This paper traces the effects of economic restructuring through comparative socioeconomic profiles of African American and Latinos in the Midwest, with a focus on Chicago and Kansas City. Globalization has been associated with deindustrialization, relocation of jobs to developing countries with cheaper labor, and expansion of the service sector. A general decline in unionized blue-collar jobs and middle-class income has reduced upward mobility for all but a fortunate few. Cities identified as "world cities" such as Chicago exhibit a greater disparity between incomes of Whites and Latinos, Blacks, and other minority groups than smaller cities such as Kansas City. While minority residents and newcomers are most negatively affected by global restructuring, they are held responsible by the media and conservative politicians for high unemployment rates and increased poverty levels. Another global problem with local ramifications is the feminization of poverty. In the late 1980s there were twice the number of poor, female-headed households in the nation as in 1960. Socioeconomic profiles from the Midwest region and the Chicago area discredit certain popular myths. High unemployment, low income, and low labor force participation among Blacks cannot be correlated with low educational attainment. Citizenship status is not a determinant of income level. Asian Americans do not hold stronger socioeconomic positions than Whites. Comparisons between Chicago and Kansas City suggest a need for more research on "world cities" and medium-sized cities across regions. (Contains 85 references and 18 data tables.) (TD)
World City/Regional City:
Latinos and African-Americans
in Chicago and St. Louis
by Margaret Villanueva, Brian Erdman
and Larry Howlett

Working Paper No. 46
September 2000

The Midwest's premier Hispanic center undertaking research on issues of relevance
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JSRI is a unit of the College of Social Science and is affiliated with the College of Agriculture and
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ABSTRACT

In the mid-1990's, the congressional Republican majority and Gov. Pete Wilson of California placed the blame for a falling standard of living on Latino immigrants, urban African-Americans, and so-called “welfare abuse.” Although a booming economy and low unemployment rates lessened the political pressure to blame immigrants and the working poor for social problems, it remains unlikely that the benefits of economic expansion will accrue to lower income households in the long term. This working paper examines income, education, and household/family organization for 1980 to 1990, with special focus on Latinos and African-Americans in Chicago and Kansas City. It suggests areas for further research when comparing how ethnic groups fare in “World Cities” such as Chicago in relation to smaller, less “globalized” towns and cities in the Midwest. The paper also provides ample bibliographical references regarding Latinos in the Midwest, an increasingly important research area where much work remains undone about past, present, and future Latino communities and neighborhoods. Once the U.S. Census for 2000 has been completed and published, will we find that a strong economy and “welfare reform” has improved conditions for African-Americans and Latinos? The authors believe that a better understanding of the insertion of each group into its specific urban socioeconomic context is crucial to developing collaborative strategies and policies to unite, rather than divide, the African-American and Latino communities of Midwestern cities.

As the perpetual bottom of the American labor market, Blacks, Hispanics and other people of color have traditionally been caught in a never-ending economic vise – the last hired during economic upturns, and the first fired during cyclical recession. Freedom for Black working people must mean the guarantee of a job as an absolute human right. – Manning Marable, 1991.
World City/Regional City: Latinos and African-Americans in Chicago and St. Louis

Introduction

This paper paints a brief statistical portrait of Chicago and its Metropolitan Area from 1980 to 1990, including a comparison with other Midwestern regions, particularly Kansas City. It analyzes broad demographic trends to understand how African-American and Latino individuals, households, and neighborhoods are faring in an age of restructuring and, many have suggested, growing racism. While not attempting to directly provide economic or political strategies for coalition-building, we hope that this comparative portrait of the socioeconomic conditions in Latino and African-American urban communities contributes to strategies that unite, rather than divide us.

Global economic restructuring over recent decades has been associated in the Midwest and Northeast with deindustrialization, the relocation of jobs to “developing” countries where workers are paid less than $1 an hour, and an expansion of the service sector. A general decline in unionized blue-collar, mid-level jobs, and middle-class income has reduced upward mobility for all but a fortunate few. In the northern U.S. “Rustbelt,” blue-collar employment in heavy industry has been replaced by unstable jobs in the service sector or so-called “light manufacturing” (often a euphemism for old-fashioned sweatshops). Between 1967 and 1982, Chicago lost 46% of its manufacturing jobs, affecting a quarter-million workers (Abu-Lughod, 1999). Globalization devastated established African-American and Latino neighborhoods formerly dependent upon unionized industrial work (Wilson, 1987; Massey and Eggers, 1990; Massey and Denton, 1993; Moore and Pinderhughes, 1993). Urban poverty and unemployment increased steadily since 1970. While the effects of the ongoing economic boom of the late 1990’s for lower income workers and households are not yet determined, the authors predict an expansion of low-wage service employment has meant more jobs with no improvement in minority income. Any increase in household income would likely be attributable to crowding more hourly workers, many holding more than one low-paid part-time job, into each housing unit.

### Table 1. Percent of Latinos Employed in Manufacturing: U.S./Chicago

<table>
<thead>
<tr>
<th>Year</th>
<th>Chicago</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>58</td>
<td>19</td>
</tr>
<tr>
<td>1980</td>
<td>50</td>
<td>30</td>
</tr>
<tr>
<td>1991</td>
<td>39</td>
<td>20</td>
</tr>
</tbody>
</table>

Despite deindustrialization, Chicago Latinos still maintain a higher ratio of industrial employment than Latinos at the national level (Table 1). Statistics indicate a high general employment rate for Latino men, which researchers note at both regional and national levels (Tables 4 and 14).

Rapid growth in urban “minority” and immigrant populations has accompanied economic restructuring. In the popular media, changes brought about by global economic forces are often confused with the demographic growth of ethnic and racial minority populations; that is, while minority residents and newcomers are most negatively affected by global restructuring, they are held responsible by the media and conservative politicians for high unemployment rates and increase in poverty levels. At the national level, the number of Asians more than doubled in the 1980’s, the Latino population grew from 14.6 to 22.4 million, while African-Americans increased from 16.5 to 30 million (Baca Zinn, 1994). In the Midwest Region, the White population has actually decreased over the past decade, while over 50% of the region’s demographic expansion is accounted for by growing numbers of Latinos (Aponte, 1994; Table 2).
These statistical profiles demonstrate that in the 1980's, median household incomes declined for all groups in the Midwestern region: at $30,000 per year in 1989, White household income remained higher than Latino household income of $26,000; and the African-American median household income of $20,000 was lower than any other group.

As Table 3 indicates, the African-American median household income suffered the sharpest declines from 1980 to 1990. Another sign of deindustrialization is rising male unemployment rates; White and Latino male unemployment fell slightly between 1980 and 1990, African-American male unemployment increased markedly. In the Midwest, finding work has become more difficult for African-American men over 16 than for either White or Latino men in the region (Table 4). As we point out below, increased educational levels have not resulted in higher employment levels among African-American men.
Another global problem with local ramifications is "the feminization of poverty." Before the 1970's, it appeared that U.S. family income distribution was moving slowly toward greater equality, but since 1970, the trend has reversed towards greater income inequality. Low incomes for women combined with increasing numbers of woman-headed households explains some of this raising inequality. In the late 1980's, there were twice the number of poor, female-headed households in the nation than in 1960 (Treviño, Treviño, Stroup, and Ray, 1988). At national, regional, and local levels, Latinas have lower individual incomes than any other demographic group. In the Midwest, we see the effects of low incomes for Latinas and a sharp increase in Latina-headed households (Tables 5 and 6).

While conservative politicians blame immigrants or the urban “underclass” for declining wages and rising unemployment, our hypothesis is that global migration, the feminization of poverty, and attacks on the welfare state are all effects of global restructuring. Conservative, racialized ideologies, however, seem to have convinced White working-class voters to turn against their own economic interests and to support “capital’s agenda of restructuring the U.S. economy at the expense of the working class, including the White working class” (Kushnick, 1992, emphasis in original; Roediger, 1991).

Mainstream research has not examined the relationship between declining income of African-Americans and Latinos, but, rather, has focused on the competition between long-time urban residents and the more recent Latino migrants. For example, investigators ask whether migrants depress wage scales and working conditions for other minority groups by their willingness to work for less than the legal minimum wage (Commission for the Study of International Migration and Cooperative Economic Development, 1990; See critique by Bonilla and Morales, 1993). Moore and Penderhughes (1993), on the other hand, suggest that although conditions of concentrated poverty worsened in African-American neighborhoods as a result of global restructuring, Latino neighborhoods experienced a lesser, albeit relatively high, level of poverty concentration. A principal difference in Latino districts may be the continuous flow of new immigration which helps “to revitalize and stabilize impoverished Latino communities” (1993), but it also brings down Latino income levels due to low wages paid to recent immigrants.

Local communities attempt to mitigate negative effects of restructuring through grassroots efforts. Both Latinas and African-American women are strongly motivated to engage in community development work because of their commitment to their cultural group (Gutierrez and Lewis, 1994; Hardy-Fanta, 1993). In Chicago, ethnic solidarity and community organizing in the primarily Mexican neighborhoods of Pilson and Little Village (La Villita) have brought about some improvement of public services and development of the 26th Street commercial zone. While politicians point to these accomplishments, they seldom mention the growing “feminization of poverty” that affects Latinas as well as African-American women in Chicago. For example, the median family income in 1990 for single Latina-headed households was $12,000, a figure substantially lower than the median incomes of $25,000 for all Latino households and $26,000 for single White female-headed households (Chicago Urban League, Latino Institute and Northern Illinois University, 1994). In fact, Latinas in the Chicago metropolitan area constitute the only group for whom “the wage gap widened during the last decade, falling to less than 43¢ for every dollar earned by White males” (Women Employed Institute and Office for Social Policy Research and Northern Illinois University, 1994; Santos, 1989; Tienda, 1985). In Chicago, African-American households have lower income levels than other groups, but among woman-headed households, those headed by Latinas have lowest income. Tables 7, 8 and 9 illustrate that, when taking gender into account, socioeconomic differences along lines of class, race, and ethnicity become more complex.
Chicago's statistical profile is distinct from that of other Midwestern cities, too. It is clearly not a "typical" city, but rather a "World City." Along with New York and Los Angeles, Chicago takes on certain indispensable functions in global networks of economic restructuring. "World Cities" are characterized by:

- cosmopolitan character and ethnically diverse population;
- high employment of workers in foreign firms;
- extensive commercial shipping and air freight;
- favored location for corporate headquarters plus a corporate service sector;

Does the "World City" concept help to explain why Chicago's socioeconomic, ethnic and gender configuration differs from that of other Midwestern cities? Macro-sociologists argue that the characteristics of World Cities – their specific insertion into the global economy – has the effect of increasing socioeconomic inequalities between the higher- and lower-income groups in such
cities (Abu-Lughod, 1995). The comparative profiles on Chicago, Kansas City, and the Midwest region reveal particularly strong income gaps in Chicago—income inequalities that are sharply divided along racial and ethnic lines. Compared to a medium-sized Midwestern city like Kansas City, Chicago’s profile shows unusually high income levels for White urban residents contrasted with low incomes, or high poverty rates, for African-Americans and Latinos (Tables 8 and 10).

If we compare Chicago with Kansas City, for example, it looks much more like Los Angeles or New York, with a “majority of minority” residents. Kansas City is predominantly White and household incomes are more evenly distributed across ethnic groups (Tables 10 and 11). Table 10 shows a lower overall income level for White residents of the Kansas City metropolitan, slightly higher income levels for Blacks, and slightly lower for Latinos when compared with the Chicago metropolitan.

Source: The Changing Economic Standing of Minorities and Women in the Chicago Metropolitan Area, 1994
African-Americans comprise the largest minority group in Kansas City's 10-county Metropolitan Area (13%), while in 1990 Latinos became the largest minority in three counties and 10 neighborhoods. Both groups are concentrated in older spaces of the city, a pattern reproduced throughout the Midwest. Local data on the socioeconomic status of the Latinos in Kansas City, compiled by the Guadalupe Center in 1992, indicates that in the predominantly Latino Westside neighborhood, poverty rates rose from 35% to 45% from 1980 to 1990 (Lopez et al, 1992). This seems to support the hypothesis that for Latinos, as for African-Americans, poverty rates tend to be higher in neighborhoods with concentrated ethnic-racial populations (Enchautegui, 1995).

World Cities extend their boundaries beyond the urban centers into the suburbs. The distribution of incomes across ethnic groups of the Chicago Metropolitan area differs when we compare areas within the city limits to the entire metropolitan area that includes the suburbs (Table 17 and 18). High income earners may
Close attention to socioeconomic profiles from the Midwest region and the Chicago area help to discredit certain popular myths:

1) The profiles show that relatively high unemployment rates, low income, and low rates of labor force participation among African-Americans, especially men, cannot be directly correlated with lack of educational attainment, because Latinos over 25 have lower educational levels, yet higher labor participation and less unemployment (Tables 13, 14, and 15).

2) Profiles indicate that citizenship status may be an insignificant determinant of income level. Puerto Ricans, U.S. citizens since 1917, have the lowest incomes and highest unemployment among the region's Latino groups. The citizenship status of other Latinos, U.S.-born, naturalized, temporary or permanent residents, or undocumented workers, is diverse. The socioeconomic status of Puerto Rican residents of the Midwest is closer to that of African-Americans than to other Latinos (Table 16).

3) Profiles call into question the assumption that Asian Americans hold stronger socioeconomic positions than the White population; the statistics for Asian Americans vary greatly across urban and suburban location, and Asian American incomes in Chicago, for example, declined between 1980 and 1990, possibly reflecting new immigration (Table 17).
4) Comparisons between Chicago and Kansas City suggest a need for more attention to medium-sized cities across regions. If New York is compared with smaller East Coast cities, Los Angeles with other California urban zones, would lower levels of inequalities across ethnic and racial lines in mid-sized cities be found than in the “World Cities”?

Tracing the effects of economic restructuring through comparative socioeconomic profiles marks only the beginning of the research task. This project raises more questions than answers. What further research questions do the statistical profiles suggest? How can we use such data to conduct local ethnographic studies with policy implications? What is the best strategy for confronting negative media images and conservative political policies that blame the victims and remove the few remaining social programs? Will the 2000 Census indicate a change in the socioeconomic status of Latino and African-American individuals and households after a period of economic growth?

How might community groups utilize such information to confront public policies that disadvantage Latinos, African-Americans and other people of color? How could participatory research projects that involve neighborhood people contribute to solving the problem of growing inequalities?

References


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