

Inclusion in Asset Building: Research and Policy Symposium

Assets, Race, & Educational Choices

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2000

Working Paper 00-7



Center for Social Development



George Warren Brown School of Social Work

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September 2000

Working Paper 00-7

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This paper was commissioned for the *Inclusion in Asset Building: Research and Policy Symposium*, Center for Social Development, Washington University in St. Louis, September 21-23, 2000.

The symposium was sponsored by the Ford Foundation and the George Warren Brown School of Social Work at Washington University. The organizers and editors were Michael Sherraden and Lisa Morris.

Introduction

Christopher Jencks and Meredith Phillips argue in The Black-White Test Score Gap that reducing black-white educational inequality would do more to promote racial equality than any other politically plausible strategy. Reducing racial inequality in education and subsequently earnings, according to Jencks and Phillips, would go a long way to eradicating other inequalities that flow from the educational gap. Debunking both traditional liberal and conservative arguments (innate abilities, family structure, and funding arguments, for example), they strongly suggest that policy and research re-orient to cultural and behavioral related approaches to learning. While they have done an admirable job in clarifying much of this literature, and there clearly is much wisdom in their work and in what they say, in our view, the death-knell for equity-based structural reform is premature.

One could review and learn from the burgeoning educational reform literature, re-frame the issues, and attempt to shift the balance in one direction or another. Indeed, much can be learned that can guide efforts to improve classroom learning. The Tennessee class size experiment, for example, shows that reducing class size (by seven students) makes a big difference for young blacks. A consistent story is emerging from the empirical data demonstrating compelling support that additional monies and resources matter greatly for minority and disadvantaged students, but much less or little for advantaged students. A Rand study of "Improving School Achievement" reports "remarkable" one-year gains in some states that have rigorous testing programs. One recent and breathless report touts school vouchers, reporting that two years of intervention by switching from public to private schools erases about one-third of the black-white test score gap. From Chicago, we learn that families living in the wealthiest sections of the city have access to many more magnet schools than other families while Latino neighborhoods and very low-income African-American areas have access to the fewest magnet schools. Middle income white neighborhoods also tend to have access to few magnet schools, and there are no magnet schools in predominantly Latino areas. Charter schools in California, in most instances, are not yet being held accountable for enhanced academic achievement of their students. They exercise considerable control over the type of students and families they serve, and the requirement that charter schools reflect the social/ethnic makeup of their districts has not been enforced. Some of these studies, and their implications, will please some, anger others, and no doubt guide future reforms.

We are not educational experts, and we hope that is not too obvious. Rather, our interest comes from an asset-based perspective. This is an important challenge to the meritocracy-labor market-earning paradigm presumed by Jencks and Phillips, and by most others. The best-case scenario goal of educational and earnings equality is undeniably important, commendable, and there is much work ahead of us on this count that needs to be supported. Nonetheless, Black Wealth/White Wealth demonstrated that college-educated whites possess about four times as much wealth as college-educated blacks; \$67,000 compared to \$15,000 (Oliver and Shapiro, 1997). An examination of more recent wealth data does not reveal any alteration in this relationship (Oliver and Shapiro, 2000). In other words, whites and blacks achieving similar education levels and similar earnings in the labor market have significantly different levels of assets. Income does not parallel wealth in similarly situated black and white families in the

United States. This alone should make us pause and re-consider the goals of purely earnings and income based policy agendas, including those of educational policy.

Furthermore, while the number of high-income-earning black families has grown substantially since the 1960s, their children's test scores still lag far behind those of white children from similar income-bracket families (Jencks and Phillips, 1998). Back in 1968 Otis Dudley Duncan noted that high achieving black families did not pass along their status to their children, which stood in dire contrast of the ability of whites to pass status along (Duncan, 1968). Thirty years later, we revisited this dilemma and found that the tale of two mobilities continues. Black Wealth/White Wealth speculated that this was because black families, regardless of income achievement, lacked the wealth assets used by white families to optimize their children's life chances. This is where our current work is focused. A central premise of ours is that the educational arena is a prime institutional site in which inequality is passed along from one generation to the next. Specifically, we want to understand how, within families, parents use *assets* to pass along advantage and disadvantage to their children.

Residential Location, School Segregation, and School Choice

In the United States, elitist traditions exist within the nation's egalitarian roots. The egalitarian ideals of merit and equality of opportunity apply best perhaps to the labor market, and even that arena typically is associated with a complex system of stratification. Through the lens of wealth we see a dual, intersecting and conflicting stratification system -- based on nonmerit factors — that coexists. For example, inheritance upon a family member's death, family assistance with downpayments on houses, and major cash gifts at weddings (just to name a few) are resources not gained through individual achievement. Family wealth, in terms of broad intergenerational resource assistance, institutionalizes existing inequalities and privilege across generations. Families use assets to perpetuate advantages and disadvantages through the *opportunity resources* they are able to offer their members, and this is a major dynamic in sedimenting inequality into the social structure.

The growth and dispersion of wealth over several decades along with the transition to a service economy and the diminishing civic role of the state has heightened the salience of wealth in determining opportunities, life chances, and capacities for families. Federal budget cutting over the past 20 years has weakened and diminished the public role in basic civic duties. The power of the political right and the acquiescence of others has reduced and weakened the state's role in housing, education, and health care. It costs families more to provide shelter, schooling and medical coverage, and with a diminishing state presence this additional cost must come out of family resources. In this changing context, we believe that assets carry a greater burden than ever before. Yet at the same time, the financial capacity of the average family is ever-increasing. While wealthy Americans have always been able to purchase opportunities, for the first time many families possess financial resources that can alter their mobility opportunities, especially through access to educational environments. By accessing quality school systems parents ensure specific kinds of schooling for their children and in this way help to pass their own social position along to the next generation.

Educational markets, specifically, are not neutral and meritocratic distributors of opportunities; instead, they are expressions of power relations and the resources families bring to that market (Henig, 1994). This observation is born out by the different ways in which choice is exercised. One in five school children, that is 25 percent, attend a private school or a school from a public education choice plan chosen by their parents; 9 percent of these children attend private schools and 11 percent attend magnet, charter, or exam-schools chosen from within the public system. These private and public school choices starkly reveal race and class dynamics. Blacks exercise choice within the public school system more often than whites do (National Center for Educational Statistics, 1995). That is, a higher percentage of black families participate in magnet schools, special education programs, or voluntary desegregation programs. And whites select private schooling much more frequently than blacks: one in ten whites attend private school compared to one in twenty-five blacks (National Center for Educational Statistics, 1995).

The class dimensions are layered with the racial ones: Five times as many families with incomes over \$50,000 opt for private school as those with incomes of \$15,000 or less (16 percent versus 3 percent) (National Center for Educational Statistics, 1995). Our own examination of Panel Study of Income Dynamics (PSID) data indicates that 19.6 percent of all families currently with children have sent a child to private school, 22.3 percent of white families, and 14.8 percent of black families. When we asked who goes to private school, the answers were even more revealing; nearly one in three high earning (>\$75,000) families have placed a child in private school. In contrast, 21.6 percent of children from middle income families (\$21-75,000), and only 9.8 percent of the children from low-income families (<\$21,000) go to private schools. To view this from another perspective we examined the assets of those families that have ever sent children to private school compared to those who have not. Here, we find a disturbing pattern: families that have used private schools possess a median/average net worth of \$50,900 compared to a median \$22,950 net worth among families that have only used public schools. The net financial assets (not including home equity) differential between these families is even starker, median \$20,000 compared to \$7,000.

But selecting schools based on private or public status and using choice plans within a school district represent only one way that parents attempt to improve their children's life chances and provide them with greater educational opportunities. Selection of residential neighborhoods is an even more significant sorter of educational quality. Nearly half (47 percent) of parents say their choice of residence is strongly influenced by where their child would go to school (NCES, 1995). The potential significance of this parental concern is enormous because, according to one study, 29.1 percent of white households move during a 3-year period, with over half of them buying a home (Yinger, 1995). Not only do many families select where to live, in part, on the basis of the perceived school environment and reputation, but many white households purposefully avoid locations with integrated or minority schools (Schuman, Steeh, and Bobo, 1985).

Access to public schools is tied directly to residential location and, therefore, residential segregation has a direct impact on access to schools. In American Apartheid (1993), Massey and Denton describe hypersegregation as the extent to which blacks are isolated from other groups, clustered in contiguous areas, concentrated in a small area, and centralized within an urban area. More than one-third of blacks live in hypersegregated areas. Yinger's Closed Doors,

Opportunities Lost investigates the continuing causes of residential segregation and concludes that it remains high “because of the predominance of complete racial and ethnic transition: most neighborhoods into which minorities enter eventually become dominated by minorities” (1995: 134). Black-white residential segregation indexes have been quite high for many decades (Massey and Denton, 1989; Yinger, 1995). Since 1970, residential segregation has declined slowly but steadily. This downward trend in segregation continued during the 1980s in those urban areas where most blacks live (Farley and Frey, 1994). Despite some decline, racial residential segregation in the United States remains extremely high. In metropolitan areas with large black populations, three-quarters of the black population (or white population) would have to move for an even population distribution to be achieved (Yinger, 1995).

Residential segregation restricts minority households’ access to high-quality schools. One must therefore examine the relationship between residential segregation and school quality, and the subsequent consequences of school segregation for the educational environment and achievement of minority children. Racial disparities in educational outcomes are linked closely to the well-documented fact that schooling for minorities still is largely separate and unequal. Complicating matters further, segregation has actually been increasing in recent years, offsetting earlier declines, and segregation for blacks is back to 1971 levels (Orfield et. al. 1993; Yinger, 1995). In industrial states, over one-half of black children attend schools that are more than 90 percent minority. In large cities, over 90 percent of black children attend schools where a predominant number of students are non-white (Orfield and Yun, 1999). While not as extreme as in smaller cities, suburbs, small towns, or rural areas, levels of residential and school segregation are still disturbingly high.

The Assets and Inequality Project

We have been engaged in a research project for four years that examines the processes by which in American families parents use wealth resources to place their children in socioeconomic positions similar to themselves. We are interested in the role of wealth in framing a family's basic capacities. We argue that how much a family owns increasingly defines opportunity and success in contemporary America, and that families acquire a substantial portion of this wealth from nonmerit sources, that is, it is not earned from the labor market. Families with assets consciously use this property and wealth to leverage advantages for their children, thereby sedimenting inequality into the social structure. Here we will focus on how, in the context of the educational arena, families use assets to reproduce structures of inequality.

This contribution focuses what we have learned about the role of race in the ways that white Americans make decisions about community and school preference. Our research provides clear evidence that race is paramount in the minds of white Americans when they make school and community choice decisions. Moreover, we believe that the role their “choices” play in the social reproduction of racial stratification looms large in contemporary U.S. society.

The data we are reporting on here come from our current research project: a study in which 182 black and white families (232 parents) from three U.S. cities were interviewed in depth about their assets, income, and decision-making about where they live and send their children to school.

The interview sample was chosen based on a snowball sampling method. Census tract data was used to identify residential neighborhoods in the metropolitan areas of Boston, St. Louis, and Los Angeles based on the race and class identity of its residents. The sample included approximately one-half black and one-half white families from an evenly distributed broad socio-economic spectrum ranging from poor to working class to middle and upper middle class. From January 1998 through June 1999 we interviewed couples and single heads-of-households in the three cities. Interview participants were all parents of school-age children. Approximately one fifth of the families were sending their children to private schools (secular and parochial) and the rest were sending their children to public schools (both urban and suburban). Interviews took place in the participants' homes or in another place of their choosing and lasted one to three hours each.

The interviews were recorded and transcribed, and were coded using NUD*IST qualitative data analysis software. The interview transcripts produced over 7,000 pages of reading and are the foundation of the first-ever qualitative research database on this subject. Here we will discuss some of the patterns and themes revealed through our interviews.

Assets and the Structuring of Opportunity

Like the communities in which they exist, and despite three decades of court orders, America's schools remain widely segregated by race and class. A recurring theme of our interviews --that families with assets move to more financially sound and whiter communities -- provides important insight into this process. Families employ their resources to place their children in rich public and private educational environments. A lot of time, energy, emotional investment, and money go into this quest. The story of the lengths to which parents will go to provide their children the best opportunities is most heartening...and revealing. The primary way a family employs school "choice" is through picking where they live. Families often move to meet growing space needs when children are young as well as when their children first go off to school. At these critical moments in the life course, assets become central in allowing families to strategize and negotiate residential and school landscapes imbued with racial hierarchy, and their decisions typically reinforce racial inequality. Our interviews reveal not only how and why families consciously look for homes according to school jurisdictions and reputations, they portray the lengths to which they will go to get their kids into the schools they want. Of course, financial resources allow them to do this.

One theme from the interviews is that the class, racial, and educational characteristics of a community may be more important than owning a home, per se. Homeownership may be becoming more about choosing a community and cloaking the family in the identity of that community than anything else. When parents talk about their hopes for their children, it is clear from our interviews that they are disclosing deep-seated class and racial anxieties. The dynamics of deciding where to live or buy a home is a prime way in which inequality is passed along from generation to generation. The dilemma here is that in the present context of residential and school segregation and unequal educational systems parents' choice of what is best for their children reinforces inequality.

In an era where educational "reform" is the buzzword of the day, a sometimes confusing array of school choices, and high-stakes testing, our data capture the ways in which families navigate this new and changing environment. In the new economy, technological skills, higher education, and human capital is the ticket to success. The families that spoke to us approach school decisions in an individualistic, market-like model. Low-income families, white and black, typically attempt to maneuver to overcome their own disadvantages and struggle to gain some sense of educational opportunity for their children. In contrast, families that are more affluent appear to use their resources to hoard opportunities and pass their own advantages along. In our interviews, white parents often explain how they attempt to capture and hoard public resources while black parents scheme to jump ahead of each other on massive waiting lists for programs that allow black children to attend suburban schools.

Distinct themes emerge from our interviews with middle class families. The important difference is how they attempt to use assets to secure the kinds of education that pass along their advantages by placing their children in the richest possible educational environment. The more we heard different versions of the same theme, the more it resonated with Charles Tilly's (1998) notion of opportunity hoarding. Opportunity hoarding, for Tilly, occurs when a network acquires access to a resource that is valuable, subject to exclusion, and renewable. Network members regularly hoard access to the resource, creating beliefs and practices that sustain their control. This sort of opportunity hoarding thereby contributes to creating and maintaining inequality. High quality education, at least its perception, is the resource in question. Families with abundant assets search out educational environments that potentially maximize advantages to their children. This is a consistent theme among upper middle class families. The mechanisms varied, from using assets to purchase homes to gain access to highly reputed schools to capturing magnet and charter schools to paying large tuition bills for private schools. Whether the route is creative or crude, families invested much time, energy, emotion, and hope -- as well as money -- into securing and hoarding the kinds of opportunities that put their kids ahead. We could excerpt almost any middle class interview from our sample at random and illustrate the theme of leveraging advantage.

Equality of opportunity clearly does not characterize the distribution of opportunity resources. Schools are stratified and, by one means or another, families use assets to perpetuate existing inequalities by passing along advantage and disadvantage to the next generation. We see how working class and poor families struggle just to find educational opportunities while families with assets leverage advantages through exceptionally high-quality educational environments for their children. This scenario renders equality of opportunity problematic at best. In this world, merit clearly is not what determines opportunities. The matching of families to residential and school location is not by merit but by wealth.

How Families Use Assets to Access Educational Opportunities

Due to the structurally advantaged and privileged position of many whites as a social group, and in particular because of the financial capabilities that many middle class white families have in terms of assets, they are able to make choices and act on their choices in very real ways. Assets enable more options. This stands in contrast to other social groups, especially black Americans, who due to structural disadvantages, in particular lack-of-assets, are not able to make or act on

their "choices" in the same ways. A significant racial wealth gap translates into a significant difference between black and white parents in the benefits that wealth confers to themselves and their children. Because of their asset ownership the whites in our sample repeatedly had relatively more choices and were relatively more able to act on them. Here we'll focus on illustrating some themes from our interviews with families who have assets and we'll see some of the ways that they *use* them to advantage their children and pass along inequality to the next generation. We will see some of the ways that the white families we interviewed use their assets to transmit cumulative advantage in the educational arena in ways that black families simply can't compete with.

Indeed in the case of white middle class families one of the most significant ways that children inherit the privilege that their parents' wealth confers is through the acquisition of quality education. Families with assets search out educational environments that ensure opportunity and potentially maximize advantages for their children. This is a consistent theme among the white middle class families we interviewed. They may have differing wealth capacities or limitations, but we will see that even relatively small amounts of assets on the part of parents reap large rewards for children. These wealth rewards create dramatically different opportunities for families than income alone can. To illustrate the dynamics of these patterns we'll focus on three families from our sample who represent patterns and themes consistent with many others like them.

Ensuring Opportunity: The Conway Family

Middle class white families told us consistently about their desire to ensure the opportunity for their children to receive the best possible education that they could afford. For these families, who tend to have at least some leverage through the assets they own, the options are numerous. Families plan and strategize ways to navigate the educational arena to ensure their children are placed in the richest possible educational environment. A striking theme is how even families with very young children are thinking a lot about this process – they begin planning and strategizing very early on.

Fred and Sarah Conway are a white, middle class couple from the Jefferson Park section of Los Angeles. They have one son, age four, whose name is Logan. Sarah is an Operations Supervisor for a capitol management company. Fred is currently unemployed. He was laid off at a communications-marketing firm, is currently changing careers, and is in the process of being certified to become an elementary school teacher. Their combined annual income is approximately \$70,000. Very conservative estimates approximate their net worth to be \$159,500, and their net financial assets total \$139,500. Inheritances have been integral to their financial well-being They receive gifts of \$1,000 regularly from their parents and once received \$85,000 in stock from them. In addition they've received a \$10,000 cash inheritance and both Sarah and Fred expect to inherit further wealth in the future.

The Conways bought their house a month before they were married 8 years ago. Suzanne's mother gave them \$10,000 as a downpayment. They looked around LA for a neighborhood that they could afford. They settled on the highly diverse Jefferson Park area because it was affordable for them and they had friends living there. At the time, they did not yet have their son

and school options were not a part of their decision about where to buy. Things have changed now, with the addition of Logan to the family. They like their neighborhood, "However, now we are considering possibly moving because of the school district," Sarah says. When asked to elaborate on this, Fred turns to Sarah and says, "I think that's kind of your department." Sarah then explains that their local elementary school and several schools in the area recently "showed up on the worst schools in Los Angeles list." When asked where they would like to move Sarah says they would be "very interested" in moving to South Pasadena because: "I think it has a really great school district." When asked about the diversity of South Pasadena, Fred says, "I would guess that it's more Caucasian than anything else" and Sarah says, "Caucasian and Asian. Probably not as much of a mixture as we have now." Sarah also talks of her concerns about Logan being in the racial minority being a white child if he were to enroll in their current local school district. She says, "I do worry a little bit that he will be the only white kid in the class and I don't want to put him in that position. I'd like to raise him with cultural diversity but not as big and as an extreme minority." Sarah says that for these reasons, "other than the school" they are "perfectly happy" in Jefferson Park.

However, because they are so concerned about providing quality educational opportunities for Logan, the Conways have decided that they will attempt to get him into a particular magnet school for "gifted" children or else they will move. They say that "magnet schools are better than your regular schools" but that there is "a phenomenal demand" for admission. Although the waiting lists for admission are long, and the chances of Logan getting in are slim, they will try for it. They say that if they stay in Jefferson Park, Logan is "definitely going to have to get into a magnet school or a private school." Otherwise, they will move to toney South Pasadena in order to "move into a better school district." (They can expect to spend at least \$600,000 for an intact period house in clean condition with original floor plans on a quiet street.) Sarah feels strongly about Logan's education and says that she would "like to see him get a good all around education." They are prepared to move, and to buy an expensive home in a financially and racially exclusive neighborhood in order to do so. If it were not for their significant assets, and abundant parental assistance, they would not be able to consider such an option.

Maximizing Advantage: The Yorrاند Family

A major theme to emerge from our interviews with white middle class families is that moving residential location is the most common way they use assets to maximize their advantage by securing the best possible public education for their children. It is important to note that the ability to own a home in a neighborhood with high quality services like education typically requires significant assets. If one has such assets, this ownership can be the ticket to access the often well-endowed schools that these neighborhoods support. Buying a home in an area such as this is simply not affordable to most Americans and simply is not an option. However, for families with enough assets to afford a downpayment, the key to their house can be the key to excellent schools for their children.

Anna and Elan Yorrاند are a white middle class couple from the Los Angeles area. They have two children ages twelve and two. Anna works part time (15-20 hours/week) at a diner. Elan works in the film industry as a Chief Lighting Technician. Their combined annual income is approximately \$80,000. Their estimated net worth is \$171,500, and their net financial assets are

estimated to be about \$32,500. The Yorrands have received gifts of cash exceeding \$1,000 per gift from both sets of parents. They do not expect to receive an inheritance but feel they can financially rely on family if they need to.

The Yorrands own a house in Santa Monica. They chose Santa Monica because they wanted to get as close to the ocean as they could financially afford to and they liked the Santa Monica schools.

Anna: I mean, the first house that was in our budget in Santa Monica, we bought it, even though it was smaller. I mean, we saw bigger houses and nicer houses. But... it is in Santa Monica, for schools and for everything... Schools, and the good community... It's just like Santa Monica has a good name, and good schools.

The purchase price of their house was \$255,000 and they made a downpayment of 20 percent, which they "borrowed" from family members and friends. They like their neighborhood, noting during the interview that there are no black people living in their area.

Although the Yorrands moved to Santa Monica for the schools, their 12-year-old daughter does not go to their local school. She goes to "Washington" (which is not her assigned school but which is in a different zone within Santa Monica and considered much better than Jefferson, the other school that is actually her assigned school). The daughter has been with six friends whose parents have all figured out ways to get their daughters into Washington with various strategies. The reason this group of parents all put their kids in Washington was to avoid their assigned school -- Jefferson -- because it's reputation is not as good. Anna explains there is a "bad" section of Santa Monica, the kids from that area go to Jefferson, and they are "colored" people -- "black and Spanish." Anna says,

I mean, there is a bad pocket in Santa Monica. That people think that that's the reason that Washington is better than Jefferson is. Because of the pocket that got a lot of the colored people, maybe. There is more like a drug or behaving problem in Jefferson compared to Washington. Washington is completely white, very rich. That's the part I don't really like. I don't like that most of her friends live north of Montana, rich houses. I mean, she has a birthday party and I wanted to do it here in the house; she doesn't want me to do it in the house. So that's the part that I don't like. But I'm very happy in the school. I'm very happy with the school.

Anna's strategy was to lie about her address by using her friend's address. She was caught doing this because the friend moved and the school found out. Apparently the principal has decided to let the daughter stay in the school anyway -- "We were really lucky," Anna says.

Indeed, they are lucky. Although both Jefferson and Washington are in the same school district, are approximately the same size, and are in fact only two miles apart, they are significantly different. Washington scores significantly higher on all measures of standardized testing and ranks significantly higher by all accounts. Washington has only 14 percent of it's students on the free lunch program and only 13 percent considered socioeconomically disadvantaged, while Jefferson has 37 percent of students on free lunch and 41 percent considered socioeconomically

disadvantaged. Washington is 69 percent White and 16 percent Hispanic while Jefferson is 40 percent White and 43 percent Hispanic. At Washington, 8 percent of the students are Asian and 7 percent are Black. At Jefferson, only 4 percent are Asian and 12 percent are Black. (California Dept. of Ed. 2000).

Furthermore, they are lucky because the principal did not kick them out. While in our sample, using false addresses to access schools was not uncommon, being caught and not being kicked out surely is. In this case, the Yorrands are not crossing school district borders; they are only crossing neighborhood borders within Santa Monica. Surely we could guess that if the Yorrands were living in the LA school district, or perhaps if they were a non-white or poor family, and got caught with their child in a school in Santa Monica, that child surely would have been expelled. However, here the principal has allowed them to continue. We can only guess what the principal's thinking is: that this is a nice, well-off Santa Monica white family wherein the parents are really committed to their children's education. Anna plans to keep her daughter in Washington and then continue within the Santa Monica System.

While the Yorrands have ensured educational opportunity for their children by purchasing an expensive house in Santa Monica, at the same time they are maximizing their advantage by getting their daughter into the Washington School within the Santa Monica district. Clearly, they have used their assets to enable both moves.

Acquiring the Best: The Cummings Family

Taking advantage of specialized public schools or moving to access specific school districts are not the only ways that white middle class and wealthy families use their assets to place their children in advantaged positions in the educational arena. For many of these families their assets allow them to consider private schools as a viable option. Many families choose private parochial or secular schools for their children because they see them as a way to opt out of the public education system all together. Some parents are willing to pay sometimes very large tuition bills to acquire what they see as the best possible education that money can buy.

Elizabeth and Blaine Wainwright Cummings are a white family from St. Louis. They have two children, ages nine and four. The family lives close to Washington University. Blaine is a teacher at a magnet school. Elizabeth is a part time nurse, but she considers herself a "stay at home mom part-time." Their annual income is \$95,000. Their net worth is approximately \$328,000, and net financial assets are approximately \$165,000. Elizabeth comes from an 'old-money' family and has always received, and will continue to receive, very significant sums of money. "About half of our income is from my husband -- well, more than half -- and then some is from mine, but also a lot of it's inherited money that I invest. And that generates income." Elizabeth says that they receive about \$30,000 annually from investment income from invested inherited money; in addition, at least \$20,000 per year is gifted to Elizabeth from her family.

My parents try to gift to the maximum amount allowed by law, because they're sitting on a huge estate and they don't need it and we do. And there are four kids in my family of origin, and they try to spread it around; especially to my sister and me, who have children. And it can cover anything... I mean, they recognize births, graduations,

birthdays; or, on the other hand, they recognize if we need a new piece of furniture or appliance, they'll pay for that.

Elizabeth's family also gives them approximately \$20,000 per year for their school-aged son's private school tuition. Elizabeth expects even larger inheritances in the future. She says, "...there's more than a million sitting there with my name on it... chunks that we still will come into down the road..." They have investments everywhere: stocks, bonds, mutual funds, home property, real estate, gold, cars, retirement, savings, CDs, inherited furniture and art and jewelry, etc. This family is very wealthy, little of which is earned through the labor market.

When Elizabeth and Blaine married they were first living in an apartment, but when Elizabeth got pregnant soon after (within a year) they knew immediately that they would buy a home. They moved into an "historic farm house" that they say is much more extravagant than the "starter homes" surrounding it. Despite the fact that they frown on the schools in the area the Cummings' felt good about moving there because they would be sending their kids to private schools. This was understood between Elizabeth and Blaine from the start -- "...quite frankly, neither my husband or I would want to see our children in the city school system... And that's why we chose it, because we knew we weren't going to be using the school district." The downpayment on their home consisted of inherited money, and this large downpayment made up a whopping one-half of the purchase price.

Their son, age 9, now goes to a private elementary school, Preparatory Academy -- the same exclusive private school that both Elizabeth, her father, and three generations of Wainwrights (Elizabeth's maiden name) have attended. This family has a legacy of elite education, including Ivy Colleges. When asked why she has her son attending Preparatory Academy Elizabeth says,

Because when my son was born and started to be school age, I looked at all my choices. And I found that despite looking at all the choices, that I really did like Preparatory Academy best. And so decided to go with that, not only because it's a very old choice of my family -- and my family has very close ties to the school, going all the way back in its history -- but I just like the place. I like the campus. I like the setting. It has a huge green space, and they use it well. And the teachers are really devoted. Really believe in instilling a love of learning, and taking children who already have a sense of wonder and drama, whatever their special interests are. They do a great job.

But, Elizabeth says that even before she became pregnant with her first child, she was committed to sending her own children to public high schools so that they would be exposed to different classes of people. She feels that a completely private education portrays a skewed vision of the world. She plans to move in a few years so that her children can attend public high schools in a 'good' school district. At this point, she thinks she will move to Clayton, an expensive neighborhood with an excellent school reputation. Elizabeth says, "I've got my eye on this area that's really close to our house, but world's away" (literally, it is a mile and classes away).

For now, she is happy with Preparatory Academy, a very well respected and expensive private preparatory school. In addition to the tuition (paid for by Elizabeth's parents), Elizabeth pays \$1000-\$2000 per month on extra activities for her son. She says,

We have a lot of expenses associated with our nine-year old son... he goes to a lot of extra activities. And they're starting to be pretty expensive. He goes to a group called High Achievers, which is social training. He has an occupational therapist that comes by the house. He's had tutors, and private swimming instructors. And just all kinds of stuff. So he's gotten to be an expensive little guy.

Elizabeth says,

No question about it. I mean, if my parents hadn't had the money to send my kids to Preparatory Academy, we couldn't have considered it. We would have had to really do belt tightening, and financial aid, and many more loans, more mortgages. It would have been very difficult and a real strain on us, especially with two. And we probably would have felt like we just couldn't swing it as a family. So, I don't know, I would have had to gone out and gotten a job that would pay enough to justify two kids in private school. With that it would have meant not being able to mother them as much myself. Or my husband having to change work, and all the soul searching that would have meant for him. It's unimaginable.

What is “unimaginable” to Elizabeth is quite literally the norm for most American families.

Transformative Assets

The Cummings family is an excessive but illustrative story of how the reservoir of wealth and expected inheritance opens the door to opportunities and can make the dreams of many the reality of a few. As one parent we interviewed said: "income supplies life support, assets provide opportunities." The stories these families tell are not extraordinary because we repeatedly heard different versions of these themes.

These cases illustrate a critically important concept -- the idea of transformative assets. Transformative assets is the use of assets in such a way that an individual's or family's capacity trajectory is significantly altered beyond traditional labor market mechanisms that launch social mobility. In the cases documented here, inherited family assets are employed through homeownership to transform the community capabilities of one generation and the schooling capacities of still another generation. Among the white homeowners we interviewed (n=53), nearly two-thirds received substantial financial assistance from their families. In contrast, about one in four black homeowners (n=25) received similar family help. For many of these young families, assets are an unearned and powerful resource that can literally transform the basic opportunities of the families typically possessing them.

Policy Implications

Families in the United States have been making critical educational choices for long periods. The traditional American family move to suburbia often involves a choice to remove their children from urban educational environments. In addition, the percentage of children enrolled in private schools has increased modestly (8 percent) since 1970. This is not a new phenomenon, then, but an old one. What is new, however, is the rapidly changing and uneven educational

environment of the past few years that includes an array of charter, magnet, pilot, vouchers and other school reform experiments. This does not mean that families suddenly face "choices" for the first time, it does mean that more selections have been added to the public menu.

High stakes testing is an important element of this rapidly changing environment. The perception of dwindling commitment to public education coupled with the twilight of court-mandated desegregation plans intensifies the equity concerns. Finally, in a technologically driven service economy human capital investments take on even greater importance in preparing people for citizenship. Choice is not new, rather it is now occurring in a rapidly changing, more highly charged context where the stakes may be even greater than they have in the past. Thus far, and in this context, we fear that equity (and perhaps even quality) is being sacrificed at the altar of "reform."

We would like to sketch briefly some policy directions that follow from our work. The first concerns the community-school nexus. Simply, children receive stratified educational opportunities because of the communities their parents can afford to buy into. We need to do more, much more, to facilitate communities that are better integrated by both race and class.

Second, we believe strongly that the advantage assets confer in educational markets can -- and should -- be minimized. Democracy demands no less and it is integral to a meritocratic ideal. In our view, a full-fledged commitment to rebuilding America's schools in an equitable manner to the highest possible quality is the right approach. We should take the best lessons from the recent spate of educational reform and apply them to this noble task.

Third, we think there is a message for future asset based social policy. Our goal should be to insure that low resource families are able to use assets in a transformative manner and not for life supports.

There is a challenge for asset based policy in our stories from families. Conceptually, the challenge is to articulate asset generative policies for private use more closely with public capacity enhancing policies. We believe that the concept of transformative assets best captures this hope. This potential is compromised if newly acquired assets must be spent for life supports like medicine, health care, ensuring adequate resources at retirement, or paying for schooling because the public sector has failed. If asset policies are successfully enacted, then we need to be watchful that states not get away with the temptation of shifting civic cost burdens from the public to families simply because formerly resource poor families are growing "pockets."

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