation. But changes in laws are not necessarily changes in practices. Attitude studies suggest that there has been no large-scale shift toward approval of either extramarital sex or homosexuality. Current surveys of adults find overwhelming condemnation of such sexual activity. So we did not, in fact, shift from Victorian sexual mores to an era of "free love," as one might have inferred from the Woodstock celebration in 1969.

There have been, however, two areas of major change: premarital sex and divorce. Presumably most of those who married in the years after World War II had sex only after marriage or shortly before. This is much less likely today. The age at marriage has risen, and old laws prohibiting birth control were overturned. In the 1960s oral contraceptives and intrauterine devices gave women more effective control over when they could get pregnant and how often. Many young people are now sexually active long before they marry, often involving several partners. There was basically one template for young people

graduating from school in the late 1940s or 1950: marry, settle down with the husband as the earner and the wife as the homemaker, and then raise a family, a large family by today's standards. Now young people have many options. A few still marry early, but increasingly they postpone marriage until their late twenties and then both partners work full-time. In the 1980s, cohabitation—although still not common—occurred frequently as a precursor to marriage: it may, in the 1990s, become something of a substitute for marriage.

Consider, too, how values have changed about our personal freedoms regarding living arrangements. Most parents in the 1940s or 1950s would have been upset to find their daughter living with a man as she completed her education or began her career. Now, such living arrangements are widely accepted, though many parents still object. Undoubtedly, in the past, many school boards would have fired a teacher found to be living with an unmarried partner of the opposite sex or known to be in a homosexual living arrangement. Such teachers would probably not be fired today. Indeed, in most circumstances it is not only inappropriate to ask about an employee's personal life style, it is illegal.

While we really do not know for sure how much sexual practices have changed, we know a great deal about long-term trends in the divorce rate. Divorce was rare among couples marrying in the last century, but it has increased steadily since the early decades of this one. Then, between the 1960s and the 1970s, the divorce rate took a one-time quantum jump and remains at an elevated level to this day. Perhaps there are more "bad marriages" or inappropriate partners now than there used to be, but this seems unlikely. Certainly, people are not "rushing" into early marriages the way they did some years ago. More likely, society's views and norms about the importance of personal fulfillment have changed, offering married couples more options when they are unhappy with their unions. Divorce is a more attractive, feasible, and approved alternative than it was in the post-World War II era, even when children are involved. Consequently, only a minority of children will live with both their parents until they graduate from high school. Most will spend some time with just one parent.

Changes in our Economy

The story of the last few decades would be extremely interesting if the only changes in our values had been about racial discrimination, the appropriateness of mothers working and women pursuing careers, and

personal sexuality. But there is more. The 1960s were years of social change; the 1970s were years of economic change. In 1973, finance ministers of the oil-producing countries curtailed the export of their product to the West, greatly increasing prices. Shocked Americans watched the cost of their gasoline soar from less than 30 cents a gallon to a dollar and a quarter. This dramatic and totally unexpected jump in energy costs demarcates two extremely different economic eras.

From the start of the buildup of the nation's defense industry for World War II until the early 1970s, our economy prospered. American manufacturers dominated world markets; economic growth was steady, consistent, and prolonged; rates of inflation were low; interest rates were moderate; and, for the most part, unemployment was low. The result was the burgeoning growth of the modern American middle class. During the Depression era and for decades before, our nation's population was overwhelmingly working class or poor. In 1940 just 12 percent of the nation's population lived in households with incomes more than twice the poverty line. But consistent increases in the wages of men from the 1940s through the 1970s brought a majority of whites, for the first time, into the middle economic classes. By the early 1970s more than 70 percent lived in households with incomes at least twice the poverty line. These economic gains allowed men to marry early and support rather large families on the basis of their own earnings.

Two additional changes expanded the middle class both symbolically and economically. The nation invaded and conquered a crabgrass frontier after World War II. With the help of government loans, millions of lower- and moderate-income families could buy attractive suburban homes—so long as they were white. And the occupational structure shifted first from agricultural to blue collar, and then gradually to white collar. An important component of this process was the ability of our economy to shift millions of unskilled or moderately skilled workers from the agricultural sector to higher paying jobs in manufacturing industries, construction, and transportation.

Economic trends since 1973 are very different and certainly not all bleak. There has been a rise in income and, by almost all indicators, we are now a more prosperous and richer nation working at better jobs. But these new trends differ fundamentally from those of the earlier era. There have been major shifts in who does very well and who just hangs on, and the gap between those at the top and those at the bottom of the economic ladder is much bigger. We have had several recessions and during one of them—that of 1981–82—

the unemployment rate reached a post-Depression peak. Interest rates climbed so high in the late 1970s that new home building and factory construction virtually came to a halt. Foreign producers invaded domestic markets, and our trade balance with the rest of the world, which had been strongly positive, became negative as we bought Japanese cars rather than cars built in Flint or Detroit.

The 1980s saw a thorough restructuring of manufacturing. Inefficient plants were closed, production was shifted to low-wage areas of the United States or abroad, and manufacturing processes were redesigned, eliminating many blue-collar and supervisory jobs. Simultaneously, consumer spending shifted from manufactured goods toward services. A dramatic example of this is the rising share of national income devoted to health care services: in 1960, 8 percent of personal expenditures went to health care; by 1995, they consumed 15 percent. The outcome has been fewer employment opportunities and lower wages for men with less than college educations, somewhat improved employment opportunities and wages for women at most educational levels, no growth of the middle class, and—by almost all economic markers—a widening of the gap between the have's and have not's.

America in Decline

Bad news travels faster than good news and gets repeated more often. For fifteen years an increasingly popular theme for those who write about current trends is that America is in decline, perhaps in rapid decline. Every year one or two books receive great attention for a new or variant interpretation describing how social and economic trends are weakening this country. Authors disagree about what forces are driving the trends or what should be done to correct the problems, but there seems to be a consensus that something is quite wrong now, something that was not so wrong thirty years ago. It is extremely important to get the story correct if we are to understand what has been happening, what is likely to occur in the future, and what we might do to produce favorable outcomes. The census, and similar studies of our population, provide us with the information we require.

Let's review the major themes that come up frequently in the "America in decline" arguments. First, there is the idea that the economy is failing to provide the jobs that sustain the middle class, and that no simple changes will get the economy back on track. Barry Bluestone and Bennett Harrison were among the first to write in this

vein in *The Deindustrialization of America*, published in 1982. Using data from the late 1970s and early 1980s, they argued that this nation was losing the good blue-collar jobs that kept the middle classes economically solvent. In dozens of tables and vivid descriptions, they pointed out that manufacturing plants had been closed and jobs eliminated, producing economic havoc for men who had worked diligently for years and for the wives and children they supported. Bluestone and Harrison noted that long-term economic trends, such as emphasis on greater labor productivity, were producing these changes, but they stressed that political and entrepreneurial decisions of the early 1980s hastened this process. Indeed, they laid much of the blame for America's decline on tax policies that allowed owners to close plants or shift production outside the country without providing severance pay or other benefits to their long-term employees who found themselves unemployed. In Bluestone and Harrison's view, policies of the 1980s encouraged rapacious Wall Street speculators to use innovative financial procedures to buy profitable manufacturing firms, loot their net worth, and then let them go out of business, resulting in great gains for speculators, investors, and their lawyers, but unemployment for blue-collar workers.

Six years later, the same authors returned to this subject with a new interpretation in *The Great U-Turn* (1988). They reemphasized many of their earlier themes: the disappearance of many good jobs and the federal government's policies in the 1980s that encouraged modern capitalists to make great profits through paper transactions by buying out firms and then liquidating them. However, their second book was published at the end of the decade, so they had to explain the sustained growth of employment in that decade, a growth of jobs that distinguished the United States from Western European nations where job growth lagged and unemployment soared. They stressed two themes: first, that while numerous jobs were created, many of them were "bad" jobs, paying much less than the desirable manufacturing jobs that disappeared; and second, that as a result of this labor market trend, economic polarization was occurring. The United States, they argued, was dividing into two classes: a prosperous elite and a growing population of employed persons whose modest and uncertain earnings left them just above the poverty line. As they put it, the economic trends of the 1980s produced a great hollowing out of the middle class. A variety of causes were cited, the most important being the economic policies of the Reagan administration.

An updated version of this economic polarization thesis appears

in *America: What Went Wrong*, by Donald Bartlett and James Steele (1992). In a colorful and dramatic manner, they argue that the economic policies of the 1980s channeled great wealth to the economic elite while dismantling the middle class. Chapter after chapter reports the story of ambitious and unscrupulous corporate raiders, accompanied by their legions of affluent lawyers, accountants, and financial consultants who acquired prosperous manufacturing firms using leveraged buyouts, junk bonds, and other innovative strategies. Once in control, these raiders restructured the firms' employment and used up their financial reserves. The result was fewer jobs and smaller paychecks for those who remained on the payroll, along with cuts in pensions or health benefits for former employees.

Although the approach and style are entirely different, an equally pessimistic view of recent economic trends was presented by Paul Krugman in his widely read *The Age of Diminished Expectations: U.S. Economic Policy in the 1990s* (1994). Rather than solely blaming greedy capitalists or short-sighted Washington politicians, he stressed long-term changes that made the economy perform differently in the 1980s, including the drive for greater labor productivity, the slow improvement in the quality of the labor force, and the rise of effective international competition. In his view, no single culprit explained the declining performance of our economy, although the deficit spending of the Reagan era hastened the shift from a steady economic growth that provided benefits to many Americans to an economic growth that benefited a smaller share, primarily those toward the top of the income and educational distributions. Pessimistically, Krugman tells us that most proposed changes, such as cutting the trade deficit or reducing unemployment to a low level, will not have the beneficial effects we anticipate. Our hopes for the future should be modest: we live in a time when diminished expectations are realistic.

An even gloomier perspective is offered by Benjamin Friedman (1988) in *Day of Reckoning: The Consequences of American Economic Policy*. The lackluster economic performance of the last fifteen years, in his judgment, results directly from the deficit spending of the Reagan years, spending that created such a tremendous burden that it stunts economic growth now and into the future. It also, he speculates, leads to unfortunate shifts in our social values since individuals seek to maximize their own short-run economic interests instead of considering the well-being of the entire society. Until we make drastic changes, such as greatly reduced government spending or much higher taxes to pay off the huge debts incurred in the 1980s, our

economy seems destined to lurch along in a manner quite unlike the sustained growth of the post–World War II era.

Economists in the 1990s continue to offer new perspectives about how present trends are less favorable than those of the past. Robert Frank and Philip Cook (1995) argue that labor markets are now operating differently, perhaps because of a worldwide demand for the most highly skilled talents. They believe we have entered a “winner take all” society in which the most successful end up with great incomes separating them from the many who tried but lost. Jeffery Madrick presents a pessimistic view in *The End of Affluence: The Causes and Consequences of America’s Economic Decline* (1995). From the late nineteenth century through the early 1970s, he observes, the American economy grew at an average rate of above 3 percent annually, despite the Great Depression of the 1930s. But the highly favorable domestic and international conditions that produced such steady and rapid economic growth have disappeared. Thus we have, and will continue to have, an economy that grows at a rate closer to 2 percent annually, meaning that fewer will enter the middle class or remain there.

A second theme is that America’s political system is no longer capable of solving the nation’s problems, hence, America is in decline. Kevin Phillips (1990, 1993) argues that the Republican Party had a golden opportunity to solidify its base because the traditional coalition supporting the Democratic Party fell apart during President Johnson’s term. Democrats once capitalized upon the common interests of blue-collar unionized workers; white ethnic groups, many of whom lived in central cities; and racial minorities who fought for civil rights. But this coalition did not survive the 1960s since union strength declined with the upgrading of occupations and since ethnic identity waned as whites moved to the suburbs, intermarried with other ethnicities, and thereby lost their ethnic roots. Controversies over rights for African Americans, particularly busing for school integration, affirmative action in employment, and crackdowns on discrimination in the housing market, made the Democratic Party unattractive to much of the white middle class. For the Republicans to become the dominant party, they needed to expand their base of support to include the middle class—an effort that President Nixon earnestly pursued early in his ill-fated administration. His resignation and macroeconomic trends beyond his control brought this Republican effort to an end.

In the 1980s the Republicans had another golden opportunity but, in Phillips’s view, they were again unsuccessful in capturing the alle-

giance of the middle class. Why? Primarily because the economic policies of the 1980s simultaneously produced “billionaires” and the “homeless.” Phillips’s books stress the decline of the middle class in the 1980s, while the upper and lower tails of the income distribution grew rapidly. The result, he suggests, was not only an uncertain future for the Republican Party but the disappearance of optimism from our society. These changes, he contends, gave the nation a dour mood, maybe even a mean-spirited one, since there seems to be no feasible strategy to bring back the steady economic growth that created and sustained the middle class.

This theme is reiterated from a different perspective by Thomas Edsall (1984) in his *The New Politics of Inequality*. The declining strength of unions, the breakup of the once formidable coalition of ethnic whites and racial minorities supporting the Democratic Party, and rapid growth at the top end of the income distribution imply that political as well as economic power is increasingly concentrated in the hands of an economic elite. The power of the working class and the lower middle class to protect their own interests in the political arena waned in the 1980s, thereby transferring great political clout to the economic elite.

Stanley Greenberg (1995), President Clinton’s pollster in the 1992 campaign, offers a similar but updated interpretation of events in *Middle Class Dreams: The Politics and Power of the New American Majority*. Once-stable, middle-class Americans now feel threatened by new economic trends, but find no solutions in the policies of either party. The Democrats are widely seen as taxing the middle class to provide welfare checks to blacks and “the undeserving poor,” while Republican policies seem to benefit the rich at the expense of the middle class. In his view, both major parties have “crashed” because they cannot get the economy back to the type of growth we had for twenty-five years after World War II. The future appears bleak for them but offers an opening for third-party candidates who effectively stress that they are neither Republicans or Democrats.

A third theme in the America in decline literature describes the personal ennui of many middle-class Americans and those aspiring to middle-class status. Katherine Newman used the perspectives and tools of an anthropologist to enumerate some important changes. In her first book, *Falling from Grace: The Experience of Downward Mobility in the American Middle Class* (1988), she reported that many young couples who started their adult careers solidly in the middle classes in the 1970s unexpectedly found themselves slipping lower as they

got older. Men who began as white-collar managers discovered by their late thirties or forties that they lacked the advanced skills or technological training needed to move into the high-paying jobs they anticipated. Firms urged them to leave by making it clear that they had no future there or just fired them. Other highly successful white-collar managers found out that corporate restructuring and leveraged buyouts meant that the firms where they worked for fifteen or twenty years were to be closed or moved to utilize the cheap labor found in the Caribbean or Asia. But these men entered a job market cluttered with other men having similar skills and experiences, so their re-employment prospects were poor.

No longer could these families make the payments on their attractive suburban homes, keep a couple of cars in the driveway, or provide their children with private schools, dance lessons, and all the other benefits they once thought came with hard work in our economy. These white-collar managers lost their jobs, and aspiring younger workers failed to find good first jobs in an era where there was an increasing emphasis upon personal achievement and personal performance. It was, Newman contended, an age stressing meritocratic individualism: the diligent and competent get ahead; the weak, ignorant, and lazy fall behind. Corporate employment practices were seen as equitable since firms handsomely rewarded the most productive but laid off those who could not achieve. If someone fell out of the middle class, society emphasized that the individual could only blame himself. It wasn't like the Depression when the unemployment rate went up to almost 25 percent. Then, a man could blame structural troubles with the economy and government mismanagement for his woes since many of his friends were unemployed. In the 1980s, if he—or she—were out of a job or earned little, it was because of those equitable labor market processes that rewarded the able but not the marginally competent. The ideology of the 1980s did not call for radical change. Exactly the opposite. In Newman's view, it strongly upheld the processes producing economic polarization.

In her subsequent book, *Declining Fortunes: The Withering of the American Dream*, Newman (1993), presented more evidence about America in decline. Persons entering the labor force in the 1980s, she argued, were unique in the country's history since they were the first birth cohorts who would live their lives with a lower standard of living than their parents. Raised in families that prospered throughout the post-World War II economic expansion, baby boomers expected to find a good job if they got some postsecondary education. They

thought they would be able to marry at about the same age as their parents and, just as their parents had done, buy a home in the suburbs while they were still in their twenties and keep two cars in the garage. And—very importantly—they believed that an investment in a college education, guaranteed a solid middle-class life style.

Economic restructuring in the 1980s, she argues, was a mean wakeup call for baby boomers. Their hopes were challenged and, in many cases, dashed. The choice of jobs was limited, the pay levels more modest than anticipated, and uncertainty about occupational progress great. The baby boomers made important adjustments. Since good jobs were hard to find, age at marriage rapidly advanced and, for some, cohabitation became the substitute. Then they found that they could not afford to buy a home. A surprisingly large number of young middle-class adults became “boomerang” children, returning to live in their parental homes in their late twenties or even thirties. Eventually, however, most of the baby boomers married. Once again they had to make a radical adjustment, one that distinguished them from their parents’ generation. Whether or not they had children, both the husband and wife had to work full-time if they wanted to maintain a middle-class life style. For those who started families, intergenerational conflict was on the horizon. With both parents employed, even young children from middle-class families had to be in childcare programs. This was costly, greatly reducing the net income from the wife’s full-time job. Moreover, the parents of the baby boomers, strongly believing that young children benefited from staying home with their mothers, questioned and criticized the childrearing practices of their daughters and daughters-in-law. But there was no alternative for the baby boomers if they wanted to hang onto middle-class status, so our norms evolved into approval of full-time employment for mothers and full-time care outside the home for even the youngest children.

Since both husbands and wives have to spend much more time at work, there is less time left for taking care of the family, the home, or for leisure. Juliet Schor (1991) describes this perspective about “America in decline” in *The Overworked American: The Unexpected Decline of Leisure*. She observes that for the last twenty years, the average amount of time spent on the job by Americans increased by about one day annually. Why did this occur? The culprit is the capitalist process of keeping wages as low as possible, something that occurred with gusto in the 1970s and 1980s as unions lost their clout and governmental regulations and federal court rulings sided more with employers than with workers. As wages stagnated and then declined, Ameri-

cans had to select one of two choices: accept lower standards of living or increase the amount of time spent in the office or in the shop. For the most part, Americans chose more work. Producers and their advertisers encourage us to consume more, so our expectations go up as we look for bigger homes, additional appliances, recreational vehicles, VCRs, and, more recently, expensive personal computers. But maintaining or increasing a family's income comes at a great personal cost—the loss of the time men and women once spent with their families and the loss of leisure time.

This has important implications for families. Increasingly, husbands and wives work full-time, but the wife continues to do the majority of work maintaining the home and caring for children. And since time constraints produce strains in their own marriages, Arlie Hochschild (1989) links this factor to higher divorce rates. Similarly, children suffer because they have to spend more time alone or in paid childcare while their parents are on the job. After work, the parents lack the time and energy to devote much attention to their children. Presumably this leads to a “parenting deficit,” one that Schor links to the rise of social problems among the nation's youth. As Harriet Presser (1989) observes, we now live in an era when middle-class parents no longer have time for their children. The demands of the workplace outweigh the interests of children.

Barbara Ehrenreich (1989) focuses her attention upon the psychological state of middle-class professionals in *Fear of Falling: The Inner Life of the Middle Class*. The themes are familiar even though her arguments apply primarily to those toward the upper reaches of the income distribution. For two and one-half decades after World War II, men who obtained college degrees were pretty much assured prosperous lifestyles. An important gender change occurred in the mid- to late-1960s. Women began to pursue college educations, found occupational opportunities expanding, and started becoming successful middle-class professionals, often married to other middle-class professionals. The ensuing prosperity was accompanied by numerous psychological challenges and a severe shortage of time. However, the expanding economy went through a pervasive structural shift in the 1970s and 1980s. Economic inequality increased: some of the upper-middle-class individuals described by Ehrenreich prospered beyond their most extravagant expectations. But others' holds on middle-class status slipped away. Ehrenreich writes about persons whose investment in education produced doctorates, but who ended up driving taxis or teaching elementary English to immigrants. The prospect of

such a plunge—albeit a remote one—was enough to frighten some of the professional middle class, making them uncertain about their status in a manner unknown just a couple of decades earlier.

Other commentators move beyond the economy, politics, and psychological issues to describe an America in decline. *The Bell Curve: Intelligence and Class Structure in American Life*, by Richard Herrnstein and Charles Murray (1994), strongly defends another explanation. Their massive, and often cautious, volume may be interpreted in several ways. They argue that there is a single dimension to human intelligence, that intelligence is genetically determined, and that it is not subject to much change during a person's lifetime. Good schools and specialized training, they suggest, cannot make up the inherited deficits suffered by a child born to parents of low intelligence, and the test scores of late teenagers and young adults that measure intelligence are highly predictive of success in life, including whether or not a woman is likely to bear children before marriage or a man engages in criminal activities. Perhaps the least controversial argument in this book is that our economy increasingly offers the best jobs and richest rewards to those who score highest on intellectual tests and provides few good jobs to those who score poorly.

Fertility patterns, Herrnstein and Murray believe, are destined to drive average intelligence levels lower since those toward the bottom of the intelligence distribution mate with each other and typically bear more children than those toward the top end. They cite evidence of increasing assortive mating by education, leading them to argue that intelligence will be even less equitably distributed in the future. Childbearing by those lacking intelligence, they contend, is encouraged by current welfare programs that provide cash benefits to poor women who become mothers. They strongly recommend a rethinking of all welfare spending—except for the elderly—since many of these programs are trying to improve the lot of those whose lack of intelligence dooms them in our increasingly sophisticated society.

Their most controversial assertions concern group differences in intelligence. Borrowing from the Social Darwinists and eugenicists, they contend that over the centuries distinctive breeding pools produced group differences in intellectual ability; that Eastern Asians—the Japanese and Chinese—are most intelligent; that Ashkenazi Jews from Europe rank higher than other whites; and that the intelligence of African Americans is quite far behind that of whites and Asians. The mean IQ of whites in the United States, they report, is approximately one hundred points; that of blacks, eighty points, a difference they attribute to genetics, not to our social history or to differences in

the schools that blacks and whites attend. Since IQ strongly influences social and economic achievement, it is no surprise that Asians and Jews generally do well in the United States, while blacks lag far behind. This leads to their observation that well-intentioned programs to bring about more racial equity—especially affirmative action—will fail because the gaps are rooted in the genes. (For a thorough review and critical evaluation of the arguments of Herrnstein and Murray, see Fraser 1995; Heckman 1995.)

The 1980s were years of steady if modest economic expansion. Thus, it is surprising that the word “underclass” entered our vocabulary for the first time and became a popular term in that decade. Most “America in decline” books describe the unfavorable economic and psychological consequences of recent economic shifts for the middle class, be they the blue-collar workers of midwestern factory towns appearing in the pages of the Bluestone-Harrison books or the professionals living close to Central Park analyzed by Ehrenreich. Fewer authors described those at the bottom of the economic ladder until Ken Auletta (1982) focused attention upon those residents of New York City and Appalachia who seemed unable to enter the lowest ranks of the working class. This sparked a new “America in decline” literature, one that is distinctive for two themes. First is the emphasis upon the spatial concentration of poverty, since these investigators assert that there are now many neighborhoods in our largest cities characterized by very high rates of joblessness, extremely elevated levels of crime, the absence of stable two-parent families, and the lack of opportunities for upward mobility. Second is the consensus that minorities—especially blacks—are greatly overrepresented among the urban underclass.

Shortly after the new underclass was discovered and thoroughly described, analysts offered explanations for the disturbing trends that make many central-city neighborhoods impoverished and dangerous places. In the past, there were urban poor, but many of them were only temporarily impoverished as they developed their skills and found the blue-collar jobs needed to move into the working class or even into the middle class. Quite a few of these urban poor had been internal migrants from farms, who were making the transition to an industrial economy. This favorable process of upward mobility stopped in the 1970s. Charles Murray (1984) laid out one of the most popular and influential explanations in *Losing Ground: American Social Policy: 1950–1980*. He argued that the well-intentioned welfare programs of the War on Poverty, although designed to provide opportunities and lift the unskilled poor above the poverty line, had exactly the

opposite effect. They trapped people in poverty. As soon as transfer payments from the state and federal agencies were increased and made more readily available, they became attractive alternatives to work. Instead of taking a job at the lowest occupational rung, but one that might eventually lead to a better and higher-paying position, the poor cashed government checks from expanded unemployment programs, from newly funded general assistance programs for the adult poor, from various job training programs, or from the new Supplemental Security Income (SSI) program if they claimed they were unable to work. Making it easier to obtain Aid to Families with Dependent Children (AFDC) and increasing the amounts of the payments were supposed to help poor mothers and their children, but, instead, they made it possible for women to live on their own and be at least as prosperous as if they had stayed with low-income husbands. Fathers with few job skills could desert their wives and children, knowing that their dependents would be as well or perhaps better off financially, because they received AFDC checks from the government every month. Rapidly enough, unmarried women with limited job skills learned that they, too, could benefit from this generous new welfare system. Realizing that their prospects were slim for marrying high-income men, they bore children on their own and got the state to support them, without working. Thus, in Murray's judgment, the key causal factor explaining the urban underclass was the expansion of transfer payments to the poor.

Lawrence Mead (1986, 1992) elaborated on this perspective by arguing that federal and state payments to the poor weaken and then destroy the incentive to work among those who have limited skills. Once the incentives to work were gone, individuals were unlikely ever to reignite their motivations. Mead assumes that many jobs are available, albeit low-paying positions involving hard work and dingy conditions—the jobs that high school dropouts once filled in great numbers. Some are dead-end positions, but many are not and lead to more secure blue-collar employment. At the very least, working at these jobs teaches a young man habits useful for getting better jobs. With generous welfare payments, today's unskilled workers have no incentives to take such jobs since the government—in his view—provides the attractive alternative of cash support without requiring work. In the long run, avoiding work is extremely costly to the poor, but in the short run, a government check looks more appealing than working for the minimum wage.

A very different explanation for the new urban underclass is offered by John Kasarda and William Julius Wilson. In a series of data-

laden papers, Kasarda (1985, 1993, 1995) argues that there was a fundamental employment transformation between the 1960s and the 1980s. It went on throughout the United States, but it occurred most rapidly and dramatically in those older cities that boomed decades ago in the industrial age. The massive employment transformation in these places was not easily visible since total employment often increased and average wages went up, sometimes spectacularly, making economic conditions look quite favorable. What actually happened was that unskilled jobs for blue-collar workers disappeared as some manufacturing firms went out of business, others moved to the outer hinterlands or to the rural South, while still other firms modernized their production by getting rid of thousands of assembly-line workers. The disappearance of manufacturing meant the simultaneous disappearance of thousands of central-city jobs in trucking, warehouses, railroad yards, and construction. Employment rapidly increased for workers who had sophisticated technological skills in healthcare, who were white-collar managers, who could program, sell, or install computers, or who could thrive in the expanding financial services sector. Thus, employment in many cities rose and earnings increased, but by 1990 the mix of jobs was radically different than it had been three decades earlier. It was skewed toward the highly skilled since engineers and MBAs were in demand, while high school dropouts were not. The basic cause of the urban underclass, in Kasarda's view, was not President Johnson's War on Poverty nor a disappearance of the work ethic. Rather, it was the collapse of the job market for unskilled workers and the inability of the inner-city poor to master the skills needed for the new job market.

William Julius Wilson (1978, 1987) focused attention upon the black community of Chicago and provided a similar perspective about the urban underclass in *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy*. During World War II and for some decades thereafter, unskilled black men came from the rural South to Chicago where they quickly found jobs in factories, trucking firms, or the hundreds of small manufacturing firms located near the south- and westside ghettos. The expansion of American industry provided opportunities for these men to escape the poverty of the rural South and to earn enough money to marry and to rent housing. But between 1970 and the late 1980s these jobs disappeared. The talents needed to work on a Mississippi cotton plantation might be transferred to a Chicago factory, but factory workers did not have the skills to administer X-rays in a hospital, sell pension plans for a bank, or load software onto computers. Importantly, black men could no longer fulfill their

obligations as husbands or fathers because they could not get good-paying jobs. This shift in male employment opportunities—much more than the expansion of welfare payments—caused the disruption of family life that is so commonly reported by those who describe the urban underclass. Conditions further deteriorated in underclass neighborhoods, Wilson argues, because the civil rights revolution of the 1960s allowed middle-income blacks to leave the ghetto for more attractive and prosperous neighborhoods, including some where their new neighbors were white. Thus, the concentration of the poor in urban ghettos became more extreme, allowing crime and social problems to fester.

Those describing the urban underclass are careful to stress that blacks are not uniquely prone to crime, family disruption, or unemployment. And blackness is definitely not a factor causing welfare use. Nevertheless, the casual reader of this literature is reminded again and again that a substantial fraction of the neighborhoods in many large cities are impoverished, violent, and troubled places with black residents.

Three ideas pervade this “America in decline” literature. First, economic and employment trends in the recent past are not similar to those of the post-World War II era. Second, that the current trends are very troubling. The middle class is insecure, psychologically and financially, and a surprisingly large number are slipping down rather than moving up. The middle class, as a proportion of total population, is not growing, but an urban underclass may be. Although not reviewed here, there is another robust stream in the “America in decline” literature describing the growth during the 1980s of people whose status is even inferior to that of the urban underclass: namely, the homeless (Burt 1992; Jencks 1994; Rossi 1989). Finally, these writers point out shifts in American families, including the delay of weddings by middle-class people, higher divorce rates, and high rates of childbearing by single underclass women.

Getting the Story Straight

The census of 1990 helps illuminate America's recent past. While there is much to be pessimistic about, the story is not exclusively or primarily bleak. For example, women now have a much wider array of occupational opportunities and higher earnings than ever before. There are jobs in the labor market for millions of women and immi-

grants. On the racial front, there have been some gains for blacks, and we are gradually assimilating large numbers of immigrants from Asia, Latin America, and Africa. Death rates continue to fall, so life spans are now longer than ever before. School enrollment rates continue to increase, albeit slowly, implying that the future workforce will be more highly trained. Despite considerable sputtering of the economy, at least one major segment of our population is now much better off than ever before—people age sixty-five and over.

Many of those who write about “America in decline” focus on economic trends. Economists pay great attention to indicators of productivity, monetary policy, and national indebtedness, but they do not tell us much about the advance in the age at marriage, the shift into female-headed households, the development of “edge cities,” or immigration policy. Nor is much attention devoted to fundamental demographic processes—lower fertility, the aging of the population, and the new internal migration trends. Those who focus on changes in the family do not, for the most part, examine and document the stagnant and falling wage rates of men or the increasing earnings of women. To tell the story correctly, these different perspectives must be brought together. Whether your conclusion is optimistic or pessimistic depends on which indicators you emphasize, so there will always be lively debates about whether the glass is half-full or half-empty. Let me give a striking example. Median household income in the prosperous and full employment span from 1980 through 1993 went up a meager 1 percent, suggesting that it was a decade of stagnation. But per capita income, that is, actual purchasing power of the typical individual, went up a very healthy 15 percent in the same period. The large difference comes about because of demographic shifts in fertility, in household living arrangements, in labor force participation, and changes in the income distribution, all of which will be described in the next chapters.

This story would be much easier to tell if economic changes were the sole cause of changes in our social values or, contrariwise, if changes in our norms directly produced the dramatic changes in employment, earnings, and economic growth occurring in the decades since President Nixon was in the White House. Getting this story straight is much like doing a complicated jigsaw puzzle involving the tessellation of social trends and economic changes. The reward is an improved understanding of what has been happening to our heterogeneous society of 261,000,000, one that will give insights about what policies should be adopted or rejected.