Jobless Poverty: A New Form of Social Dislocation in the Inner-City Ghetto*

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In September 1996 my book, When Work Disappears: The World of the New Urban Poor, was published. * * * When Work Disappears describes a new type of poverty in our nation's metropolises: poor, segregated neighborhoods in which a majority of adults are either unemployed or have dropped out of the labor force altogether.

What is the effect of these "jobless ghettos" on individuals, families, and neighborhoods? What accounts for their existence? I suggest several factors and conclude with policy recommendations: a mix of public and private sector projects is more effective than relying on a strategy of employer subsidies.

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 JOBLESS GHETTOS

The jobless poverty of today stands in sharp contrast to previous periods. In 1950, a substantial portion of the urban black population was poor but they were working. Urban poverty was quite extensive but people held jobs. However, as we entered the 1990s most adults in many inner-city ghetto

neighborhoods were not working. For example, in 1950 a significant majority of adults held jobs in a typical week in the three neighborhoods that represent the historic core of the Black Belt in Chicago—Douglas, Grand Boulevard, and Washington Park. But by 1990, only four in ten in Douglas worked in a typical week, one in three in Washington Park, and one in four in Grand Boulevard.¹ In 1950, 69 percent of all males aged fourteen and older who lived in these three neighborhoods worked in a typical week, and in 1960, 64 percent of this group were so employed. However, by 1990 only 37 percent of all males aged sixteen and over held jobs in a typical week in these three neighborhoods.

The disappearance of work has had negative effects not only on individuals and families, but on the social life of neighborhoods as well. Inner-city joblessness is a severe problem that is often overlooked or obscured when the focus is mainly on poverty and its consequences. Despite increases in the concentration of poverty since 1970, inner cities have always featured high levels of poverty. But the levels of inner-city joblessness reached during the first half of the 1990s were unprecedented.

Joblessness versus Informal Work Activity

I should note that when I speak of “joblessness” I am not solely referring to official unemployment. The unemployment rate represents only the percentage of workers in the official labor force—that is, those who are actively looking for work. It does not include those who are outside of or have dropped out of the labor market, including the nearly six million males aged twenty-five to sixty who appeared in the census statistics but were not recorded in the labor market statistics in 1990 (Thurrow 1990).

These uncounted males in the labor market are disproportionately represented in the inner-city ghettos. Accordingly, in When Work Disappears, I use a more appropriate measure of joblessness, a measure that takes into account both official unemployment and non-labor-force participation. That measure is the employment-to-population ratio, which corresponds to the percentage of adults aged sixteen and older who are working. Using the employment-to-population ratio we find, for example, that in 1990 only one in three adults aged sixteen and older held a job in the ghetto poverty areas of Chicago, areas representing roughly 425,000 men, women, and children. And in the ghetto tracts of the nation’s one hundred largest cities, for every ten adults who did not hold a job in a typical week in 1990 there were only six employed persons (Kasarda 1993).

The consequences of high neighborhood joblessness are more devastating than those of high neighborhood poverty. A neighborhood in which people are poor but employed is much different than a neighborhood in which

¹ The figures on adult employment are based on calculations from data provided by the 1990 U.S. Bureau of the Census (1993) and the Local Community Fact Book for Chicago—1950 (1953) and the Local Community Fact Book for Chicago—1960 (1963). The adult employment rates represent the number of employed individuals (aged fourteen and older in 1950 and sixteen and older in 1990) among the total number of adults in a given area. Those who are not employed include both the individuals who are members of the labor force but are not working and those who have dropped out or are not part of the labor force.
people are poor and jobless. When *Work Disappears* shows that many of today's problems in the inner-city ghetto neighborhoods—crime, family dissolution, welfare, low levels of social organization, and so on—are fundamentally a consequence of the disappearance of work.

It should be clear that when I speak of the disappearance of work, I am referring to the declining involvement in or lack of attachment to the formal labor market. It could be argued that, in the general sense of the term, "joblessness" does not necessarily mean "nonwork." In other words, to be officially unemployed or officially outside the labor market does not mean that one is totally removed from all forms of work activity. Many people who are officially jobless are nonetheless involved in informal kinds of work activity, ranging from unpaid housework to work that draws income from the informal or illegal economies.

Housework is work, baby-sitting is work, even drug dealing is work. However, what contrasts work in the formal economy with work activity in the informal and illegal economies is that work in the formal economy is characterized by, indeed calls for, greater regularity and consistency in schedules and hours. Work schedules and hours are formalized. The demands for discipline are greater. It is true that some work activities outside the formal economy also call for discipline and regular schedules. Several studies reveal that the social organization of the drug industry is driven by discipline and a work ethic, however perverse. However, as a general rule, work in the informal and illegal economies is far less governed by norms or expectations that place a premium on discipline and regularity. For all these reasons, when I speak of the disappearance of work, I mean work in the formal economy, work that provides a framework for daily behavior because of the discipline, regularity, and stability that it imposes.

**Effect of Joblessness on Routine and Discipline**

In the absence of regular employment, a person lacks not only a place in which to work and the receipt of regular income but also a coherent organization of the present—that is, a system of concrete expectations and goals. Regular employment provides the anchor for the spatial and temporal aspects of daily life. It determines where you are going to be and when you are going to be there. In the absence of regular employment, life, including family life, becomes less coherent. Persistent unemployment and irregular employment hinder rational planning in daily life, a necessary condition of adaptation to an industrial economy (Bourdieu 1965).

Thus, a youngster who grows up in a family with a steady breadwinner and in a neighborhood in which most of the adults are employed will tend to develop some of the disciplined habits associated with stable or steady employment—habits that are reflected in the behavior of his or her parents and of other neighborhood adults. These might include attachment to a routine, a recognition of the hierarchy found in most work situations, a sense of personal efficacy attained through the routine management of financial affairs, endorsement of a system of personal and material rewards associated with dependability and responsibility, and so on. Accordingly, when this youngster enters the labor market, he or she has a distinct advantage
over the youngsters who grow up in households without a steady breadwinner and in neighborhoods that are not organized around work—in other words, a milieu in which one is more exposed to the less disciplined habits associated with casual or infrequent work.

With the sharp recent rise of solo-parent families, black children who live in inner-city households are less likely to be socialized in a work environment for two main reasons. Their mothers, saddled with child-care responsibilities, can prevent a slide deeper into poverty by accepting welfare. Their fathers, removed from family responsibilities and obligations, are more likely to become idle as a response to restricted employment opportunities, which further weakens their influence in the household and attenuates their contact with the family. In short, the social and cultural responses to joblessness are reflected in the organization of family life and patterns of family formation; there they have implications for labor-force attachment as well.

Given the current policy debates that assign blame to the personal shortcomings of the jobless, we need to understand their behavior as responses and adaptations to chronic subordination, including behaviors that have evolved into cultural patterns. The social actions of the jobless—including their behavior, habits, skills, styles, orientations, attitudes—ought not to be analyzed as if they are unrelated to the broader structure of their opportunities and constraints that have evolved over time. This is not to argue that individuals and groups lack the freedom to make their own choices, engage in certain conduct, and develop certain styles and orientations; but I maintain that their decisions and actions occur within a context of constraints and opportunities that are drastically different from those in middle-class society.

EXPLANATIONS OF THE GROWTH OF JOBLESS GHETTOS

What accounts for the growing proportion of jobless adults in inner-city communities? An easy explanation would be racial segregation. However, a race-specific argument is not sufficient to explain recent changes in such neighborhoods. After all, these historical Black Belt neighborhoods were just as segregated by skin color in 1950 as they are today, yet the level of employment was much higher then. One has to account for the ways in which racial segregation interacts with other changes in society to produce the recent escalating rates of joblessness. Several factors stand out: the decreasing demand for low-skilled labor, the suburbanization of jobs, the social deterioration of ghetto neighborhoods, and negative employer attitudes. I discuss each of these factors next.

Decreasing Demand for Low-Skilled Labor

The disappearance of work in many inner-city neighborhoods is in part related to the nationwide decline in the fortunes of low-skilled workers. The sharp decline in the relative demand for unskilled labor has had a more adverse effect on blacks than on whites because a substantially larger proportion of African Americans are unskilled. Although the number of skilled blacks (including managers, professionals, and technicians) has increased sharply in the last several years, the proportion of those
who are unskilled remains large, because the black population, burdened by cumulative experiences of racial restrictions, was overwhelmingly unskilled just several decades ago (Schwartzman 1997).

The factors involved in the decreased relative demand for unskilled labor include changes in skilled-based technology, the rapid growth in college enrollment that increased the supply and reduced the relative cost of skilled labor, and the growing internationalization of economic activity, including trade liberalization policies, which reduced the price of imports and raised the output of export industries (Schwartzman 1997). The increased output of export industries aids skilled workers, simply because they are heavily represented in export industries. But increasing imports, especially those from developing countries that compete with labor-intensive industries (for example, apparel, textile, toy, footwear, and some manufacturing industries), hurts unskilled labor (Schwartzman 1997).

Accordingly, inner-city blacks are experiencing a more extreme form of the economic marginality that has affected most unskilled workers in America since 1980. Unfortunately, there is a tendency among policy makers, black leaders, and scholars alike to separate the economic problems of the ghetto from the national and international trends affecting American families and neighborhoods. If the economic problems of the ghetto are defined solely in racial terms they can be isolated and viewed as only requiring race-based solutions as proposed by those on the left, or as only requiring narrow political solutions with subtle racial connotations (such as welfare reform), as strongly proposed by those on the right.

Overemphasis on Racial Factors

Race continues to be a factor that aggravates inner-city black employment problems as we shall soon see. But the tendency to overemphasize the racial factors obscures other more fundamental forces that have sharply increased inner-city black joblessness. As the late black economist Vivian Henderson put it several years ago, “[I]t is as if racism having put blacks in their economic place steps aside to watch changes in the economy destroy that place” (Henderson 1975, 54). To repeat, the concentrated joblessness of the inner-city poor represents the most dramatic form of the growing economic dislocations among the unskilled stemming in large measure from changes in the organization of the economy, including the global economy.

Suburbanization of Jobs

But inner-city workers face an additional problem: the growing suburbanization of jobs. Most ghetto residents cannot afford an automobile and therefore have to rely on public transit systems that make the connection between inner-city neighborhoods and suburban job locations difficult and time consuming.

1 The economist David Schwartzman defines “unskilled workers to include operators, fabricators, and laborers, and those in service occupations, including private household workers, those working in protective service occupations, food service, and cleaning and building service.” On the basis of this definition he estimates that 80 percent of all black workers and 38 percent of all white workers were unskilled in 1950. By 1990, 46 percent of black workers and 27 percent of white workers were employed in unskilled occupations (Schwartzman 1997).
Although studies based on data collected before 1970 showed no consistent or convincing effects on black employment as a consequence of this spatial mismatch, the employment of inner-city blacks relative to suburban blacks has clearly deteriorated since then. Recent research (conducted mainly by urban labor economists) strongly shows that the decentralization of employment is continuing and that employment in manufacturing, most of which is already suburbanized, has decreased in central cities, particularly in the Northeast and Midwest (Holzer 1996).

Blacks living in central cities have less access to employment (as measured by the ratio of jobs to people and the average travel time to and from work) than do central-city whites. Moreover, unlike most other groups of workers across the urban-suburban divide, less-educated central-city blacks receive lower wages than suburban blacks who have similar levels of education. And the decline in earnings of central-city blacks is related to the decentralization of employment—that is, the movement of jobs from the cities to the suburbs—in metropolitan areas (Holzer 1996).

**Social Deterioration of Ghetto Neighborhoods**

Changes in the class, racial, and demographic composition of inner-city neighborhoods have also contributed to the high percentage of jobless adults in these neighborhoods. Because of the steady out-migration of more advantaged families, the proportion of nonpoor families and prime-age working adults has decreased sharply in the typical inner-city ghetto since 1970 (Wilson 1987). In the face of increasing and prolonged joblessness, the declining proportion of nonpoor families and the overall depopulation has made it increasingly difficult to sustain basic neighborhood institutions or to achieve adequate levels of social organization. The declining presence of working- and middle-class blacks has also deprived ghetto neighborhoods of key structural and cultural resources. Structural resources include residents with income high enough to sustain neighborhood services, and cultural resources include conventional role models for neighborhood children.

On the basis of our research in Chicago, it appears that what many high jobless neighborhoods have in common is a relatively high degree of social integration (high levels of local neighboring while being relatively isolated from contacts in the broader mainstream society) and low levels of informal social control (feelings that they have little control over their immediate environment, including the environment’s negative influences on their children). In such areas, not only are children at risk because of the lack of informal social controls, they are also disadvantaged because the social interaction among neighbors tends to be confined to those whose skills, styles, orientations, and habits are not as conducive to promoting positive social outcomes (academic success, pro-social behavior, employment in the formal labor market, etc.) as those in more stable neighborhoods. Although the close interaction among neighbors in such areas may be useful in devising strategies, disseminating information, and developing styles of behavior that are helpful in a ghetto milieu (teaching children to avoid eye-to-eye contact with strangers and to
develop a tough demeanor in the public sphere for self-protection), they may be less effective in promoting the welfare of children in society at large.

Despite being socially integrated, the residents in Chicago’s ghetto neighborhoods shared a feeling that they had little informal social control over the children in their environment. A primary reason is the absence of a strong organizational capacity or an institutional resource base that would provide an extra layer of social organization in their neighborhoods. It is easier for parents to control the behavior of the children in their neighborhoods when a strong institutional resource base exists and when the links between community institutions such as churches, schools, political organizations, businesses, and civic clubs are strong or secure. The higher the density and stability of formal organizations, the less illicit activities such as drug trafficking, crime, prostitution, and the formation of gangs can take root in the neighborhood.

Few Community Institutions

A weak institutional resource base is what distinguishes high jobless inner-city neighborhoods from stable middle-class and working-class areas. As one resident of a high jobless neighborhood on the South Side of Chicago put it, “Our children, you know, seems to be more at risk than any other children there is, because there’s no library for them to go to. There’s not a center they can go to, there’s no field house that they can go into. There’s nothing. There’s nothing at all.” Parents in high jobless neighborhoods have a much more difficult task controlling the behavior of their adolescents and preventing them from getting involved in activities detrimental to pro-social development. Given the lack of organizational capacity and a weak institutional base, some parents choose to protect their children by isolating them from activities in the neighborhood, including avoiding contact and interaction with neighborhood families. Wherever possible, and often with great difficulty when one considers the problems of transportation and limited financial resources, they attempt to establish contacts and cultivate relations with individuals, families, and institutions, such as church groups, schools, and community recreation programs, outside their neighborhood. A note of caution is necessary, though. It is just as indefensible to treat inner-city residents as super heroes who overcome racist oppression as it is to view them as helpless victims. We should, however, appreciate the range of choices, including choices representing cultural influences, that are available to inner-city residents who live under constraints that most people in the larger society do not experience.

Effect of Joblessness on Marriage and Family

It is within the context of labor-force attachment that the public policy discussion on welfare reform and family values should be couched. The research that we have conducted in Chicago suggests that as employment prospects recede, the foundation for stable relationships becomes weaker over time. More permanent relationships such as marriage give way to temporary liaisons that result in broken unions, out-of-wedlock pregnancies, and, to a lesser extent, separation and divorce. The changing
norms concerning marriage in the larger society reinforce the movement toward temporary liaisons in the inner city, and therefore economic considerations in marital decisions take on even greater weight. Many inner-city residents have negative outlooks toward marriage, outlooks that are developed in and influenced by an environment featuring persistent joblessness.

The disrupting effect of joblessness on marriage and family causes poor inner-city blacks to be even more disconnected from the job market and discouraged about their role in the labor force. The economic marginality of the ghetto poor is cruelly reinforced, therefore, by conditions in the neighborhoods in which they live.

Negative Employer Attitudes

In the eyes of employers in metropolitan Chicago, the social conditions in the ghetto render inner-city blacks less desirable as workers, and therefore many are reluctant to hire them. One of the three studies that provided the empirical foundation for *When Work Disappears* included a representative sample of employers in the greater Chicago area who provided entry-level jobs. An overwhelming majority of these employers, both white and black, expressed negative views about inner-city ghetto workers, and many stated that they were reluctant to hire them. For example, a president of an inner-city manufacturing firm expressed a concern about employing residents from certain inner-city neighborhoods:

If somebody gave me their address, uh, Cabrini Green I might unavoidably have some concerns. *Interviewer:* What would your concerns be? *Respondent:* That the poor guy probably would be frequently unable to get to work and ... I probably would watch him more carefully even if it wasn't fair, than I would with somebody else. I know what I should do though is recognize that here's a guy that is trying to get out of his situation and probably will work harder than somebody else who's already out of there and he might be the best one around here. But I, I think I would have to struggle accepting that premise at the beginning. (Wilson 1996, field notes)

In addition to qualms about the neighborhood milieu of inner-city residents, the employers frequently mentioned concerns about applicants' language skills and educational training. An employer from a computer software firm in Chicago expressed the view "that in many businesses the ability to meet the public is paramount and you do not talk street talk to the buying public. Almost all your black welfare people talk street talk. And who's going to sit them down and change their speech patterns?" (Wilson 1996, field notes) A Chicago real estate broker made a similar point:

A lot of times I will interview applicants who are black, who are sort of lower class....They'll come to me and I cannot hire them because their language skills are so poor. Their speaking voice for one thing is poor ... they have no verbal facility with the language ... and these ... you know, they just don't know how to speak and they'll say "salesmen" instead of "salesmen" and that's a problem....They don't know punctuation, they don't know how to use correct grammar, and they cannot spell. And I can't hire them. And I feel bad about
that and I think they’re being very disadvan-
taged by the Chicago Public School system.
(Wilson 1996, field notes)

Another respondent defended his method of
screening out most job applicants on the tele-
phone on the basis of their use of “grammar and
English”:

I have every right to say that that’s a require-
ment for this job. I don’t care if you’re pink,
black, green, yellow or orange, I demand
someone who speaks well. You want to tell
me that I’m a bigot, fine, call me a bigot. I
know blacks, you don’t even know they’re
black. (Wilson 1996, field notes)

Finally, an inner-city banker claimed that many
blacks in the ghetto “simply cannot read. When
you’re talking our type of business, that dis-
qualifies them immediately, we don’t have a job
here that doesn’t require that somebody have
minimum reading and writing skills” (Wilson
1996, field notes).

How should we interpret the negative atti-
dudes and actions of employers? To what extent
do they represent an aversion to blacks per se
and to what degree do they reflect judgments
based on the job-related skills and training of
inner-city blacks in a changing labor market?
I should point out that the statements made by
the African American employers concerning
the qualifications of inner-city black workers
did not differ significantly from those of the
white employers. Whereas 74 percent of all the
white employers who responded to the open-
ended questions expressed negative views of the
job-related traits of inner-city blacks, 80 per-
cent of the black employers did so as well.

This raises a question about the meaning and
significance of race in certain situations—in
other words, how race intersects with other fac-
tors. A key hypothesis in this connection is that
given the recent shifts in the economy, employ-
ers are looking for workers with a broad range
of abilities: “hard” skills (literacy, numeri-
cal ability, basic mechanical ability, and other
testable attributes) and “soft” skills (person-
alties suitable to the work environment, good
grooming, group-oriented work behaviors,
etc.). While hard skills are the product of edu-
cation and training—benefits that are appar-
tently in short supply in inner-city schools—soft
skills are strongly tied to culture, and are there-
fore shaped by the harsh environment of the
inner-city ghetto. For example, our research
revealed that many parents in the inner-city
ghetto neighborhoods of Chicago wanted their
children not to make eye-to-eye contact with
strangers and to develop a tough demeanor
when interacting with people on the streets.
While such behaviors are helpful for survival in
the ghetto, they hinder successful interaction in
mainstream society.

**Statistical Discrimination**

If employers are indeed reacting to the differ-
ence in skills between white and black appli-
cants, it becomes increasingly difficult to discuss
the motives of employers: are they rejecting
inner-city black applicants out of overt racial
discrimination or on the basis of qualifications?

Nonetheless, many of the selective recruit-
ment practices do represent what economists
call “statistical discrimination”: employers
make assumptions about the inner-city black
workers in general and reach decisions based
on those assumptions before they have had a chance to review systematically the qualifications of an individual applicant. The net effect is that many black inner-city applicants are never given the chance to prove their qualifications on an individual level because they are systematically screened out by the selective recruitment process.

Statistical discrimination, although representing elements of class bias against poor workers in the inner city, is clearly a matter of race both directly and indirectly. Directly, the selective recruitment patterns effectively screen out far more black workers from the inner city than Hispanic or white workers from the same types of backgrounds. But indirectly, race is also a factor, even in those decisions to deny employment to inner-city black workers on the basis of objective and thorough evaluations of their qualifications. The hard and soft skills among inner-city blacks that do not match the current needs of the labor market are products of racially segregated communities, communities that have historically featured widespread social constraints and restricted opportunities.

Thus the job prospects of inner-city workers have diminished not only because of the decreasing relative demand for low-skilled labor in the United States economy, the suburbanization of jobs, and the social deterioration of ghetto neighborhoods, but also because of negative employer attitudes. This combination of factors presents a real challenge to policy makers. Indeed, considering the narrow range of social policy options in the “balance-the-budget” political climate, how can we immediately alleviate the inner-city jobs problem—a problem which will undoubtedly grow when the new welfare reform bill takes full effect and creates a situation that will be even more harmful to inner-city children and adolescents?

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