I. Introduction

> *"I believe the greatest challenge we face . . . is also our greatest opportunity. Of all the questions of discrimination and prejudice that still exist in our society, the most perplexing one is the oldest, and in some ways today, the newest: the problem of race. Can we fulfill the promise of America by embracing all our citizens of all races? . . . In short, can we become one America in the 21st Century?"*
>
> **President Clinton**
> President's Initiative on Race Announcement at the
> University of California at San Diego Commencement, 1997

This chart book is intended to document current differences in well-being by race and Hispanic origin and to describe how such differences have evolved over the past several decades. It has been produced for the President's Initiative on Race by the Council of Economic Advisers in consultation with the Federal statistical agencies. The book is designed to further one of the goals of this initiative: to educate Americans about the facts surrounding the issue of race in America.

The charts included in this book show key indicators of well-being in seven broad categories: population, education, labor markets, economic status, health, crime and criminal justice, and housing and neighborhoods. This information provides a benchmark for measuring future progress and can highlight priority areas for reducing disparities in well-being across racial and ethnic groups, another goal of the President's Initiative on Race. The indicators in the charts were selected on the basis of their importance for economic and social well-being, as well as the quality and availability of data (for example, availability of longer time trends or information on more groups). A book of this size cannot encompass all important aspects of social and economic life. Instead, these charts are a place to begin. The appendix indicates how to access additional information on these topics from Federal government agencies.

The American record of the past 50 years has been one of tremendous progress in areas such as education, health and longevity, and economic growth, but deterioration in other areas, such as incarceration rates, divorce, and the likelihood that a child is born outside of marriage. Life expectancy at birth increased from 68 years to 76 years between 1950 and 1996, and the infant mortality rate has fallen from 29 per thousand live births to 7 over the same period. Per capita income, adjusted for inflation, has more than doubled since 1950. The proportion of American adults with a high school education increased from 34 percent in 1950 to 82 percent in 1996. The fraction of households living in inadequate housing fell from 10.2 percent in 1976 (the first year for which data are available) to 6.5 percent in 1995.

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Although all racial and ethnic groups considered here have experienced substantial improvements in well-being over the second half of this century, disparities between groups have persisted or, in some cases, widened. Blacks, Hispanics, and American Indians continue to suffer disadvantages in opportunity and in material and physical well-being. These disadvantages appear in many arenas, but they are larger in some than in others. For example, although the Hispanic poverty rate is far higher than that of non-Hispanic whites, differences in infant mortality between Hispanics and non-Hispanic whites are relatively modest. Blacks have nearly closed the gap with non-Hispanic whites in the attainment of a high school degree, but the gap between blacks and non-Hispanic whites in the completion of a four-year college degree has widened.

Several themes emerge from the data presented in this document.

- Race and ethnicity continue to be salient predictors of well-being in American society. On average, non-Hispanic whites and Asians experience advantages in health, education, and economic status relative to blacks, Hispanics, and American Indians.

- Over the second half of the 20th century, black Americans have made substantial progress relative to whites in many areas. But this progress generally slowed, or even reversed, between the mid-1970s and the early 1990s. In many cases, large disparities persist.

- The relative economic status of Hispanics has generally declined over the past 25 years. However, the Hispanic population has grown rapidly, more than doubling in size between 1980 and 1997, in large part because of immigration. Thus, in interpreting trends in the relative well-being of Hispanics, it is important to keep in mind that the increasing representation of Hispanic immigrants with lower average levels of education and income has contributed to the decline in average Hispanic social and economic well-being.

- Asians and Pacific Islanders, on average, are nearly as well-off as non-Hispanic whites according to many indicators. There is great diversity within this population, however, and some subpopulations are quite disadvantaged. The fact that Asians have both a higher median income and a higher poverty rate than non-Hispanic whites, for example, illustrates the economic diversity of the Asian population.

- American Indians are among the most disadvantaged Americans according to many available indicators, such as poverty rate and median income, although comparable data for this group are sparse due to their small representation in the population.

The charts in this book generally show averages or medians of indicators for each race or Hispanic origin category and therefore do not attempt to capture the diversity within these groups. For instance, Cuban Americans have much higher median family income than Dominican Americans according the 1990 census, but both are included in the "Hispanic" category. Median family income for Japanese Americans was more than twice that of Cambodian, Laotian, and Hmong Americans in 1990, but all are included in the "Asian and Pacific Islander" category. Diversity exists within all groups, including diversity across ethnic groups within the non-Hispanic white population. Unfortunately, this book does not have the space to present data for all subpopulations, nor do such data exist for many indicators. Nonetheless, the population categories shown here are among the most salient in America today.

The classification of individuals by race and ethnicity is a complex and controversial undertaking. The concepts of race and ethnicity lack precise and universally accepted definitions. Their economic and social significance depend on a variety of factors, including how individuals identify themselves racially or ethnically and how others identify and treat them. Most of the data collected by the Federal statistical agencies are classified by self-reported race and ethnicity. (Notable exceptions are mortality statistics.) Most of these data are collected through household surveys and the decennial censuses, in which respondents are asked to identify their race in one question and whether or not they are of Hispanic origin in a separate question. Whenever possible, data for the following five categories are presented:

- Hispanic, may be of any race,

- White, not of Hispanic origin,

- Black, not of Hispanic origin,

- Asian, including Pacific Islander,

- American Indian, including Alaska Native (Alaskan Eskimo and Aleut).

In this book, categories of race and Hispanic origin are labeled as they were labeled in most of the surveys at the time the data were collected. For example, the terms "black" and "Hispanic" are used rather than "African American" or "Latino." It should be noted, however, that the Office of Management and Budget revised the standards for classifying Federal data on race and ethnicity in October 1997. The new standards permit respondents to mark one or more race categories on survey questionnaires and other Federal reporting forms. In addition, the "Asian and Pacific Islander" category has been divided into two categories: "Asian" and "Native Hawaiian or Other Pacific Islander." The "black" category has been changed to "Black or African American." There will continue to be a separate question on Hispanic origin, which will have two categories: "Hispanic or Latino" and "Not Hispanic or Latino."

Published data are not always available for all of the groups described above. At times statistics are lacking because survey sample sizes are too small to yield reliable estimates for smaller populations such as American Indians or Asians. (In some cases, data from the 1990 census are presented for these groups.) In addition, statistical agencies tabulate published data using different classifications. For example, as noted above, Hispanics may be of any race. Some agencies tabulate data for Hispanics but also include Hispanics in tabulations for the categories white and black. In a few cases, agencies have changed the way they tabulate data over time as well. The labels and notes for each chart indicate these differences in data classification. (Unless otherwise noted, data for Asians include Hispanic Asians, and data for American Indians include Hispanic American Indians.)

This book is divided into seven sections. Each section begins with a brief introduction and an overview of the charts presented in that section. These introductions provide background information on the concepts addressed in the section, including references to some key research articles. In addition, each chart is accompanied by bullet points, which highlight the important information in the chart and also provide related information that may not appear in the charts. The appendix provides a list of other government publications and internet addresses where the reader can find more information on all of the topics covered in this book.