Blurred (Poverty) Lines: Inequality in the Multiracial Era

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This paper examines how racial differences in poverty are affected by the racial identification of multiracial persons and how this dynamic has changed over the past decade. Previous research identifies substantial fluidity in the racial classification of multiracial individuals, posing a challenge for demographers interested in racial inequality. Using data from the 2000 census and 2009-2011 American Community Surveys, we investigate patterns and trends of racial misclassification and their impact on child poverty rates. Results reveal widespread misclassification of multiracial children as monoracial minorities. These misclassified multiracials are economically advantaged relative to their monoracial peers, yielding substantial bias in the monoracial child poverty rates. White/non-white poverty gaps for several populations would be 20-70 percent greater without misclassification. The bias induced by misclassification has grown over the past decade, and given the rapid growth of the multiracial population and the increasing prevalence of interracial marriage, the growth seems likely to continue.

INTRODUCTION AND BACKGROUND

The civil unrest of the late 1950s and 1960s heralded sweeping legislative and judicial changes aimed at eliminating (or significantly reducing) racial barriers and inequities in the United States. In a pivotal 1967 decision, the U.S. Supreme Court declared anti-miscegenation laws unconstitutional, paving the way for the growing practice, recognition, and social acceptance of intermarriage in the United States. Roughly around the same period, Congress enacted a series of far-reaching anti-poverty and civil rights initiatives as part of the *Great Society* sought by Lyndon B. Johnson, who famously declared a "War on Poverty" during his 1964 State of the Union address.

Although these judicial and legislative efforts shared a common goal--reducing the social distance between racial groups—their ultimate impacts proved to be markedly different. While programs such as food stamps, Medicare, Medicaid, and Head Start have certainly improved the lives of the American poor, poverty rates have remained tightly

coupled to economic cycles over the past four decades, and have shown little overall improvement since the mid-1960s. At 15%, the poverty rate in 2012 is identical to that recorded in 1966 (Denavas-Walt et al 2013; Orshansky 1968). More importantly, racial differences in poverty remain high, with blacks and Hispanics experiencing two and half to three times the poverty of whites (Denavas-Walt et al 2013), a ratio that remains little changed since the late 1960s. The removal of (legal) obstacles to intermarriage, by contrast, has been followed by four decades of growth in rates of intermarriage and the consequent emergence of persons who identify multiple race/ethnic backgrounds (Lee and Bean 2004). In the decades following the landmark *Loving v. Virginia* decision, demographic and political currents led to a dramatic expansion in the complexity of race/ethnic measurement, capped by the recent transition to the "mark all that apply" race question in the 2000 Census.

While it is clear that the economic barriers between racial groups have proven more resilient than those encountered in the dating and marriage markets, what is perhaps less obvious is that the two measures of social distance are, in fact, interrelated. Racial disparities in poverty, and indeed *any* measureable outcome, are premised upon the existence of populations divisible into discrete racial categories. After all, how can racial distinctions be drawn without distinct races between which to draw them? Yet it is precisely this tidy categorization that is undermined by the proliferation of persons with claims of multiple racial backgrounds. In which group, for example, should a black/white child be counted? In this paper, we consider how the uneven progress in trends of intermarriage and poverty-reduction may ultimately impact one another. In particular, we examine how racial differences in poverty depend on how/where multiracial persons are counted, and how this dynamic has changed over the past decade.

Trends in intermarriage and multiracial reporting

While most Americans still report just one racial group on the Census (Humes et al. 2011), the "two or more races" population has become the fastest growing demographic in the nation. Multiracial identification is especially prevalent among youth, as today's children are far more likely to be products of a mixed marriage than were their parents. In the 2000 Census, children were twice as likely as adults to be classified as multiracial (Jones and Smith 2001), and estimates from Add Health show that roughly 9% of adolescents claim two or more races (Harris and Sim 2002). There are also significant regional differences; multiracial reporting is much more common in places like California and Hawaii than in the southeast (Jones and Smith 2003). Rates of intermixture also vary across racial groups, and are most common among persons who claim indigenous roots. Roughly 36 percent of American Indians and Alaskan Natives (AIAN) and 45 percent of Native Hawaiians and other Pacific Islanders (NHOPI) identify as multiracial (Lee and Bean 2004). Asians report lower, but still significant, proportions of mixed racial ancestry (Perez and Hirschman 2009).

Although multiracial persons today number more than 9 million (Jones and Bullock 2012), these totals represent just a fraction of the total population of mixed ancestry. Official tallies are limited to those who mark two or more major, standard race categories (Office of Management and Budget 1997). They do not include individuals whose racial mixture dates back centuries and/or has been lost to time (Perez and Hirschman 2009), nor do they include the tens of millions of Americans with mixed ethnic origins (e.g. Chinese and Vietnamese, Irish and Polish, etc.), or those who mark a standard race (e.g. black or white) as well as a Hispanic origin (e.g. Mexican or Cuban). If the latter alone were

counted among official tallies—i.e., if Hispanic origin was treated like a race--the number of mixed race Americans would number in the tens of millions.

Remarkably, even persons of recent interracial mixture (e.g. post *Loving v. Virginia*) are not always identified as such. Empirical studies of multiracial youth find that biracial children are frequently classified with just one of their parents' races. Smith and Jones (2001) report that only 57% of children with one white and one non-white parent (which accounts for the vast majority of all interracial children) are actually classified as biracial in the 2000 Census. The balance is roughly split between non-white and white monoracial identities. Brunsma (2005) finds even lower rates of multiracial classification--just 27% of biracial kindergartners are classified as such by their parents. Among adolescents, more than a third of those with interracial parentage self-identify strictly as monoracial (Harris and Sim 2002). Explanations for the underreporting of multiracial identities are wide ranging, though scholars point to the enduring legacy of hypodescent (one drop rule) as well as the lukewarm reception to the expanded race options on the part of traditional civil rights organizations (Brunsma 2006; Davis 1991; Williams 2005). Recent research also highlights strong contingencies in the choice of identities assigned to biracial children. Xie and Goyette (1997) find a positive association between assimilation and the erosion of ethnic identity among biracial Asian children, while Brunsma (2005) illustrates the importance of social context, noting higher rates of multiracial reporting among children who attend ethnically diverse schools (2005).

Other researchers report low rates of repeated measures reliability among mixed race persons. Research using Add Health finds that a majority of multiracial individuals change their racial identification between adolescence and young adulthood (Hitlin et al

2006). Among Native Americans, population growth in recent censuses so vastly outpaced expectations that researchers could only attribute the excess growth to changes in racial self-classification among persons with partial indigenous ancestry (Eschbach 1993; Eschbach 1995; Harris 1994; Nagel 1996; Passel 1976; 1996; Passel and Berman 1986; Snipp 1997). Race and ethnicity also seem to be especially fluid among children transitioning to adulthood, as recent studies have shown that adolescents can change racial identities even within short time periods (Harris and Sim 2002; Perez 2008).

Measurement Matters

The fluidity and contingency of racial measurement introduces significant challenges for stratification research, since race not only shapes, but is also shaped by, levels of the outcome variables. For example, Penner and Saperstein (2008) find that persons who experience an incarceration, unemployment, or poverty spell are more likely to be classified as black thereafter, *regardless of how they were classified prior to the hardship in question*. Other researchers note that individuals wearing higher-status attire are more likely to be classified as white by observers (Freeman et al 2011). In other words, not only are racial minorities more likely to have poor outcomes, but persons with poor outcomes may be more likely to be counted as minorities.

Extending this logic to persons of mixed race, for whom racial identities may be more ambiguous, it is easy to envision how selective identification could impact the direction and magnitude of racial disparities such as poverty. Since most multiracial persons have a mixture of non-white and white ancestry (Brunsma 2005)--and whites usually enjoy an advantaged socioeconomic position—multiracial individuals who are

(mis)classified as monoracial minorities would inflate the outcomes of non-white racial groups, biasing measures of racial white/non-white disparities toward parity.

Using 2000 Census and 2009-2011 American Community Survey data on children in two-parent households,[1] we examine patterns of selective identification among interracial youth, noting their changes over time as well as their impacts on measured racial disparities in child poverty, a social outcome of particular importance to one's life chances. We hypothesize that the misclassification of multiracial children as monoracial minorities will suppress minority child poverty rates, and that the magnitude of the bias will increase with the size of the multiracial population, both in absolute terms (growth over time) and as a fraction of each respective non-white population.

For example, given the high rates of intermarriage among Native Americans, we would expect significant measurement sensitivity in the demographic characteristics of AIAN persons. Bratter (2007) notes that children with one Native American parent are classified strictly as non-white at greater rates than are their biracial black/white or Asian/white peers. Moreover, this pattern of hypodescent may be strongest among high SES families. As such, we would expect the misclassification of multiracial AIAN children (as "AIAN alone") would have a particularly strong dampening effect on poverty rates among Native Americans.

DATA AND METHODOLOGY

We use data from the 5 percent Public Use Microdata Sample of the 2000 decennial census and the 3 year data file from the 2009-2011 waves of the American Community Survey to examine patterns and trends of the impact of racial misclassification on child poverty rates.

[1] This sample restriction is necessary to construct a parent-based measure of multiracial origin, since data on both parents are not available in single parent households.

Children are linked to their bio-parents using the family relationship indicators created by the IPUMS project at the Minnesota Population Center (Ruggles No Date). Combining racial data on both parents and children allows a direct comparison of two "multiracial" populations: the children of interracial parentage and children classified as multiracial.[2] We use the term "misclassified" strictly to denote children whose identities are not consistent with those of *both* parents. Unlike smaller surveys, the large census and ACS samples permit us to analyze the impact of these classificatory nuances among relatively small populations. While our sampling restrictions exclude adopted and foster children, we cannot rule out a modest number of children with a non-biological parent resulting from remarriage. However, in order for this to affect our results, monoracial children with step-parents of different races[3] must experience poverty at lower rates than children we correctly remove from the monoracial sample due to multiracial ancestry. We have no prior reason to expect this to be the case, and any bias that does exist can be expected to be quite small. The average number of marriages per parent in our sample is quite low, and parents of children in poverty are only slightly more likely to be remarried.

To assess the bias in poverty rates due to misclassification, we compute two measures of poverty. First, we estimate child poverty rates for two-parent families using the official method, which calculates poverty for all children counted within each single race category (e.g. black), regardless of whether their parents both share that race or not. Thus, only the child's race is relevant in calculating these baseline measures. Next, we omit from the initial figures those children who are reported as monoracial (e.g. black) but have

[2] The latter are nested within the former. This sampling restriction omits a negligible percentage of children (<1%) who are classified as multiracial but living in households with two monoracial parents.

[3] Our identification strategy would incorrectly label such children as misclassified.

parents of different races (e.g. black and white). Unlike the official measures, these adjusted poverty rates incorporate information on a child's actual racial background, which does not always correspond to their reported identities. The discrepancy between the two poverty rates captures the "bias" that results from the selective (mis)classification of biracial youth. Both sets of poverty rates are tabulated for 2000 and 2010, which allows us to examine how the classification bias changes over time.

PRELIMINARY RESULTS

Results show that the misclassification of multiracial children is a common occurrence. Table 1 presents the distribution of reported racial identities of children in two-parent households in the 2009-2011 ACS. Over all, roughly one-third of children with parents of different races are classified as monoracial. These results align quite closely with estimates reported previously (Harris and Sim 2002). Although misclassification of multiracial children as monoracial is common for all racial groups, it is actually the modal classification for multiracial AIAN children.

Table 2 presents (from left to right) poverty rates for children in two-parent households with parents of the same race, in households with parents of different races, and in all two-parent households regardless of parents' races. For all (reported) monoracial non-white children, poverty rates are lower in interracial parent households than in households where parents are of the same race.[4] Thus, all minority child poverty rates are biased downward due to misclassification of multiracial children as monoracial minorities.

[4] Tabulations not presented here demonstrate that for all non-black minority children, child poverty rates for interracial children misclassified as monoracial are actually quite similar to poverty rates for children classified as that minority race in combination with other races (multiracial).

In contrast, interracial children misclassified as monoracial white children are more frequently in poverty, yielding a very small upward bias in the white child poverty rate.

Comparing the child poverty rate in the rightmost column with the rate for children of monoracial parentage reveals the magnitude of this bias. For some races (black, Asian, and other), the magnitude of the bias is substantively small due to the relative infrequency of misclassification[5] or, for monoracially-identified black children, the small difference between poverty rates. By contrast, for the native populations (AIAN and NHOPI), the magnitude of the bias is substantively significant. In 2009-2011, multiracial children misclassified as monoracial lowered the AIAN child poverty rate by 7.6 percentage points and the NHOPI child poverty rate by 1.8 percentage points. Monoracially-identified AIAN and NHOPI children with interracial parents have substantially lower poverty rates than those with monoracial parents. Moreover, from 2009-2011, for every four AIAN children correctly classified as monoracial, there are three children classified as monoracial but having interracial parents; for NHOPI children, misclassification is less frequent but nevertheless important, with one out of every six children identified as monoracial being misclassified.

These downward biases in monoracial minority child poverty rates have substantial implications for the white/non-white child poverty gaps for several minority groups. Table 3 presents the white/non-white child poverty gap for two-parent households of each minority group using the official census calculation (without adjustment for misclassification), the child poverty gap with adjustment for misclassification, and the bias

[5] From 2009-2011, for every 21 children correctly classified as monoracial Asian, every 17 children correctly classified as black, and every 12 children correctly classified as other, there is one incorrectly classified child (classified as monoracial but actually multiracial).

in the child poverty gap resulting from misclassification. For all minority groups, the child poverty gap is biased downward due to misclassification, and this bias is especially problematic for native populations. For instance, the AIAN versus white child poverty gap would be 45-69 percent larger over the past decade without misclassification. Smaller, but nevertheless quite substantively significant, the NHOPI child poverty gap would have been 19-23 percent larger without misclassification. The Asian child poverty gap also shows a non-trivial bias, although the recent magnitude of the bias is due in part to the small size of the gap.

In addition to establishing the important bias present in the measurement of child poverty rates and white/non-white differences, these results also suggest that the problem is getting worse over time. The bias in the child poverty gap for each minority group increased from the 2000 census to the 2009-2011 ACS. With the increase of interracial relationships and rise of the multiracial child population, we should expect these biases and measurement challenges to continue, if not grow. As a result, for demographers and social scientists seeking to quantify the extent to which the United States has or has not addressed racial disparities in life chances, accurately capturing race is an issue of great importance.

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Table 1. Racial Identities of Children in Two Parent Households: 2009-2011 ACS

	Percent of Population	Percent of Racial Group
Total White	78.9%	100.0%
White Alone (Mono)	75.3%	95.5%
White Alone (Interracial)	1.1%	1.4%
White In Combination	2.4%	3.1%
Total Black	7.9%	100.0%
Alone (Mono)	6.5%	82.0%
Alone (Interracial)	0.4%	4.9%
In Combination	1.0%	13.0%
Total AIAN	0.8%	100.0%
Alone (Mono)	0.3%	41.7%
Alone (Interracial)	0.3%	31.1%
In Combination	0.2%	27.2%
Total Asian	6.6%	100.0%
Alone (Mono)	5.2%	78.5%
Alone (Interracial)	0.3%	3.8%
In Combination	1.2%	17.7%
Total NHOPI	0.2%	100.0%
Alone (Mono)	0.1%	57.1%
Alone (Interracial)	0.0%	11.2%
In Combination	0.1%	31.7%
Total Other	5.5%	100.0%
Alone (Mono)	4.9%	89.7%
Alone (Interracial)	0.4%	7.5%
In Combination	0.2%	2.8%
Total Races Reported (1)	100.0%	100.0%
Alone (Mono)	92.5%	92.5%
Alone (Interracial)	2.4%	2.4%
In Combination	5.1%	5.1%

(1) Sum of *Responses* tallied. Exceeds total number of persons because of multi-ethnic/multiracial responses.

Table 2. Percent of Reported Single Race Children Living in Poverty: Monoracial vs. Interracial Households

		Poverty Rate in Households		
	Single Race Reported	Monoracial Parent Households (1)	Interracial Parent Households (1)	All Households w/ Monoracial-Identified Children
2000 Census				
	White	5.93%	9.52%	5.99%
	Black	11.69%	10.74%	11.65%
	AIAN	25.35%	11.80%	19.36%
	Asian	12.36%	4.59%	11.93%
	NHOPI	17.42%	9.86%	15.63%
	Other	22.95%	12.27%	21.91%
2009-11 ACS				
	White	9.02%	10.99%	9.05%
	Black	14.14%	12.58%	14.05%
	AIAN	27.78%	9.87%	20.13%
	Asian	9.76%	4.91%	9.53%
	NHOPI	22.19%	7.11%	19.73%
	Other	26.95%	10.81%	25.70%

(1) For children reporting this race alone – excludes children reporting in-combination races.

Table 3. Changes in White vs. Non-White Poverty when Interracial Children are Counted as Multiracial

		Poverty Rate in Households		
	Non-White Racial Group	Official (1)	Adjusted (2)	Percent Bias in Official Gap
2000 Census				
	Black	5.7%	5.8%	-1.9%
	AIAN	13.4%	19.4%	-45.3%
	Asian	5.9%	6.4%	-8.4%
	NHOPI	9.6%	11.5%	-19.2%
	Other	15.9%	17.0%	-6.9%
2009-11 ACS				
	Black	5.0%	5.1%	-2.3%
	AIAN	11.1%	18.8%	-69.3%
	Asian	0.5%	0.7%	-52.1%
	NHOPI	10.7%	13.2%	-23.4%
	Other	16.7%	17.9%	-7.6%

(1) Rate Using Official Census Calculation – Percent of Monoracial Non-white Children in Poverty minus Percent of Monoracial White Children in Poverty: All Two Parent Families.
(2) Same as (1) but restricting Comparison to Monoracial Children with Monoracial Parents.