

People of color will be a majority of the American working class in 2032

What this means for the effort to grow wages and reduce inequality

Report • By [Valerie Wilson](#) • June 9, 2016

Summary: In 2032, people of color will become a majority of the American working class, defined as people without a college degree. Since nearly two-thirds of the U.S. labor force is working class, policies aimed at raising working class living standards are critical to tackling wage stagnation and economic inequality. Working people from diverse groups must recognize that they share more in common than not, and work together to achieve a higher minimum wage, universal high-quality child care, criminal justice reform, and other overlapping goals.

What this report finds: People of color will become a majority of the American working class in 2032. This estimate, based on long-term labor force projections from the Bureau of Labor Statistics and trends in college completion by race and ethnicity, is 11 years sooner than the Census Bureau projection for the overall U.S. population, which becomes “majority-minority” in 2043.

Why this matters: As of 2013, the working class—made up of working people without a college degree—constitutes nearly two-thirds (66.1 percent) of the U.S. civilian labor force between ages 18 and 64. Thus wage stagnation and economic inequality can’t be solved without policies aimed at raising living standards for the working class. Because the working class is increasingly people of color, raising working class living standards will require bridging racial and ethnic divides.

What it means for policy: The best way to advance policies to raise living standards for working people is for diverse groups to recognize that they share more in common than not, and work together toward:

- Full employment
- Equal pay for equal work
- Universal high-quality child care and early childhood education
- Strengthened collective bargaining
- Higher minimum wages
- Voting rights protections
- Reforms to immigration and criminal justice systems

SECTIONS

1. Introduction and findings • 1
2. Working class becomes majority-minority by 2032 • 3
3. America’s future workforce and the intersection of race, ethnicity, and class • 7
4. Acknowledgements • 20

About the author • 20

Appendix • 21

Endnotes • 25

References • 25

Introduction and findings

According to the latest projections from the U.S. Census Bureau, the population of the United States will be “majority-minority”¹—majority people of color—in 2043. For the working-age population (those between the ages of 18 and 64) the transition takes place in 2039.

The transition to a majority-minority population in 2043 means that although the non-Hispanic white population will remain the largest single group in America, the combined populations of all nonwhite racial and ethnic groups will make up more than half of the U.S. population. The transition is the result of increasing birth rates and net international migration of nonwhites, and the estimated year of its arrival is based on the assumption that current patterns of racial and ethnic self-identification remain constant into the future.

As the current population ages, the older population will remain predominantly non-Hispanic white while the younger population will increasingly be people of color. In 2043, 60.7 percent of people under age 18 will be people of color, while 64.9 percent of those over age 65 will be non-Hispanic white. Given the pervasive impact of race on nearly every aspect of American society, this demographic shift has implications for the future of the American economy, as shaped by the workforce, education, and politics.

While the full realization of a nonwhite majority in the U.S. population is nearly three decades away, there are clear indications that this future reality is quickly taking shape. According to the Census Bureau, the population under age 5 in this country has already reached this milestone, a fact that is reflected in the demographic composition of public schools. The Department of Education projected that the fall of 2014 would mark the first time that children of color outnumbered whites in America's public elementary and secondary schools (Hussar and Bailey 2014). In politics, Barack Obama's victories in the 2008 and 2012 elections have been largely attributed to winning the combined minority vote by large margins (Pew Research Center 2012).

As these shifting population demographics converge with patterns of educational attainment, the next majority-minority transition is likely to take place within America's working class, or among workers with less than a bachelor's degree. For the foreseeable future, Latinos and African Americans will remain the two largest minority groups in the U.S. By 2043, Latinos will be 26.6 percent of the working-age population while African Americans will be 13.4 percent.² This is significant for the demographic transition of the working class because members of these groups are also the least likely to have a four-year college degree. In 2013, 13 percent of Latinos and 21.2 percent of African Americans in the labor force had a bachelor's degree, compared with 36.7 percent of non-Hispanic whites.³ Though the Asian American population is projected to grow the fastest over the next 30 years, on average, Asian Americans have the highest rates of college completion in the labor force (59.4 percent in 2013), making them a very small share of the working class. As workers of color grow as a share of the labor force and of the working class, the nature of educational, employment, and wage inequities take on broader meaning for the strength of the American economy.

In this report, I approximate the timing of the working class's transition to majority-minority based on historical trends in educational attainment and long-term labor force projections by race, ethnicity, gender, and age cohort. I also discuss important economic, social, and political implications of the demographic makeup of this new working class.

Key findings include:

- In 2013, the working class—made up of those with less than a bachelor’s degree—constituted nearly two-thirds (66.1 percent) of the civilian labor force⁴ between ages 18 and 64.
- Based on long-term labor force projections from the Bureau of Labor Statistics and continuation of trends in college completion among different demographic groups, the working class is projected to become majority people of color in 2032. This is 11 years sooner than the Census Bureau projection for the entire population and seven years sooner than the transition for all working-age adults (18 to 64 years old).
- The prime-age working-class cohort, which includes working people between the ages of 25 and 54, is projected to be majority people of color in 2029.
- The age cohort projected to make the earliest transition to majority-minority is the one that includes workers age 25 to 34. These are today’s 18- to 27-year-olds and for them, the projected transition year is 2021.
- Demography is not destiny, but demography will have an impact on the future of the American economy, politics, and social infrastructure. The shape of that destiny is uncertain due to the fluidity of racial and ethnic identity, waning working-class political power, and the potential for multiracial working-class solidarity.
- Wage stagnation is a universal problem for the working class, regardless of race, ethnicity, or gender. This is an area of immense common ground, because in order to deal with class inequality (a cause of wage stagnation), we have to deal with racial disparities. At the same time, reducing racial inequality means also addressing class inequality.
- Securing wage growth and greater equality by both class and race calls for sustainable working-class solidarity that supersedes the racial and ethnic tensions present among all groups of people, not just between whites and people of color. Getting to that point requires honesty and a collective reckoning about race, white privilege, and institutional racism, with respect to the costs and benefits to each of us.
- As the United States continues to undergo this demographic shift, we have to think in terms of big structural and policy changes that help to advance greater equality, expand opportunity for all, and yield universal benefits to the economy. This includes empowering workers to secure gainful employment, bargain for higher wages, and achieve racial and gender pay equity; closing gaps in student achievement and access to college; protecting voting rights; and enacting immigration and criminal justice reform.

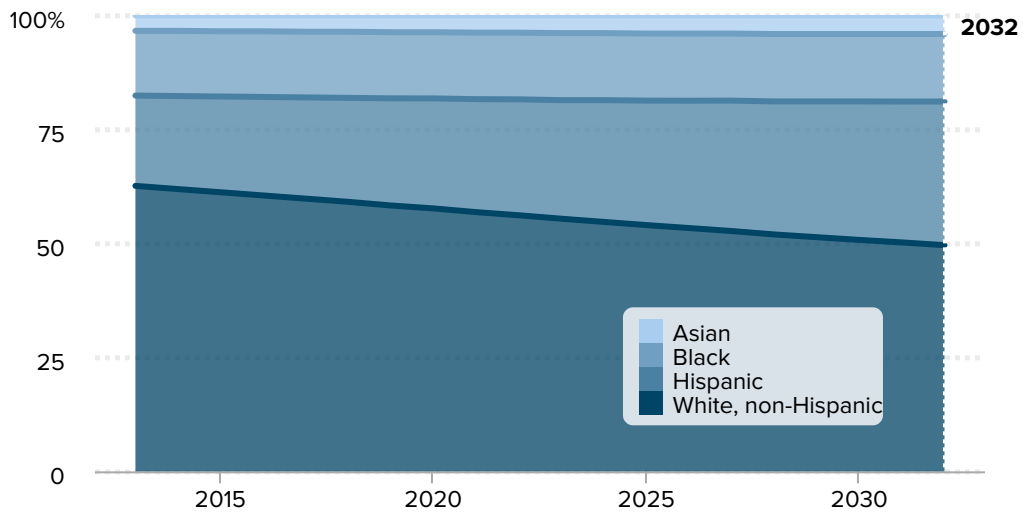
Working class becomes majority-minority by 2032

The working class, defined here as people with less than a bachelor’s degree, accounts for about two-thirds of the 18- to 64-year-old labor force in the United States. Assuming

Figure A

Working class becomes majority-minority in 2032

Projected racial/ethnic composition of 18- to 64-year-olds in the labor force with less than a bachelor's degree, 2013–2032



Note: Line represents demographic transition from the majority (50 percent or more), for white, non-Hispanic, working class.

Source: EPI analysis of educational attainment trends from 1993-2013 Current Population Survey Annual Social and Economic Supplement and Bureau of Labor Statistics' long-term labor force projections for 2005–2050

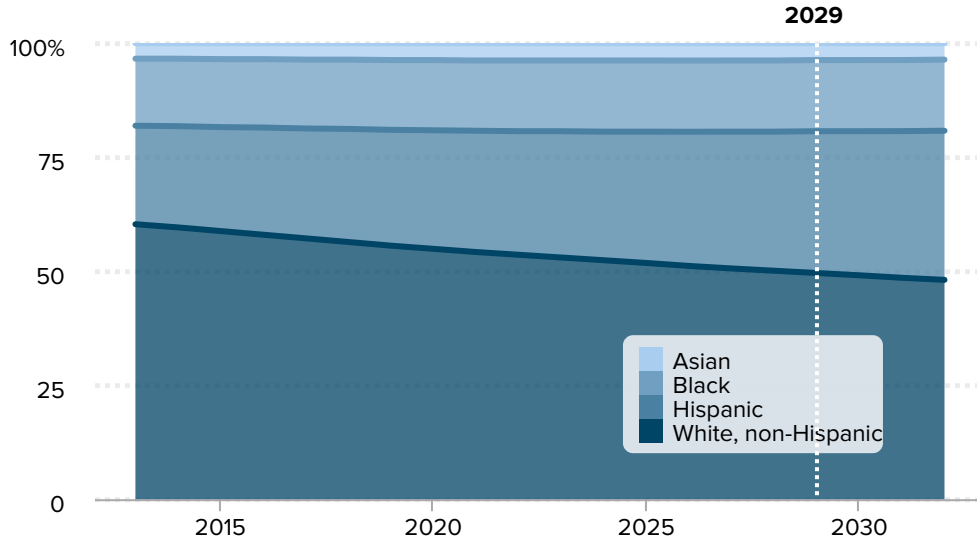
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that rates of college completion by race/ethnicity, gender, and age cohort continue to increase at the same pace they did between 1993 and 2013, the 18- to 64-year-old working class is projected to become majority-minority in 2032 (**Figure A**). For the prime-age working class (25- to 54-year-olds), the transition takes place in 2029 (**Figure B**) with the 25- to 34-year-old cohort reaching this tipping point first in 2021 (**Figure C**). Differences in educational attainment by race and ethnicity first emerge within this last cohort because traditionally, most adults have completed a college degree by age 25.

Figure B

Prime-age working class becomes majority-minority in 2029

Projected racial/ethnic composition of 25- to 54-year-olds in the labor force with less than a bachelor's degree, 2013–2032



Note: Line represents demographic transition from the majority (50 percent or more), for white, non-Hispanic, working class.

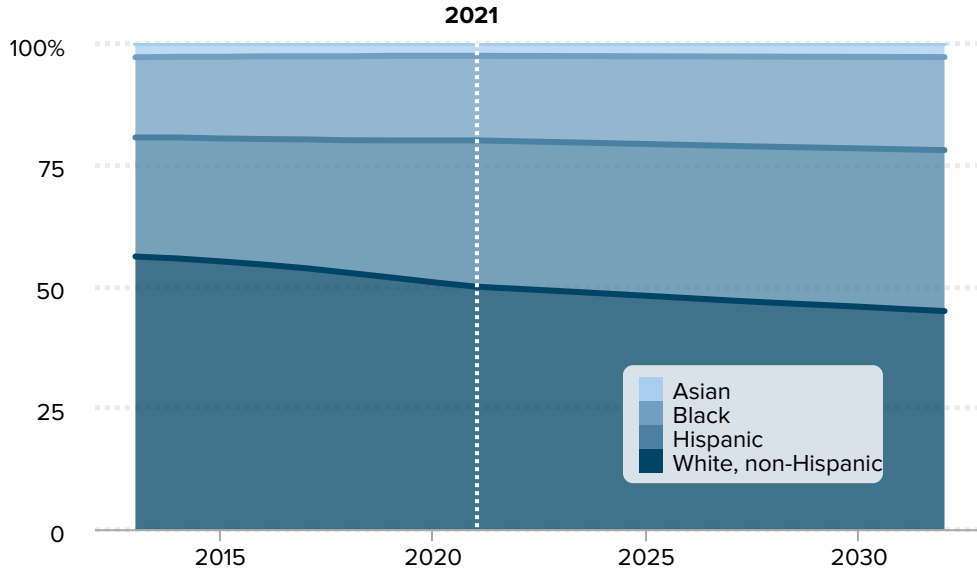
Source: EPI analysis of educational attainment trends from 1993-2013 Current Population Survey Annual Social and Economic Supplement and Bureau of Labor Statistics' long-term labor force projections for 2005–2050

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Figure C

Older millennial working class becomes majority-minority in 2021

Projected racial/ethnic composition of 25- to 34-year-olds in the labor force with less than a bachelor's degree, 2013–2032



Note: Line represents demographic transition from the majority (50 percent or more), for white, non-Hispanic, working class.

Source: EPI analysis of educational attainment trends from 1993-2013 Current Population Survey Annual Social and Economic Supplement and Bureau of Labor Statistics' long-term labor force projections for 2005–2050

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Figure D shows the changes in each of the main racial/ethnic group's share of the working class between 2013 and 2032 and illustrates the changing gender demographics of the working class within each racial or ethnic group. Among working-class people of color, most of the projected growth is coming from men, while women are driving more of the decline among working-class non-Hispanic whites. Although women as a whole are projected to constitute a smaller share of the working class, Latinas will become a larger share of working-class women.

These projections are based on assumptions about patterns of college completion as applied to Census Bureau estimates of population growth and estimates of labor force participation from the Bureau of Labor Statistics. The extent to which reality differs from any of these assumptions will affect the projected date and the racial, ethnic, or gender composition of the working class at any point in time. However, even if we were to assume that the more rapid increase in college completion rates occurring after 2003 continues, it would have little effect on the projected dates. As **Table 1** shows, this alternative assumption had no effect on the transition year for the entire working class, the prime-age working class, and the 25- to 34-year-old working class, but did affect the dates for young (age 18 to 24) and mid-career (age 35 to 44) workers. A more detailed discussion of post-2003 trends in educational attainment and how they affect the projected majority-minority working-class transition dates for each of these cohorts is available in the appendix.

America's future workforce and the intersection of race, ethnicity, and class

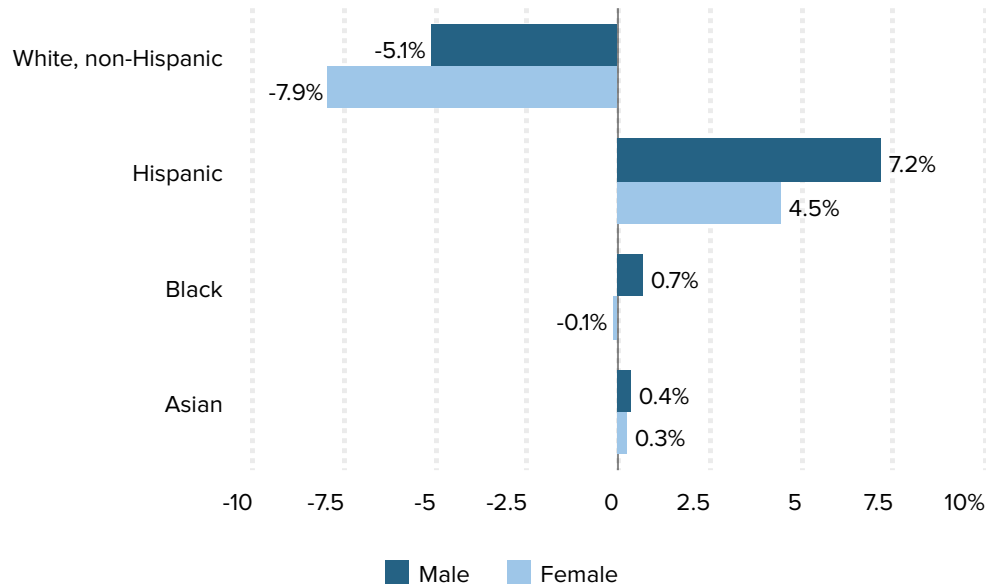
As the working class transitions to being majority people of color, class inequality and racial inequality will likely become more indistinguishable. Improving the living standards of all working-class Americans while closing racial disparities in employment and wages will depend on how well we seize opportunities to build multiracial, multigendered, and multigenerational coalitions to advance policies that achieve both of these goals. Policies and practices that promote good jobs with living wages and benefits, ensure a strong social safety net, and make high-quality education available to all children regardless of their race, ethnicity, or zip code must be leveraged with those that end employment and pay discrimination, as well as residential segregation.

Unlike the projections that motivated this report, the economic, political, and social implications associated with the demographic transition of the working class don't fit neatly into a math equation that predicts the world will suddenly be different on a given day. The U.S. population has been undergoing demographic change since this country was founded. Further, the concepts of working class and racial and ethnic identity, upon which this analysis is based, are themselves very fluid. The remainder of this report

Figure D

Hispanics and men will drive increase in the browning of the working class

Projected percentage-point change in share of 18- to 64-year-old working class with given racial/ethnicity characteristic, by gender, 2013–2032



Note: The working class consists of members of the labor force who have less than a bachelor's degree.

Source: EPI analysis of educational attainment trends from 1993–2013 Current Population Survey Annual Social and Economic Supplement and Bureau of Labor Statistics' long-term labor force projections for 2005–2050

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Table 1

Projected “majority-minority” transition year, by age cohort

	Educational attainment assumption	
	Baseline (1993–2013 average annual change)	Alternative (2003–2013 average annual change)
<i>18–64 years old</i>	2032	2032
<i>25–54 years old</i>	2029	2029
<i>18–24 years old</i>	2034	2031
<i>25–34 years old</i>	2021	2021
<i>35–44 years old</i>	2031	2029

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summarizes some of the challenges ahead for the working class, and why failure to confront them would have real costs for working-class families and the broader economy.

Wage stagnation is the most pressing issue of the working class

As 66.1 percent of the labor force in 2013, people with less than a bachelor's degree supplied most of the labor and generated much of the demand needed to drive economic growth. Even as educational attainment continues to rise, the working class will remain a majority of the labor force, comprising 57.8 percent by 2032 when people of color are projected to become the majority. Building a strong working class is only possible when workers are able, through broad-based wage growth, to share in the economic prosperity that they help generate. Unfortunately, this has been the exception more than the rule for the last three and a half decades.

Figure E shows that since 1979, median hourly real wage growth has fallen far short of productivity growth—a measure of the potential for pay increases—for all groups of workers (not just those without a bachelor's degree), regardless of race, ethnicity, or gender. Over this same period, there have been clear differences in wage growth trends of men and women, and of people of color relative to whites. Median wages for white, black, and Hispanic men all fell, with Hispanic men suffering the greatest losses (-9.8 percent). On the other hand, median wages of all women increased, with white women's wages growing the most (30.2 percent) and Hispanic women's wages growing the least (8.6 percent). Most of the decline in men's wages occurred between the mid-1980s and the late 1990s. While men's and women's wages grew during the economic boom of the late 1990s and early 2000s, for men, these gains were either inadequate to make up for the losses during the previous decade or have since been eroded in the aftermath of the Great Recession.

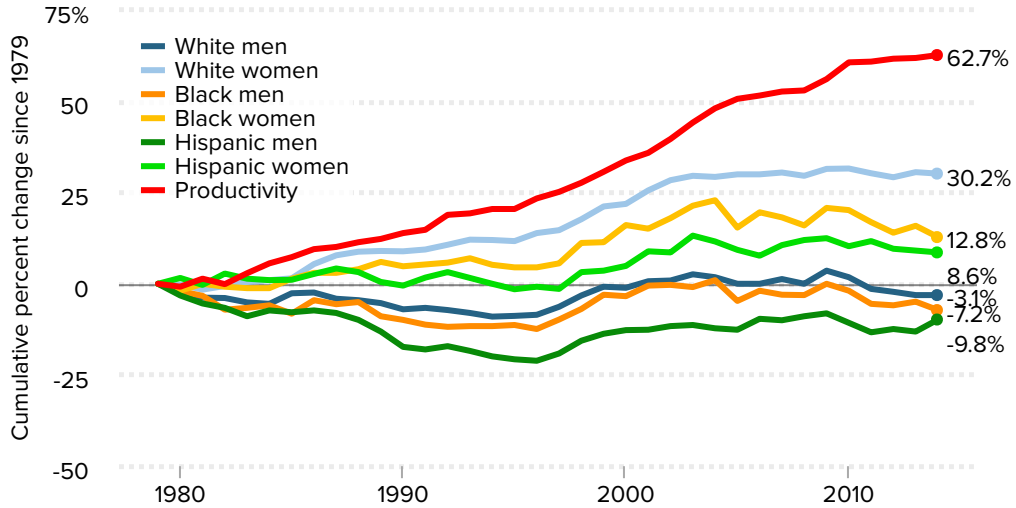
Among men and women, wages for workers of color have grown more slowly than those of whites. As a result, existing pay disparities by race and ethnicity have remained unchanged or widened. **Figure F** returns to looking at members of the working class, plotting the median hourly wages by gender, race, and ethnicity since 1979, all as a share of white men's wages. In 2014, median pay ratios for black and Hispanic men were almost exactly the same as they were in 1979. While there's been improved gender equality in pay over this same period, 40 percent of the narrowing in the gender wage gap occurred because of falling men's wages (Davis and Gould 2015). At the same time, racial and ethnic pay gaps among women have grown.

These data show that wage stagnation has been a problem for the entire working class, regardless of race, ethnicity, or gender. As such, it is easily the most pressing common issue for an increasingly diverse working class, and solutions for reversing the trend are clearly defined. Wage stagnation can be directly traced to a number of intentional policy decisions on behalf of those with the most income, wealth, and power—decisions that have eroded the leverage of the vast majority of workers while directing most of the gains to the top. Two of the ways this has played out are through declining unionization and an economy for which genuinely full employment has been a rare occurrence (Mishel and Eisenbrey 2015). It is also the case that these factors have affected a larger share of working-class blacks than other groups.

Figure E

All workers' wages—regardless of gender, race, or ethnicity—have failed to rise in tandem with productivity

Hourly median wage growth by gender, race, and ethnicity, compared with economy-wide productivity growth, 1979–2014



Note: Race/ethnicity categories are mutually exclusive (i.e., white non-Hispanic, black non-Hispanic, and Hispanic any race). This figure includes the entire civilian labor force.

Source: EPI analysis of unpublished Total Economy Productivity data from Bureau of Labor Statistics Labor Productivity and Costs program, and Current Population Survey Outgoing Rotation Group microdata

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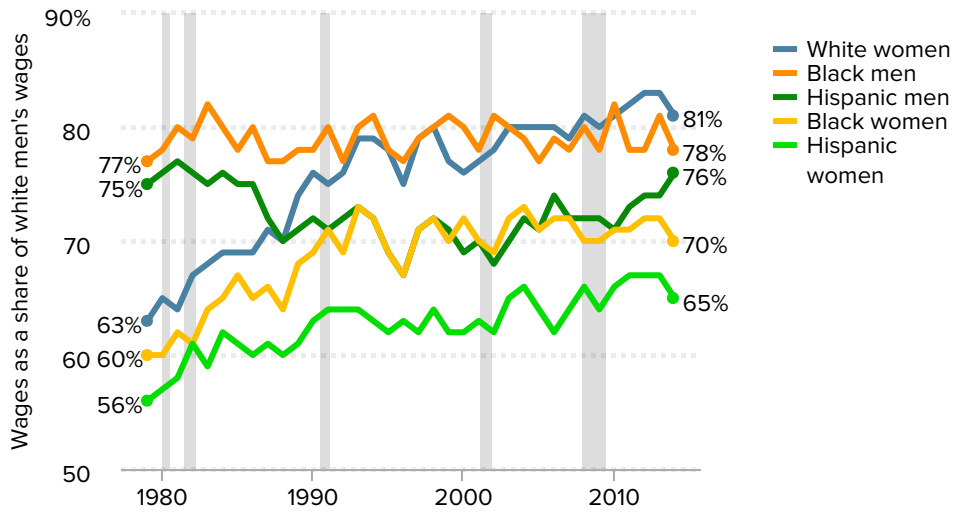
Restoring working-class bargaining power and full employment are universally beneficial, but have the greatest impact on African American workers

The share of private-sector workers covered by a union contract declined from 26 percent in 1970 to 7.4 percent in 2014 (Bivens 2015). **Figure G** plots the decline in union membership as a share of the total employed by race and ethnicity since 2000. This graph depicts higher rates of unionization among African American workers than other groups, even as union density has declined. This is true in spite of the fact that a majority of the black population resides in southern states where unions are not as strong. Strengthening working-class bargaining power is especially important to African Americans who experience both class inequality and racial inequality.

In the brief period between 1995 and 2000 when overall unemployment averaged 4 percent for two solid years, median hourly wages rose with productivity (roughly 2 percent, annually). During this period of full employment, median wages of black workers also grew slightly faster than those of white workers (Wilson 2015). After 2000, all progress on full employment and wage growth came to a halt, and was eventually undone

Figure F

Working class median hourly wage ratios, all groups relative to white men



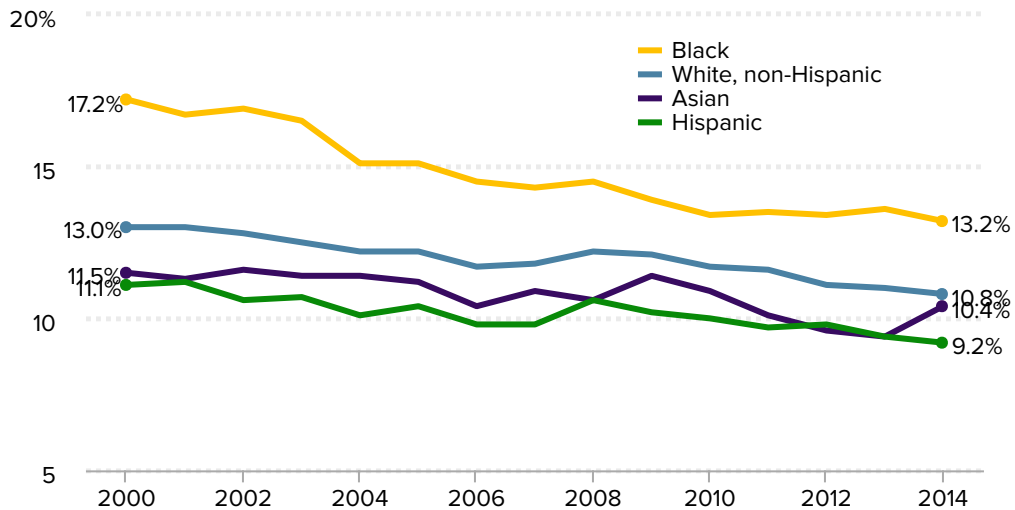
Source: EPI analysis of Current Population Survey public data series

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Figure G

Unionization higher among blacks, even as union density has declined

Union membership as a share of total employment, by race and ethnicity, 2000–2014



Source: EPI analysis of Current Population Survey public data series

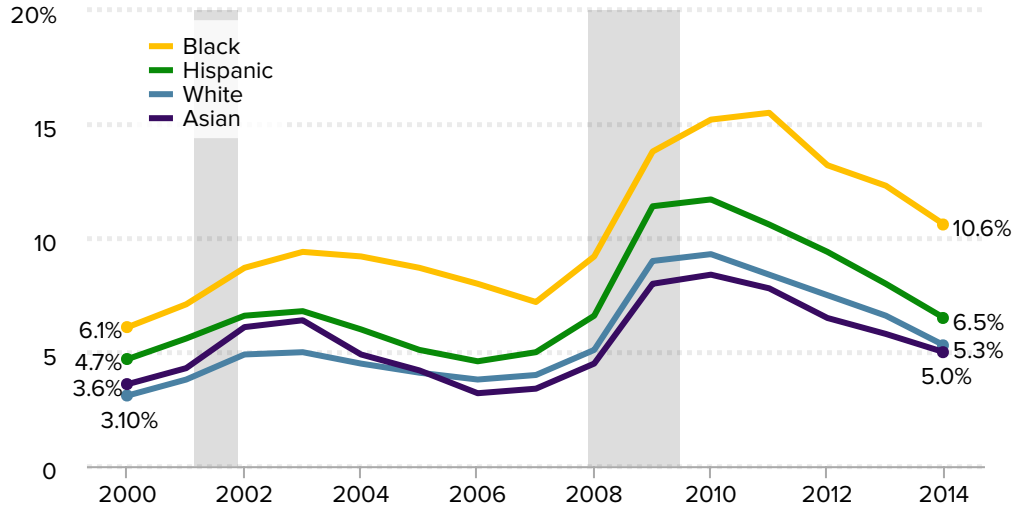
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through the Great Recession. **Figure H** shows that in 2014, working-class unemployment rates were still above prerecession (2007) rates, and nowhere near the exceptionally low

Figure H

Working class unemployment rates still exceed prerecession (2007) rate after 7 years

Unemployment rate of 18- to 64-year-olds in the labor force with less than a bachelor's degree, by race and ethnicity, 2000–2014



Note: Shaded areas denote recessions.

Source: EPI analysis of the Current Population Survey public data series

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rates of 2000. The black unemployment rate has consistently been several percentage points higher than the rates of all other groups—both in periods of expansion and recession—but as unemployment rates rose during the Great Recession, the differences between all groups grew. These gaps remained wider in 2014 than in 2007, before the recession.

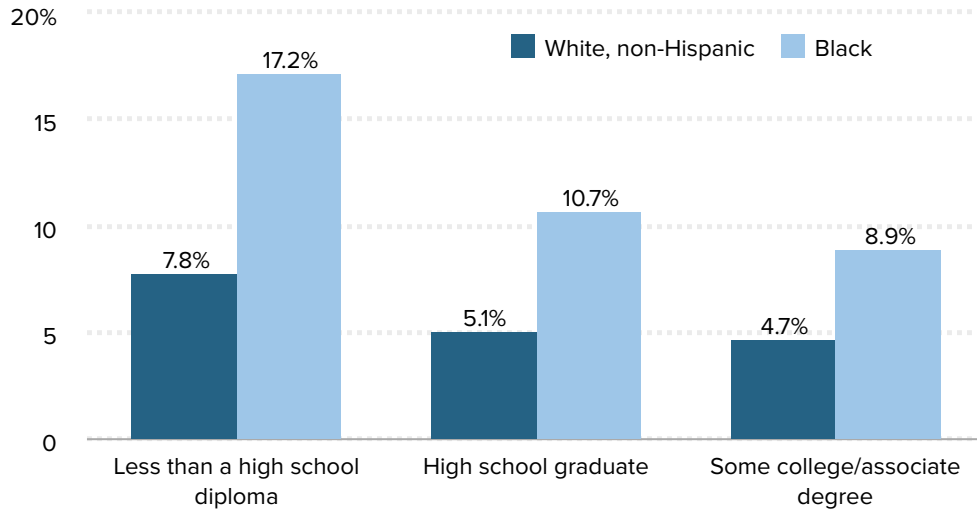
Full employment is as important to narrowing these unemployment gaps as it is to lowering overall unemployment. On average, the black unemployment rate changes by about 2 percentage points for every 1 percentage-point change in the national rate (Wilson 2015), when unemployment rises as well as when it falls. However, one of the most sobering illustrations of persistent racial disparity in unemployment is shown in **Figure I**, which provides a cross-section of black and white unemployment rates by educational attainment in 2014. Based on this graph, even the most educated working-class blacks face higher unemployment rates (8.9 percent) than the least educated working-class whites (7.8 percent). This means that simply providing more education to people of color will not remedy persistent racial disparities in unemployment.

As people of color grow as a share of the labor force and working class, there is increased opportunity to reduce racial disparities in wages and employment. Of the 50.6 million total job openings expected over the 2012–2022 decade, 67.2 percent are projected to come from replacement needs as older, predominantly white workers retire (Richards and Terkanian 2013). Nearly two-thirds of all job openings are expected to be in occupations

Figure 1

Even the most educated working-class blacks face higher joblessness

Unemployment rate of 18- to 64-year-olds in the labor force with less than a bachelor's degree, by highest level of educational attainment and race/ethnicity, 2014



Source: EPI analysis of Current Population Survey public data series

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that require less than a postsecondary education, in other words, working-class jobs. Since the emerging cohort of workers who will be competing for these jobs is more racially and ethnically diverse than those retiring, it's reasonable to expect that people of color will fill an increased share of these positions.

Major investments in children and bold structural reforms that close gaps in student achievement and college access will yield major long-term payoffs

The fact that the majority of future job openings won't require a college degree doesn't minimize the importance of expanding access to and completion of college for all students who desire to continue their education beyond high school. Parents of all socioeconomic backgrounds aspire to send their children to college and this is a solid working-class value as well. Making this goal equally attainable requires leveling of financial barriers and eliminating inequities in academic preparation based on race, ethnicity, and socioeconomic status. In fact, eliminating student achievement gaps is essential to building a highly productive workforce, regardless of how many of those workers choose to attend college.

Those who will be the majority people-of-color working class in 2032 include today's elementary, middle, and high school students and young adults. Therefore, the accessibility and affordability of college is more than an aspirational goal of working-class parents. Rather, the size and demographic composition of the future working class—those without a bachelor's degree—are directly related to college access and college completion trends. These outcomes are influenced by academic preparation, family income, and wealth. Unfortunately, the majority of African American and Hispanic students enter kindergarten in highly segregated schools where nearly half of their peers live in poverty. On average, students in these heavily minority, high poverty schools are less prepared when they start kindergarten in the fall and make less progress (relative to the average) over the course of the year than those in low poverty schools (Garcia and Weiss 2014). It is imperative that the nation invests more in the future of its workforce by making it a priority to provide high-quality education for all children at all levels. This includes sizable public investments in early childhood education (including high-quality pre-kindergarten) to allow all children to begin their formal schooling years with similar levels of preparation. The long-term benefits of such investments are universal, resulting in an increasingly productive workforce that will boost economic growth and provide budgetary savings at the state and federal levels (Bivens et al. 2016).

In addition to academic preparation, racial and ethnic differences in family income and wealth pose another set of challenges for college affordability. Disinvestment of public dollars in higher education has resulted in more of a market-based system of funding higher education that contributes to rising tuition. This has made college less affordable for families with limited wealth. The fact that these changes are taking place as children of color represent a growing share of the school-aged population has serious implications, for example increased student debt, delaying or forgoing college altogether, and lower rates of completion among people of color.

Solutions to these challenges require bold structural reform rather than incremental changes. Given that the segregated nature of schools and unequal distribution of resources follows from the segregated nature of neighborhoods—by race, ethnicity, and poverty concentration—reforms to education policy will be most effective if accompanied by reforms to housing policy (Rothstein 2014). Other recommendations include severing the tie between local tax revenues and funding for public schools, or at a minimum, investing a larger share of state and local budgets in schools and jobs in racially and economically segregated communities rather than in jails and other systems of punishment.

Bridging the racial generation gap to build working-class economic security is a win-win

Ironically, as the current working class retires—contributing to the boost in future job openings for workers without a college degree—this also presents a risk of underinvestment in youth and schools. The coming racial and ethnic generation gap will require balancing the interests of a younger, poorer, more racially and ethnically diverse population and those of an older, wealthier, predominantly white population. This ethnic generation gap to be navigated is at the heart of *Evenwel v. Abbott*. In December 2015, the Supreme Court heard arguments for altering the long-standing principle of “one person, one vote” and substituting voting-age citizens for total population when drawing legislative districts within states. This is significant given the changing demographics of our country, because whites are, and will continue to be for some time, a much larger majority among older voting-age citizens than among the population as a whole.

Despite these political tensions, older workers and retirees have a stake in working-class issues and racial equity. As the demographic transition of the working class continues, people of color will be a larger share of those supporting the Social Security and Medicare systems, providing the services used by the aging population and creating the demand that drives the economy. That means the tax revenues used to pay benefits will be increasingly drawn from the wages of nonwhite workers. Higher working-class wages strengthen these critical safety net programs and the overall economy. Higher wages are also important in attracting and retaining greater numbers of highly qualified workers to deliver critical services.

There are clear motivations for taking a proactive approach to strengthening the working class in all the ways that have been described. It is less clear whether the changing demographics of the working class present an opportunity that can be seized to accomplish that goal. The answer to that question pivots on the intersection of race, racial identity, class, and politics.

Racial identity is not a fixed concept

Sociologists have noted how definitions of white and nonwhite changed as once-excluded minorities such as Irish, Italian, and Jewish peoples assimilated into the mainstream, thus

retaining a white majority as population demographics neared a tipping point. In an article in *The American Prospect*, Richard Alba argues that more recent immigrants and children of ethnically and racially mixed families could follow a similar path. Nearly 40 percent of infants of mixed race/ethnicity have one white and one Hispanic parent. This is significant because the demographic shift of the population and working class hinges on the projected growth of the Hispanic population, which the Census Bureau assumes will continue to identify as such in perpetuity, regardless of multiracial births. While racial identity tends to be less fluid for biracial people with one black parent (most self-identify or are identified by others as black), this is not the case among individuals of mixed Hispanic-white or Asian-white family background (Liebler et al. 2014).

Protecting voting rights of people of color is critical to restoring the economic bargaining power of the working class

Even if the assumed norms of racial identity hold, there is little evidence that a future working class that is majority people of color will have any more power in the workforce than the current working class. That's because the reality of big money politics threatens the political bargaining power of the working class. During the 2012 elections, big business outspent unions by a margin of 57-to-1 (Draut 2016). This imbalance of political and economic power has led many working-class voters to disengage from the political process, but for different reasons. People of color are less likely to vote because of obstacles, whereas whites are less likely to vote due to cynicism or frustration with the economic and political elite. Regardless of the reasons for disengagement, the result has been a pool of voters who tend to be more educated and more conservative on economic issues than nonvoters (Leighley and Nagler 2014). While there may be different reasons for disengagement among whites and people of color, protecting the voting rights of people of color is a solution that addresses both problems. That's because effectively counterbalancing the voting power of the economic and political elite requires a greater number of voters aligned with the economic interests of the working class. These voters are among the growing ranks of working-class people of color—the same populations affected by laws that suppress voter participation by requiring specific forms of identification, limiting the times available to vote, or lifetime disenfranchisement of formerly incarcerated citizens.

Recommendations for overcoming these challenges include systemic changes such as mandatory voting and restoring the Voting Rights Act, as well as tactical changes to the way in which voter engagement has traditionally been done. Advocates are working to find ways to organize around issues rather than candidates, build political power in communities of color that is led by those communities, and build a lasting political infrastructure rather than relying on a “drop-in” model of politics that operates only every four years.

Establishing multiracial working-class solidarity to advance racial and class equality presents opportunities as well as challenges

Since class identity has often been racialized, one of the greatest challenges to rebuilding the economic power of the working class lies in establishing multiracial solidarity on a national scale. Getting to that point requires honesty and a collective reckoning about race, white privilege, and institutional racism, with respect to the costs and benefits to each of us. Workers without a college degree were once able to provide a comfortable middle-class lifestyle on a union factory job. Draut (2016) argues that this was possible in part because most of those workers were white men who benefited from an entire social contract that had been written with them in mind. Once the civil rights movement began expanding equal opportunity to African Americans and blurring the old racial lines, new lines were drawn. Ian Haney Lopez (2015) refers to the implicitly race-coded language used by Reagan in the 1980s to redraw these lines—by vilifying people on government assistance and labeling them as “takers”—as dog-whistle politics. This was also the beginning of the antiunion backlash that continues today. Recently, *Friedrichs v. California Teacher’s Association (CTA)* threatened to deal a major blow to public-sector collective bargaining until a deadlocked vote of 4 to 4 by the Supreme Court, following the sudden death of Justice Antonin Scalia, upheld a lower court’s decision to allow public-sector unions to collect fees from nonunion members who benefit from collective bargaining and union representation. Had the Supreme Court ruled against CTA, it would have drastically weakened the middle class, especially among blacks who are disproportionately employed in the public sector. Though the threat of this particular case has been neutralized, future challenges are expected once the Supreme Court vacancy has been filled.

Advancing policies that address persistent racial disparities while also tackling class inequality will require abandoning the zero-sum mindset that says one group’s set of issues is totally distinct from and in direct competition with another’s. Overcoming this trap begins with defining a broader view of how all the issues are related. For example, there is a connection between the political, economic, and social disempowerment of black and brown communities embodied in the remarkably similar rise in mass incarceration during the 1980s and 1990s and deportations during the 1990s and 2000s (**Figure J**). To begin with, both trends can be traced to policy decisions, the burdens of which have been disproportionately born by black and Latino men and their families. Raphael and Stoll (2013) find that most of the growth in the prison population can be accounted for by society’s *choice* for tough-on-crime policies (e.g., determinate sentencing, truth-in-sentencing laws, limiting discretionary parole boards, etc.) resulting in more individuals—committing less serious offenses—being sentenced to serve time, and longer prison sentences. These policies have most affected black and Hispanic men, particularly those without a college degree. For example, in 1979, a black man faced a 13.4 percent chance of being admitted to a state or federal prison during his lifetime, compared with a 6 percent chance for a Hispanic man and a 2.5 percent chance for a white man. By 2001,

these probabilities had grown to a 32.2 percent for black men, 17.2 percent chance for Hispanic men, and 5.9 percent for white men (Cox 2015).

Similarly, the rapid rise in deportations was preceded by the passage of two 1996 laws: the Antiterrorism and Effective Death Penalty Act (AEDPA), and the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA). These laws made individuals eligible for deportation, based on nearly any criminal offense, regardless of severity; eliminated judicial review of aggravated felony cases, and instituted mandatory detention of immigrants awaiting deportation proceedings. Ninety-eight percent of deportees are from Latin America and the Caribbean, 88 percent are men, and half of all deportations are on the grounds of criminal violations (Golash-Boza 2015). Golash-Boza (2015) further argues that immigration law enforcement serves the aims of global capitalism, making labor a disposable commodity and laborers powerless. This also has contributed to the suppression of working-class wages.

Opportunities to find common ground don't stop with issues of social justice and civil rights that most directly impact African Americans and Latinos. As has already been stated, there is great commonality across race, ethnicity, and gender on economic issues such as wage stagnation. Unfortunately, as working-class families have come under increased economic pressure over the last 15 years, the result has not been greater racial and ethnic cohesion behind policies that can improve their lot. Divisions persist in spite of the data, which suggests that in order to deal with the common economic challenges, we have to deal with racial disparities and vice versa. The fact is working-class whites can't blame people of color as the cause of their economic hardships any more than people of color can dismiss the economic frustrations of working-class whites as insignificant. As Figure E showed, the lack of median wage growth among white men did not translate into higher wages for black or Hispanic men, and declining median wages among black and Hispanic men were not offset by excessive wage growth among white men at the median. As a larger share of working-class jobs have shifted from making things to serving and caring for people, working-class whites are occupying more of the low-wage jobs that have traditionally been undervalued and disproportionately filled by women and people of color. So, not only do these workers share the experience of inadequate wages, but increasingly they're working side by side in the same low-paying jobs.

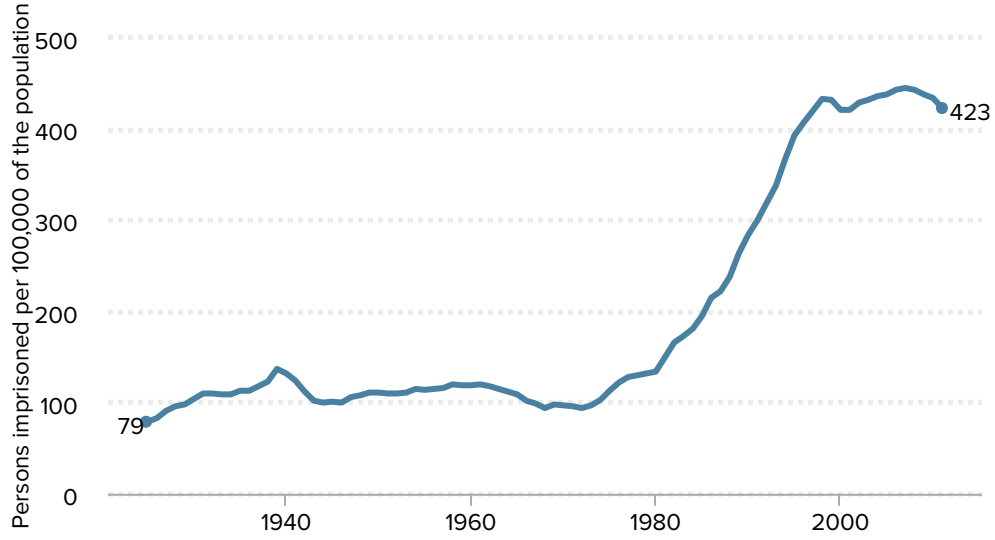
Demography does not determine destiny, but will play a major role in shaping it

As we anticipate the demographic transition of the working class, one phrase seems especially appropriate—"demography is not destiny." On one hand it is true that simply having more people in the working class who identify as something other than white doesn't guarantee greater racial equity. On the other, demography will have an impact on the future of the American economy, politics, and social infrastructure. The shape of that destiny is what's at stake. There are those who seek to stoke fears about this transition or frame it as a threat to white America for political gain. However, it is important to remember that the same special interest groups that fund the opposition to policies such

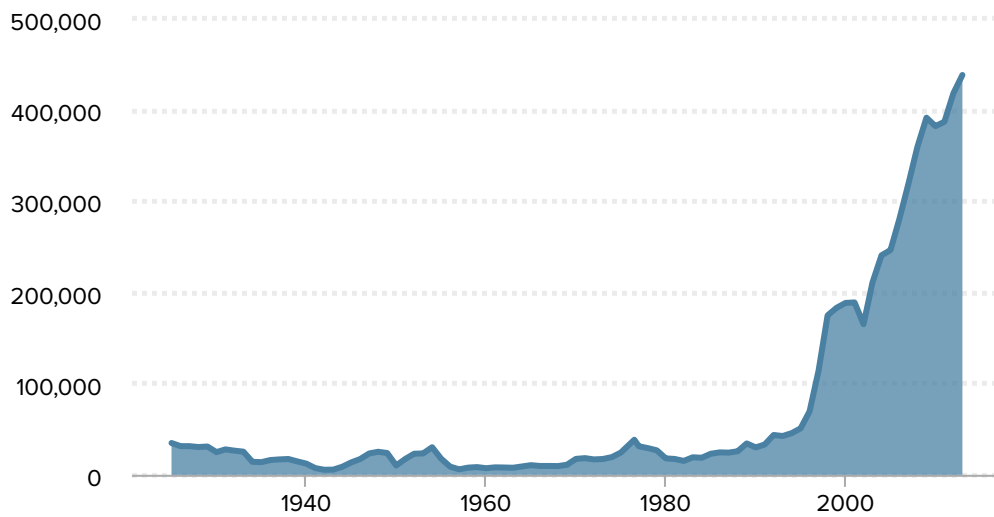
Figure J

Connection between disempowerment of blacks via mass incarceration and Latinos via deportations

Rate of imprisonment in state or federal correctional facilities, 1925–2011



Total removal of non-U.S. citizens out of the country, 1925–2013



Note: Removals are the compulsory and confirmed movement of an inadmissible or deportable alien out of the United States based on an order of removal. An alien who is removed has administrative or criminal consequences placed on subsequent reentry owing to the fact of the removal.

Source: Imprisonment figures are calculations from Cox (2015), using data from Minor-Harper (1986) and Carson and Mulako-Wangota (2013); immigration figures are EPI analysis of data from the Department of Homeland Security, Office of Immigration Statistics

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as the minimum wage and paid sick leave, and that support efforts to undermine collective bargaining power, are often the same ones aligned with support of voter suppression tactics that limit voting among people of color, low-income individuals, students, seniors, and people with disabilities (Lafer 2013, Keyes et al. 2012, Weiser and Opsal 2014). The best way to advance the needed economic policies is for diverse groups to recognize that they share more in common than not and work together to achieve their overlapping and intersecting agendas. As simple as it may sound, that task is much easier said than done because it requires challenging and dismantling generations-old structures that were created to segregate people and establish a predetermined system of winners and losers on the basis of race. Historically, racism has created the sharpest social and economic divisions between whites and blacks, but it is also naïve to assume a collective identity that unifies the numerous and widely diverse constituencies conveniently referred to as minorities or people of color. In other words, there is work to do in tearing down stereotypes and building trust among all groups of people, not just between whites and people of color. It will take a considerable amount of ongoing effort to shift the dominant narrative from one that divides the masses to one that creates a new world of possibilities that benefits all of us. The only certain thing is that issues of race and ethnicity will become more central and will need to be confronted head on.

About the author

Valerie Wilson is director of the Economic Policy Institute's Program on Race, Ethnicity, and the Economy (PREE), a nationally recognized source for expert reports and policy analyses on the economic condition of America's people of color. Prior to joining EPI, Wilson was an economist and vice president of research at the National Urban League Washington Bureau, where she was responsible for planning and directing the bureau's research agenda. She has written extensively on various issues impacting economic inequality in the United States—including employment and training, income and wealth disparities, access to higher education, and social insurance—and has also appeared in print, television, and radio media. She has a Ph.D. in economics from the University of North Carolina at Chapel Hill.

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The author would like to thank the participants of the EPI PREE Roundtable Convening on the Changing Demographics of America's Working Class for their feedback on the issue of the changing working class, which has economic implications but also social and political components. In December 2015, EPI convened a diverse group of 21 people representing labor, civil rights, service, research, and community organizations for a candid discussion of the opportunities and challenges presented by a changing working class. While all the participants shared a commitment to racial, social, and economic justice, views about if and how the demographic shift of the working class would affect those objectives were not unanimous. What was clear is that addressing class and racial inequality will require big structural changes that are likely to be met with opposition from those outside of, and

even within, the working class. Advancing these changes requires solidarity among an increasingly racially and ethnically diverse working class, a goal which presents its own set of challenges.

Appendix

Methodology for estimating the year when the working class becomes majority people of color

In order to approximate the year in which the share of non-Hispanic whites in the working class falls below 50 percent, I apply projected changes in educational attainment to long-term labor force projections by race, ethnicity, gender, and age cohort. This process begins with using historical data on educational attainment from the 1993–2013 Current Population Survey Annual Social and Economic Supplement (CPS ASEC)⁵ to calculate a group-specific average annual change in the percent of the civilian noninstitutionalized labor force (employed and unemployed) with less than a bachelor's degree for each race/ethnicity-gender-age category.⁶ This average annual change is then used to linearly interpolate the percentage with less than a bachelor's degree for 2014 and beyond. These projected rates of educational attainment are then multiplied by each group's projected labor force numbers in each year to estimate the group's share of the working class.⁷

The most recent long-term labor force projections from the Bureau of Labor Statistics (BLS) cover the years 2005 to 2050 and are based on the 2004 Interim National Population Projections of the Census Bureau with the 2000 Census as the population base (Toossi 2006). Since the Census Bureau's 2004 population projections predicted a later date for the majority-minority transition than the 2012 population projections, the projected working class transition years estimated from these numbers may be more conservative than 2012 population projections (with a 2010 Census population base) would indicate. The long-term labor force projections used in this paper also predate the 2007 recession, which has taken a severe toll on labor force participation for all groups. Because BLS releases 10-year labor force projections every other year (more frequently than longer-term projections), I was able to compare pre- and post-2007 labor force projections. Based on a comparison of the 2005–2050 long-term labor force projections and the latest 10-year labor force projections for 2014–2024⁸, I determined that the racial composition of the labor force for years included in both sets of projections remains relatively unchanged despite differences in the size of the labor force.⁹ Since the racial composition, and not the magnitude, of the labor force is most relevant for the estimates presented in this report, the use of prerecession projections should have a negligible effect on the results.

Alternative assumptions about college completion rates

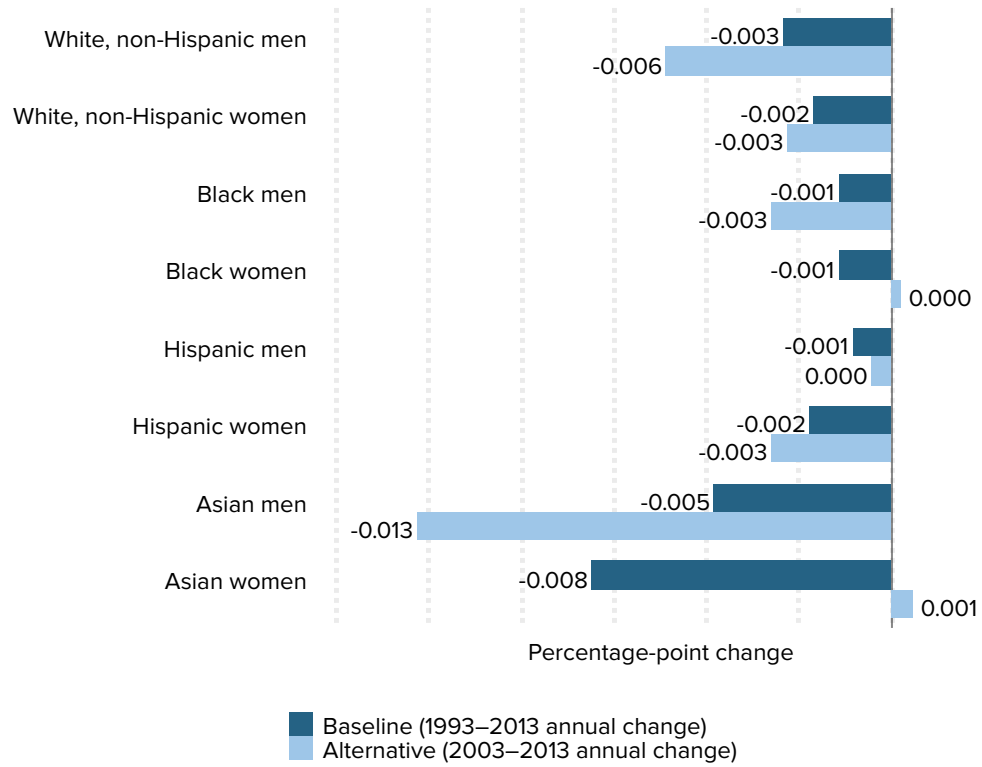
Alternative assumptions about the rate of change in the educational attainment used to define the working class are based on the annual change for 2003 to 2013. This period is chosen as an alternative because average rates of college completion increased more quickly after 2003 as different age, race/ethnicity, and gender groups experienced sharp increases in their educational attainment.

Two age cohorts—18- to 24-year-olds and 35- to 44-year-olds—experienced an acceleration of college completion rates (or faster decline in the share of people with less than a bachelor's degree) between 2003 and 2013 than during the previous ten years, while rates slowed or stayed the same for other age groups. Within these cohorts, changes have occurred at different rates for different groups. The current demographic composition of these cohorts, combined with variation in rates of attainment across groups, determines the date at which the majority-minority transition occurs.

Appendix Figure A shows the average annual percentage-point change in the share of the labor force with less than a bachelor's degree under the baseline education assumption (from 1993 to 2013) and under the alternative education assumption (from 2003 to 2013). The analysis is presented for each of the demographic groups of 18- to 24-year-olds. The shares for non-Hispanic white and Asian men have declined more rapidly than other groups from 2003 to 2013, but since Asians are a very small share of the 18- to 24-year-old working class (2.9 percent), most of the impact on the transition date comes through increased college completion for whites, who are currently 60.7 percent of the working class in that age group. Depending on how quickly non-Hispanic whites in this age group continue to exit the working class, I project that the youngest working-class cohort will transition to majority-minority between 2031 and 2034.

College completion rates have also increased more quickly for 35- to 44-year-olds during the most recent decade as enrollment of nontraditional students has increased by over 30 percent¹⁰ (Hussar and Bailey 2014). Again, the changes that have the largest impact happened among non-Hispanic whites who make up 57.5 percent of this working-class cohort, although African American women (7.3 percent of working class) and Asian women (1.7 percent of working class) and men (1.9 percent of working class) in this age group have also seen notable gains in college completion in the last 10 years (**Appendix Figure B**). Based on the progression of these educational attainment trends, this working-class cohort will become majority-minority between 2029 and 2031.

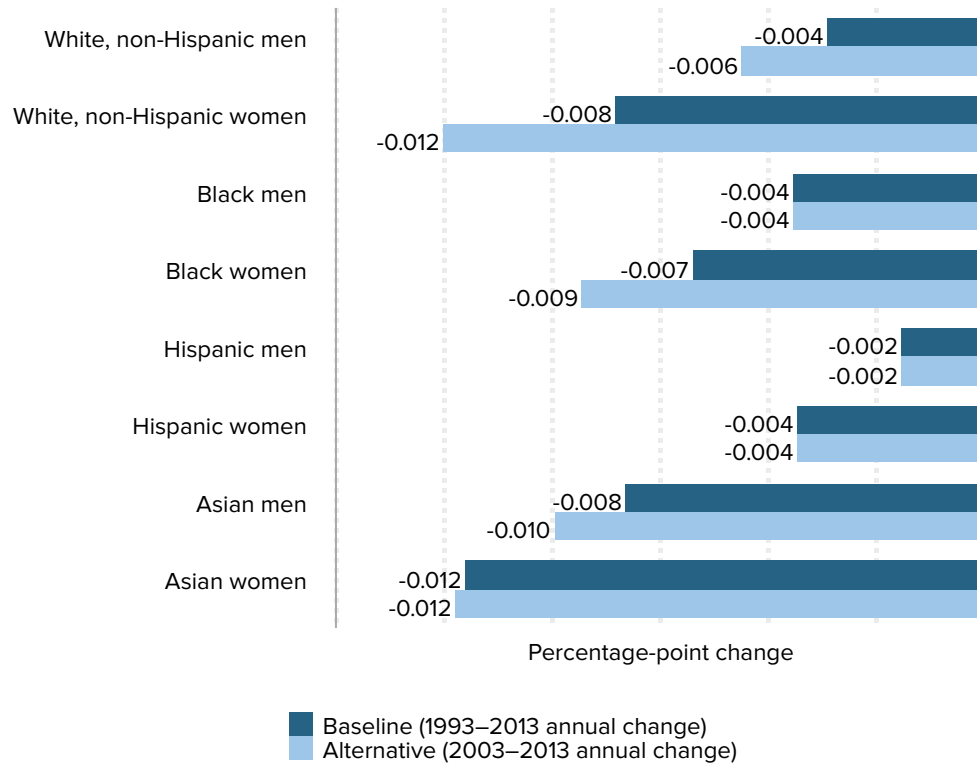
Annual change in share of 18- to 24-year-olds with less than bachelor's degree under alternative education attainment assumptions, by race/ethnicity, and gender



Source: EPI analysis of educational attainment trends from 1993–2013 Current Population Survey Annual Social and Economic Supplement by age, gender, race, and ethnicity

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Annual change in share of 35- to 44-year-olds with less than a bachelor's degree under alternative education attainment assumptions, by race/ethnicity and gender



Source: EPI analysis of educational attainment trends from 1993–2013 Current Population Survey Annual Social and Economic Supplement by age, gender, race, and ethnicity

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Endnotes

1. The Census Bureau defines minorities as anyone outside of the single-race, non-Hispanic white population.
2. Author's calculations based on analysis of 2012 Census population projections data.
3. Author's calculations based on analysis of CPS ASEC microdata.
4. The civilian labor force is defined as people who have jobs or are seeking work, are at least 16 years old, and are not serving in the military or institutionalized.
5. CPS ASEC is the source of annual Census estimates of educational attainment in the population.
6. This process follows the cohort-component method used by Cheeseman Day and Bauman (2000) to project educational attainment for the population.
7. Only four mutually exclusive single-race and ethnic groups can be uniquely identified in the BLS labor force projections data: non-Hispanic whites, African Americans, Asians, and Hispanic whites. As a result, only these four groups are included in these calculations. Ninety-three percent of respondents of Hispanic origin report white as their race. The remaining 7 percent are distributed across the African American, Asian, and "All Other" race categories. "All Other" includes those of multiple racial origin, American Indian and Alaska Natives, and Native Hawaiian and other Pacific Islanders.
8. Toossi (2015) includes the 2014–2024 10-year labor force projections.
9. These comparisons are available from the author upon request.
10. Author's calculations based on analysis of Hussar and Bailey (2014, Table 21).

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