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POLS W3245: Race and Ethnicity in American Politics
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Socioeconomic Status and Social Welfare

Keywords:

- Socioeconomic status (SES)
- Social class
- Social welfare
- Social security
- The submerged state

Key Points:

- Socioeconomic status and social class are technically not the same concept, yet they are used interchangeably in modern contexts.
- The proposed class system in the United States has six distinct social classes/statuses: 1) upper class; 2) upper middle class; 3) middle class; 4) lower middle class; 5) working class; 6) lower class. These are mainly determined by income.
- With income as the most defining factor when determining SES, race inevitably plays a supporting role.
- SES often dictates an individual's access to and experience of private and public resources, such as social welfare.
- The term "social security" is used to describe a large portion of the social welfare field. Social security is mainly concerned with income maintenance.
- One of the main problems with social welfare in relation to SES is that of the "submerged state," a term that refers to the invisibility of the welfare state at times. The pattern is one where the more a government social program benefits poorer Americans, the more obtrusive it is – and vice versa.

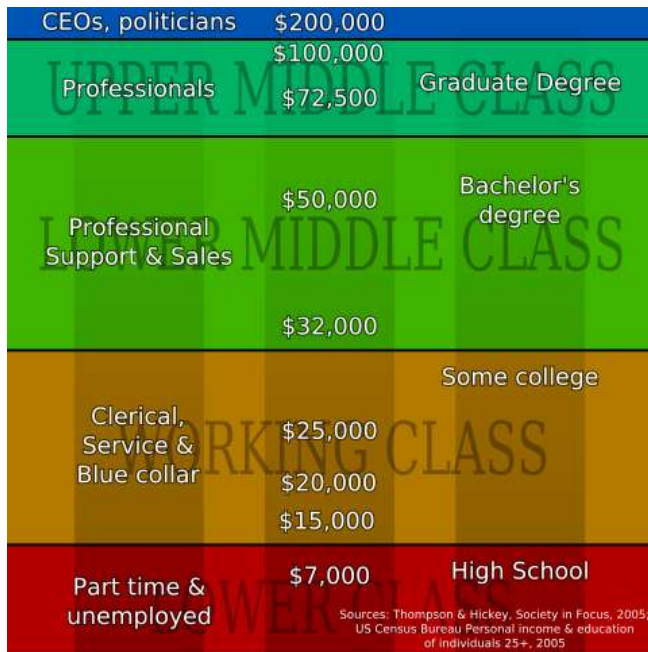
Description

This issue brief will discuss the construct of class and socioeconomic status in the modern United States and how it affects citizens' experiences of the social welfare system. Outside factors such as race are brought into the conversation and used to ascertain just how much the two aforementioned factors correspond.

Brief

Socioeconomic status (SES) is a term commonly used to conceptualize the social standing or class of an individual or group. It is generally measured using a combination of several components such as education, income and occupation. SES is often conflated with the term “social class,” and for modern intents and purposes, this use is appropriate. However, the two are not one in the same. Marxist-in origin, the term “social class” has mainly been used to classify people based on their control of enterprise and financial assets. SES, on the other hand, is a continuous scale. It is heavily nuanced and multidimensional due to its reliance so much on social context. This being said, in modern contexts, the two terms are used interchangeably.

There have been many complex attempts to model what exactly class/SES looks like in the United States. Sociologists, Dennis Gilbert, William Thompson, Joseph Hickey, and James Henslin proposed class systems within the US, with six distinct social classes/statuses. They feature an upper class, composed of the wealthy and powerful, an upper middle class, consisting of the highly educated and affluent professionals, a middle class, consisting of white-collar employees with college degrees, a lower middle class, consisting of semi-professional college-graduates, a working class which contains blue collar and clerical workers, and a lower class, which is divided into two subcategories: the working poor and the unemployed.



Class in the United States, featuring occupational descriptions by Thompson & Hickey as well as United States Census Bureau data pertaining to personal income and educational attainment for those age 25 or older.

A good model of socioeconomic status should take into account all the variables that could possibly affect one's standing in this area. In the modern United States, it can be argued that race also plays a strong role in determining one's socioeconomic status. For example, if we are to take income as the most defining factor in class/SES, there are patterns that show correlations between income and race within the US. These patterns suggest the presence of institutionalized racism and cyclical poverty, which mainly work against the black and Latino populations.

Median household income by race or ethnicity (\$)			
Asian	Non-Hispanic White	Hispanic (of any race)	Black
57,518	48,977	34,241	30,134

Source: **United States Census Bureau, Census.gov**

SES is a complex concept and it is no surprise that there is no on agreed-upon definition. An individual's socioeconomic status often dictates their prestige, access, and power, as well as their access to private and public resources. (APA)

Social welfare is one of these resources. According to the Merriam-Webster dictionary, social welfare is organized public or private social services for the assistance of disadvantaged groups. (Merriam-Webster) This definition definitely encompasses an aspect of modern social welfare but does not nearly demonstrate the nuances of the welfare systems in the modern United States. Irwin Garfinkel, Lee Rainwater, and Timothy Smeeding go beyond this definition in their book *Wealth and Welfare States: Is America a Laggard or Leader?* They define social welfare as having five components: 1) health care spending 2) education spending 3) cash retirement benefits 4) other government cash

transfers such as unemployment insurance and the earned income tax credit (EITC) 5) non-cash aid such as food stamps and public housing. (Garfinkel, Rainwater, Smeeding)

In the United States, the term “social security” is used to describe a large portion of the social welfare field. It refers to government programs designed to prevent citizens from going destitute by providing protection against situations such as unemployment, sickness, invalidity, old age, and the death of the primary breadwinner. (Garfinkel, Rainwater, Smeeding) Social security is mainly concerned with income maintenance and as such, SES and social welfare are two aspects of life that are intrinsically linked. Social welfare policy and usage is strongly influenced by the socioeconomic status of the public.

The symbiotic relationship between SES and social welfare is addressed by Suzanne Mettler in her book *The Submerged State*. (Mettler) For the book, Mettler selected a sample of 1,400 Americans and asked whether they had ever used a government program. 43% of participants responded “yes”. Mettler then proceeded to read off 21 social programs operational in the modern US, such as Medicare and the home-mortgage interest deduction. She then repeated the question: Have you ever used a government social program? This time, 96% of participants responded saying “yes”. (Mettler)

Do these results mean that US citizens do not know what welfare structures are in a place? No, not necessarily. Mettler suggests that her results are actually due to “policy design,” which is a key determinant of whether or not people realize they are benefitting from a government social program. The policy design of programs such as Medicare is such that people automatically qualify so they are less likely to realize that they are benefitting from the government. Conversely, programs such as food stamps and Medicaid, which force recipients to apply at a government office, are much more visible. 44% of Medicare beneficiaries did not realize they were recipients of government aid, while the same could be said of only 25% of food stamp recipients. (Mettler)

Mettler describes this phenomenon of invisible state welfare as “the submerged state.” These policies are mostly tax breaks and include home-mortgage interest deduction and tax exclusions. Mettler’s notion of the submerged state links to socioeconomic status as there is a clear pattern to the programs: the more a government social program benefits poorer Americans, the more obtrusive it is – and vice versa. For home-mortgage interest deduction, which mainly benefits the wealthy, as much as 60% of the recipients did not realize they were benefitting from government social services. (Bloomberg) This link further demonstrates the inextricable link between SES and social welfare and further illustrates how SES affects one’s experience of the welfare state.

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