

SOCIAL STRATIFICATION

Learning Outcomes

At the end of this chapter you will be able to do the following.

- Define social stratification.
- Compare GNI PPP for various countries.
- Examine poverty.
- Compare life chances for specific groups.
- Contrast class and caste systems.
- Examine mobility.

STRATIFICATION

Take a look at this photo of the Grand Canyon.¹ Notice the layer of rock. When layers occur in nature it is called stratification. Layers occur almost everywhere in nature in tissues of the human body, rock formations in the ground, atmospheres around the earth, and in societies of every nation on the earth. We call these layers strata and the process of layering, stratification.



Social stratification is the socio-economic layering of society's members according to wealth, power, and prestige. **Wealth** is all income, property, investments, and other assets. **Power** is the ability to get one's way even in the face of opposition to one's goals. **Prestige** is the degree of social honor attached to your position in society. As things go, those with lots of property tend to also have lots of power and social prestige. Those with less property tend to have less power and prestige.

The key concept of this chapter is that there are layers of social stratification in every society, and, even at the global level, there are the “haves” (Marx’s bourgeoisie) who own most of the wealth, and along with it comes much of the prestige and power. The masses of people are the “have-nots” (Marx’s proletariat). Marx and Weber focused heavily on wealth and poverty in the complex social systems of their day. In our current social world there are a very few who are extremely wealthy.



Forbes.com reported that even the richest in the world got poorer between 2008-2009, just like the classes below them.² The richest billionaires lost 23% of their wealth but they are still billionaires! In fact, in 2008 there were 1,125 billionaires worldwide, some slipped down into the millionaire’s category (we can feel sad for them in our spare time). In March 2009 there were only 793 billionaires who had an average wealth of

three billion U.S. dollars with Bill Gates III leading the list.³

GLOBAL STRATIFICATION

In spite of the rare and isolated wealth of these 793 people, billions of other people still experience hunger, poverty, preventable illness, early deaths, and famines and wars. In a reference we use often in this textbook, you will find the Population Reference Bureau’s World Population Data Sheet can be very enlightening in this discussion.⁴ The PRB uses a measure of relative economic well being called the GNI PPP. The **GNI PPP** is the *gross national income of a country converted to international dollars using a factor called the purchasing power parity*. In other words, this lets you understand how much a person could buy in the U.S. with a given amount of money, regardless of the country’s currency. It lets the United Nations and Population Reference Bureau have a common value to compare countries with when they look at international stratification issues. The 2008 estimates include key information from the World Bank.

The higher the GNI PPP the better off the average person in that country. Look at Table 1 to see GNI PPP values for selected countries and regions of the world. Luxembourg ranks highest at \$64,400 per capita (per person) while the U.S. is only 71% of that at \$45,840 per capita. The U.S. is the sixth wealthiest behind Luxembourg, Norway, Kuwait, Brunei, and Singapore (see Figure 1). Contrast that to Liberia’s score of just \$290 per year. The only other nation as poor as Liberia is the Democratic Republic of the Congo, also at \$290. You can already see that there is clear evidence of stratification at a global level. The average cell phone owner in the U.S. spends more on their annual bill than the average Liberian makes in a year. The developed world is over six times wealthier than the less developed world. **More developed nations** are *nations with comparably higher wealth than most countries of the world* including Western Europe, Canada, United States, Japan, and Australia-these are also called now rich countries. **Less developed nations** are *nations*

located near to or south of the Equator which have less wealth and more of the world's population of inhabitants including Africa, India, Central and South America, most island nations, and most of Asia (excluding China)-these are also called now poor countries. Africa is the poorest region with the average person earning less than 1/10th of what the average U.S. person earns.

Table 1. Selected GNI PPPs in Dollars for Countries and Regions of the World, 2008.⁵

Country or Region	GNI PPP
World	9,600
More developed	31,200
Less Developed	4,760
Luxembourg	64,400
United States	45,840
Japan	34,600
Canada	34,310
Italy	29,900
Mexico	12,580
Latin America/Caribbean	9,080
Asia (Excluding China)	5,780
China	5,370
Africa	2,430
Liberia	290

Figure 1 shows the top five GNI PPP countries of the world. Again, Luxembourg at \$64,400 has a score over 20 times higher than Africa's; 11 times higher than Asia (excluding China); and seven times higher than Latin America. The other top four countries' scores are Norway-\$53,690, Kuwait-\$49,970, Brunei-\$49,900, and Singapore-\$48,520. Figure 2 shows a comparison of the bottom five lowest scoring nations in the world. Their respective incomes are Liberia-\$290, Dem. Rep. of Congo-\$290, Burundi-\$330, Djibouti-\$400, and Guinea-Bissau-\$470. The average GNI PPP score for the top five was \$53,296 and for the bottom five it was \$356. That means the stratification difference between the world's top five countries is over 149 times higher than the bottom five countries.

UNITED STATES STRATIFICATION

There is similar stratification in the United States. Look at Figure 3 to see two line charts comparing the following All Races-red line, Whites-yellow line, Blacks-green line, Asians-blue line, and Hispanics-purple line. The chart on the left is of U.S. males and the one on the right is of U.S. females. The first thing you notice is visual stratification in both charts. Females earned much less income than males in all categories. The Hispanic category is

lowest for males and females. Among males, Hispanics and Blacks are similarly low and are far below the White and even further below the Asian categories. Asians had the highest personal income for both sexes.⁶ Also notice that among females the income levels are grouped closer together (i.e., males had more disparity between categories while females were collectively more similar).⁷

Figure 1. A Comparison of the Top Five GNI PPP Country's Scores in 2008.⁸

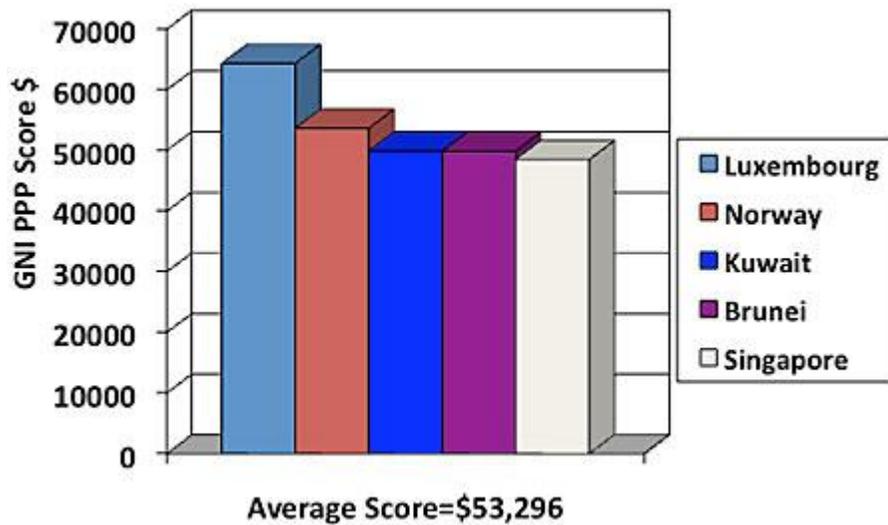


Figure 2. A Comparison of the Bottom Five GNI PPP Country's Scores in 2008.⁹

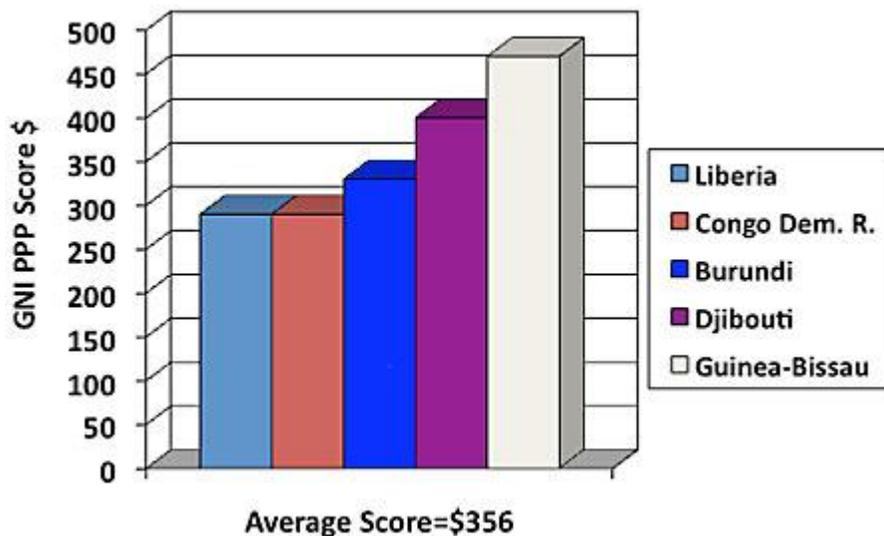


Table 2 shows income level by race/ethnicity, comparing 1990 and 2008. Whites and Asians showed an increase of 57% between 1990 and 2008. Blacks' median income only increased by 54%. Surprisingly, Hispanics' median income increased by 58% over this same time period. Figure 3 compares median income by race/ethnicity for males and for females. Males earn more than females for every racial/ethnic group.

Table 2. Comparison of U.S. Personal Income by Race, 1990-2008.¹⁰

Race	Mean Income 1990	Mean Income 2008
All	35,353	61,521
White	36,915	65,000
Black	21,423	39,879
Asian	42,246	73,578
Hispanic	23,431	40,466

Figure 3. A Comparison of U.S. Personal Income by Race and Between Males and Females 2006.¹¹

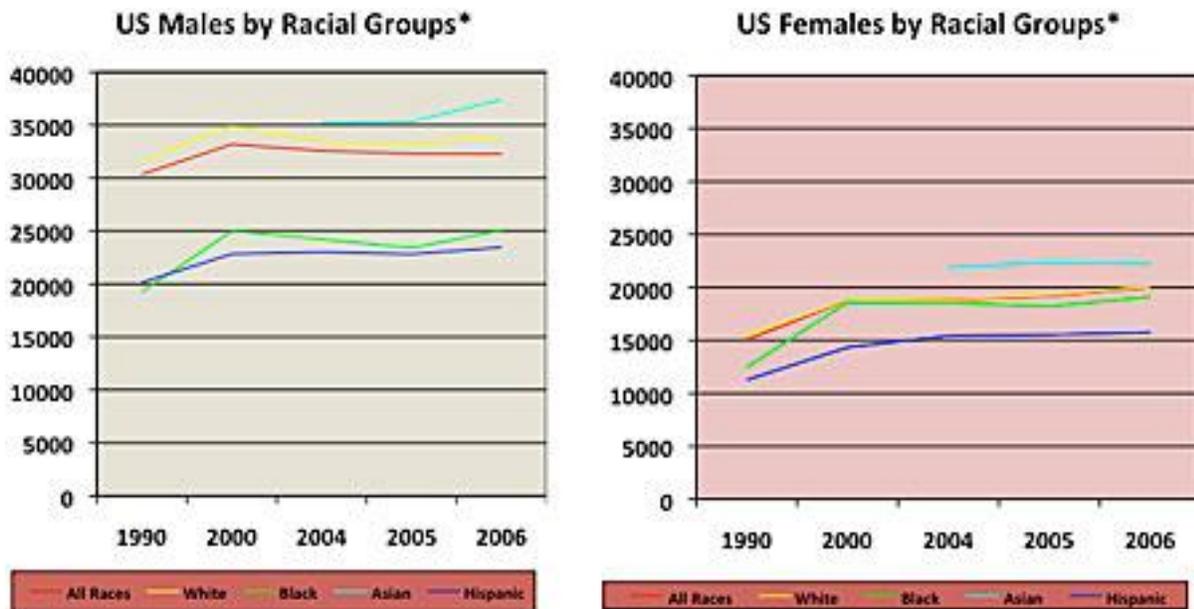


Figure 4 shows stratification by marital status. The data are presented in constant 2006 U.S. dollars which simply means they are adjusted for cost of living changes for each year. The first thing you see is that dual-earner marrieds (both husband and wife work in labor force) by far have the highest income levels between 1990 and 2006. Sole-earner married (husband only in labor force) comes in next followed closely by single males. Single females reported the lowest income. In sum, the females with the highest income are married.

Figure 4. Comparison of U.S. Personal Income by Marital Status (includes dual versus sole breadwinner homes) in Constant 2006 U.S. Dollars.¹²

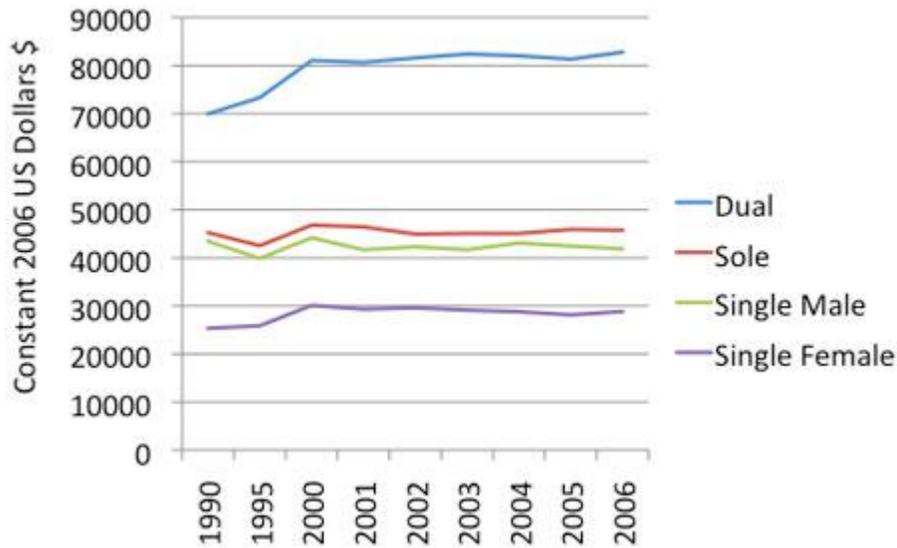


Figure 5 shows the stratification in our U.S. society by educational level. Basically, the higher the education, the higher the annual income in 2007. This is typically true every year. The income levels are again higher for Whites and Asians followed by Blacks and Hispanics; however, the layers are clearly visible by education level.

Figure 5. Comparison of U.S. Personal Income of Full-Time Workers by Education Level 2007.¹³

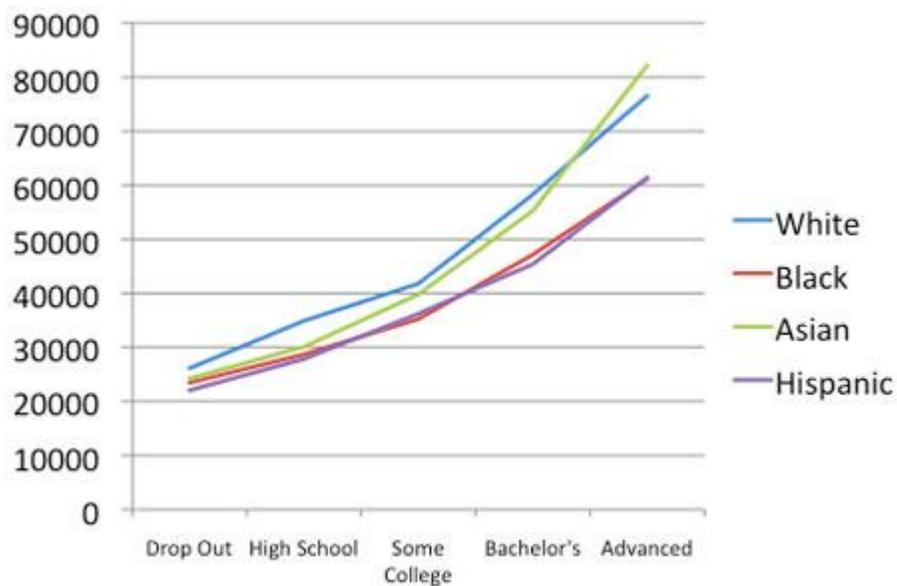
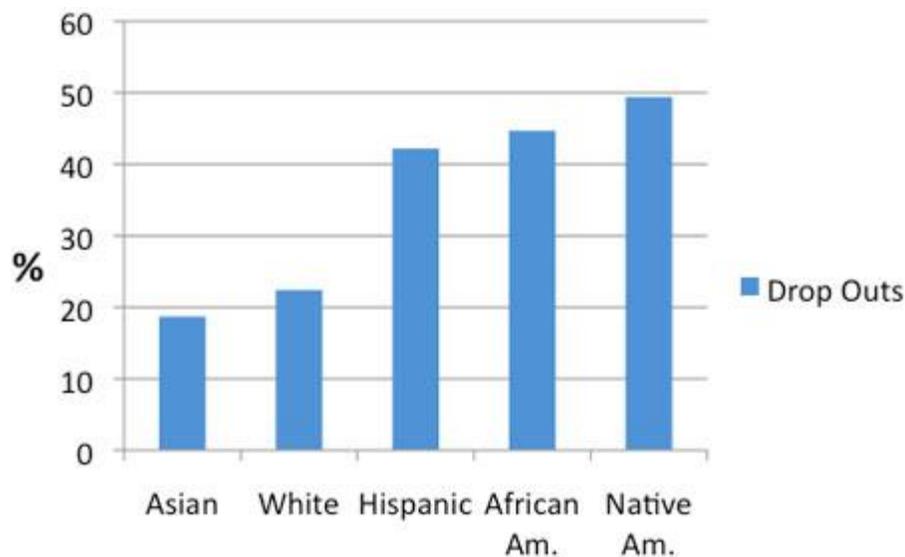


Figure 6 begins to show you why the layers look the way they do in society. Dropping out of high school hurts your income and overall socio-economic well-being. Asians had the lowest dropout rates followed closely by Whites. Over 40% of Hispanics, African Americans, and Native Americans dropped out. Dropping out is a personal income buster that hurts the individual, community, and society at large. Dropping out is a very bad economic choice. However, not all economic disadvantage results from our choices. In the U.S., non-Whites, non-Asians, and non-males are more likely to be found in the lower layers. If the U.S. population were divided into three groups, the top 10% would be the extremely wealthy, the next 20% wealthy, and the remaining 70% middle and lower classes. The top 10% of our country owns the lion's share of all the wealth available to be owned. In fact, they own as much as 100 times the average U.S. person's wealth. For a relative few they earn more in a year than most will earn in a lifetime. The next 20% wealthy, holds the high ranking jobs, they run for elected office, and they hold the CEO-level positions in the major corporations. These types of jobs pay more, require more education, require more abstract thought, and allow for more self-directed autonomy in their daily activities.

Figure 6. Percentage of United States High School Dropouts by Race for 2007.¹⁴



UNDERSTANDING POVERTY AND NEAR POVERTY

The U.S. has an official definition of being poor or in poverty. The **poverty line** is *the official measure of those whose incomes are less than three times what it takes to provide an "adequate" food budget*. This definition has been the U.S.'s official poverty definition since the 1930s with only a few adjustments. **Near poverty** is *up to 25% above the poverty line*.

The U.S. Health and Human Services 2009 poverty guidelines with estimates of near poverty levels are presented in Table 3. Most who qualify as living below poverty also qualify for state and federal welfare which typically includes health care benefits, food assistance, housing and utility assistance, and some cash aid. Those near poverty may or may not qualify depending upon current state and federal regulations.

Forbes.com reported that the world's 793 billionaires lost about 23% of their wealth (they also were worth about \$3 billion each).¹⁵ If they suffered that same 23% loss today they'd still be worth \$2,310,000,000. Take the highest poverty income (\$37,010 for a family of 10) and take a 23% loss on that you see real economic hurting with now only \$28,478 to provide for a family of ten. We all lose during economic downturns and we all gain something in the upswings; but, the losses hurt the lower layers of the economic strata sometimes to the point that they fall below the ability to sustain their families. **Absolute poverty** is the level of poverty where individuals and families cannot sustain food, shelter, and safety needs. Those below poverty are already in a bind. For example, the average home in Santa Clarita costs much more than the average poor family of ten could afford, and a family that big could not find a comfortable apartment to rent. They might find a mobile home or might even find some government subsidized housing assistance. Not being able to find suitable housing is correlated with many other social challenges for families.

Table 3. U.S. Annual Incomes indicating Poverty Line and Near Poverty, 2009.¹⁶

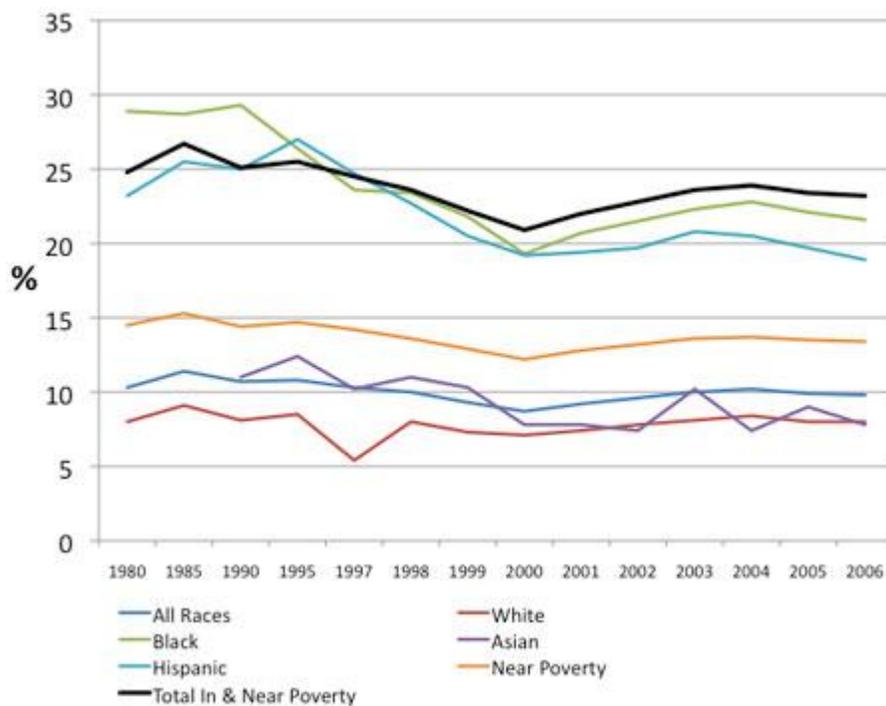
Number of People in Family	Poverty Line	Near Poverty Estimates <125% of Poverty Line
1	10,830	13,536
2	14,570	18,211
3	18,310	22,886
4	22,050	27,561
5	25,790	32,236
6	29,530	36,911
7	33,270	41,586
8	37,010	46,261

Figure 8 shows the poverty and near poverty rates for various racial groups in the United States, 1980 to 2006. The thick black line represents the sum of the percent in poverty and below 125% of the poverty line (near poverty) for each year. The line is consistently at about 25% or just below one in four being in or near poverty for the United States. Whites (the redline) have the lowest *rate* of persons in poverty but make up the largest *number* of persons in poverty because Whites represent about 75% of the U.S. population. Asians are slightly higher than Whites. The blue line represents the percent in poverty for all races. It's much lower than the high rates of poverty for Blacks and Hispanics because Whites are a larger portion of the population, so it pulls the overall average downward for all races. The near poverty line is tan. Hispanic is second worst and Black is the worst for percent in poverty. We see that the layers in the strata have racial factors for both poverty and near poverty levels.

With such a high GNI PPP score, the U.S. has a relatively high level of a standard of living. Outside the U.S. in the poorer regions of the world a GNI PPP income of \$1.25 or less per day is considered below poverty.¹⁷ There are differences among economic systems in

which people live and have opportunities. This brings up a very important concept from Max Weber. **Life chances** are *an individual's access to basic opportunities and resources in the marketplace*. Not everyone has the same life chances. For example, think about students you know who live in housing larger than yours, drive more expensive cars, or who have more state-of-the-art mobile devices. Now think of those students who live in housing smaller than yours, take the bus, and use basic cell phones. Is life easier or more difficult for those who are economically better or worse off than you? What universities will these students have access to? How much in student loans will these students have when they are done with their educations? What kinds of resources do their parents and parents' friends offer in helping them find jobs once they are done with school?

Figure 8. Poverty and Near Poverty (<125% of Poverty Line) for U.S. by Race and Hispanic for 1980 to 2006.¹⁸



Even those who have less in the U.S. have far greater life chances than most people in the world today. We have K-12 education, access to college, and the possibility of a career of our choosing. In many less developed countries low to no formal education is common. The United Nations has started the 2015 Millennium Development Goal and the Education for All initiative.¹⁹ It is simply that all children of the world will have access to a primary education by the year 2015.

This goal equates to them receiving K-6 education. In 2006, the world average was 83.4% of children getting some K-6 education with an expected number of 10.6 years for males and 11.1 years for females worldwide. In Africa, many children get no formal education and in 2006, only 72.6% got K-6 with an expected 9.1 years for males 7.6 for females. As you

can see, life chances vary from house to house, state to state, region to region, and nation to nation.

MEASURING ECONOMIC SYSTEMS: CLASS AND CASTE

The United States has an open class system of life chances and opportunities in the market place. An **open class system** is *an economic system that has upward mobility, is achievement-based, and allows social relations between the levels*. A **closed caste system** is *an economic system that is ascribed-based, allows no mobility between levels, and does not allow social relations between the levels*. A person is born into the caste you stay in your entire life, and you can't have social relations between the castes. India has a highly structured caste system which has five distinct caste layers: Brahman (Priests or scholars), Kshatriya (Nobles and warriors), Vaishva (Merchants and skilled artisans), Shudra (Common laborers), and Harijan (Outcasts/dirty workers).

In India, you typically are born into a caste and that is your destiny for life. This was basically true up until the 1980s when multi-national corporations began to set up various types of business enterprises in India. Western corporations hired thousands based upon their personal skills and achievements (a class trait in the West). The Indians have experienced cultural disruptions because talented individuals have worked their way above higher caste members in the organizational structure. We find similar violations of caste rules here in the U.S. where Indians who migrate here find themselves with many opportunities. Their life chances increase by virtue of their being able to shift residence from a caste to a class society.

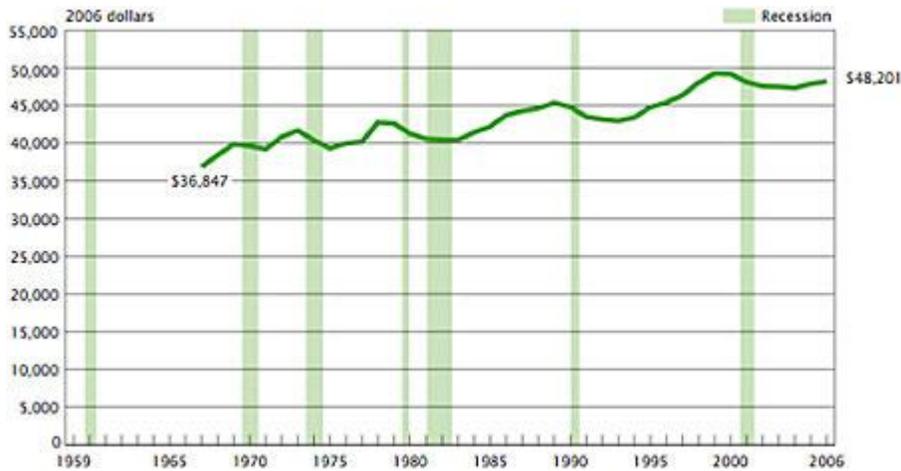
Sociologists like to study how people improve or diminish their economic status. We call this **social mobility**, *the movement between economic strata in a society's system*. There are a few key types of mobility. **Upward mobility** is *moving from a lower to higher class*. **Downward mobility** is *moving from a higher to a lower class*. **Horizontal Mobility** is *remaining in the same class*. We can compare mobility between or within generations of family members. **Inter-generational mobility** is *the mobility between generations* (e.g., grandparents to parents to grandchildren to great-grandchildren). When most people list the occupation their grandparents, parents, and they have and rank them by wealth, power, and prestige. This is a measure of inter-generational mobility at the personal level. **Intra-generational mobility** is *the mobility within a generation*. When the wealth, power, and prestige between a person and her siblings or cousins differ.

Structural mobility is *mobility in social class which is attributable to changes in social structure of a society at the larger social, not personal level*. The United States has experienced collective upward social mobility for the entire nation over the last 40 plus years. Figure 9 shows the median household income in 2006 dollars from 1967 to 2006.

It is clear that there has been upward structural social mobility. In other words, the median household income has gone up nation-wide from 1967 to 2006. Remember these are inflation adjusted 2006 constant dollars so they can be compared between years. Notice

that most of the declines were seasonal and came soon after a recessionary time in the economy. Overall, this represents one measure of upward structural mobility in the U.S.

Figure 9. United States Median Household Income in 2006 Dollars from 1967 to 2006.²⁰



Another measure of economic well-being is health care coverage. The U.S. Census Bureau reported that in 2007 about 15.3% or over 45 million in the U.S. had no health care coverage.²¹ Health care coverage is a major economic resource. Again, White and Asian categories are in the higher strata on this resource. They have the lowest uninsured rates (see Table 4). Hispanics have the highest level of uninsured by racial group and it's over twice as high as for Whites. Since nearly 60% of insurance is provided by employers, it makes sense that the young adult 18-34 year olds would be less likely to be insured because they are still getting their formal education and establishing their careers. But, what about the nearly 11% of children without insurance or the nearly 18% of children in poverty?

This is difficult to justify in today's modern society. Every country that the U.S. compares itself to as being a similarly more developed nation offers health insurance as a right to all, not just a privilege to the wealthier people in the higher strata. The less income one has per year, the higher the uninsured rates. About 1 in 4 who worked part-time or did not work at all have no insurance, while only 17% of full-time workers went without.

Yes, there are layers in society. Through sociology's theories and statistical style you can begin to better understand how they develop and how they are perpetuated in various forms both within and between countries.

Table 4. U.S. Percent of Uninsured by Selected Characteristics 2007.²²

Category	% Uninsured
White	14.3
Black	19.5
Asian	16.8
Hispanic	32.1
< 6 years old	10.5
6-11 years old	10.3
12-17 years old	12.0
<18 years old	11.0
18-24 years old	28.1
25-34 years old	25.7
35-44 years old	18.3
45-64 years old	14.0
65+ years old	1.9
Children in Poverty	17.6
<\$25,000 per year income	24.5
\$25-49,999 per year income	21.1
\$50-74,999 per year income	14.5
\$75,000+ per year income	7.8
Worked Full-time	17.0
Worked Part-time	23.4
Did Not Work	25.

¹ <http://www.journeyidea.com/wp-content/uploads/2009/05/grand-canyon-skywalk1.jpg>

² www.Forbes.com

³ retrieved 21 April, 2009 from http://www.forbes.com/2009/03/11/worlds-richest-people-billionaires-2009-billionaires_land.html

⁴ www.PRB.org

⁵ From 2008 World Population Data Sheet: Demographic Data and Estimates for the Countries and Regions of the World

⁶ Data for Asians was not reported prior to 2004

⁷ Data were not available for Native Americans.

⁸ From 2008 World Population Data Sheet: Demographic Data and Estimates for the Countries and Regions of the World

⁹ From 2008 World Population Data Sheet: Demographic Data and Estimates for the Countries and Regions of the World

¹⁰ <http://www.census.gov/compendia/statab/2011/tables/11s0696.pdf>

¹¹ Asian data not available before 2004. Retrieved 21 April 2009 from www.census.gov Table 679. Median Income of people with Income in Constant 2006 Dollars by Sex, Race, and Hispanic Origin: 1990 to 2006

¹² Retrieved 21 April 2009 from www.census.gov Table 677. Median Income of Families by Type of Family in Current and Constant (2006) Dollars: 1990 to 2006

¹³ Retrieved 21 April 2009 from Educational Attainment in the United States: 2007 from <http://www.census.gov/prod/2009pubs/p20-560.pdf>

¹⁴ Extracted from Jason Amos, (August 2008) Dropouts, Diplomas, and Dollars: US High Schools and the Nation's Economy taken from Internet on 24 March 2009 from <http://www.all4ed.org/files/Econ2008.pdf> All4edu funded by Bill and Melinda Gates Foundation

¹⁵ www.Forbes.com

¹⁶ Retrieved 22 April 2009 The 2009 HHS Poverty Guidelines from <http://aspe.hhs.gov/POVERTY/09poverty.shtml>

¹⁷ Retrieved 22 April, 2009 from <http://www.unescap.org/stat/data/syb2008/17-poverty-and-inequality.asp> Statistical Yearbook 17. Poverty-and-inequality).

¹⁸ Asian data not available until 1990 Retrieved 22 April, 2009 from Table 693. Families Below poverty Level and Below 125 Percent of Poverty Level by Race and Hispanic Origin: 1980 to 2006 from <http://www.census.gov/compendia/statab/tables/09s0693.pdf>

¹⁹ See Table 12.1 from <http://www.unescap.org/stat/data/syb2008/12-Participation-in-education.asp>

²⁰ Source: US Census Bureau, Current Population Survey, 1968 to 2007 Annual Social and Economic Supplements. Note: Median household incomes were not calculated for the US before 1967. Retrieved 22 April, 2009 from <http://www.census.gov/population/www/pop-profile/files/dynamic/MoneyIncome.pdf>

²¹ retrieved 22 April, 2009 from <http://www.census.gov/prod/2008pubs/p60-235.pdf>

²² Retrieved 22 April, 2009 from Table 6. People Without Health Insurance Coverage by Selected Characteristics: 2006 and 2007& Figure 8. Uninsured Children by Poverty Status, Age, and Race and Hispanic Origin: 2007 from <http://www.census.gov/prod/2008pubs/p60-235.pdf>