

UCLA

**Volume IV. 1988-89 - Conference on Comparative Ethnicity: The
Conference Papers, June 1988**

Title

On the Costs of Being American Indian: Ethnic Identity and Economic Opportunity

Permalink

<https://escholarship.org/uc/item/87v8r6z2>

Author

Snipp, C. Matthew

Publication Date

1988-06-01

ISSR
Working Papers
in the
Social Sciences

1988-89, Vol. 4, Number 25

*On the Costs of Being American
Indian: Ethnic Identity and
Economic Opportun-ity*

by

C. Matthew Snipp

ABOUT THE AUTHOR. . .

C. Matthew Snipp received his Ph.D. in Sociology from the University of Wisconsin-Madison in 1981. He is currently an Associate Professor of Sociology at the University of Maryland-College Park. Professor Snipp's research interests revolve around problems related to the structure of socio-economic inequality, and much of his work concerns the social demography of American Indians. He is a member of the Cherokee Nation of Oklahoma and his family background is that of the Northeastern Oklahoma Cherokee and Choctaw tribes. During the 1985-86 academic year, while he was a Census Research Fellow of the American Statistical Association, Snipp produced a census monograph on the demography of American Indians, which is entitled The First of this Land: American Indian Economic Development. He has also published articles dealing with the formation of economic dependency resulting from American Indian resource development. Professor Snipp's current research deals with the structure of local labor markets and he has most recently started work on a project funded by the Ford Foundation dealing with the determinants of poverty and unemployment on American Indian reservations.

A version of this paper was prepared for the UCLA CONFERENCE ON COMPARATIVE ETHNICITY, June 1988. The Conference was coordinated by Institute for Social Science Research and sponsored by The President's Office, Chancellor's Office, College of Letters and Science, Institute of American Cultures, Center for Afro-American Studies, and Department of Geography and Sociology, UCLA; and by the Division of Social Sciences and Communication, the Los Angeles Project and Department of Geography and Political Science, USC.

The ISSR Working Papers in the Social Sciences is a publication series devoted to current research topics undertaken by UCLA academicians and affiliated scholars. Comments or inquiries should be addressed to: The Editor, ISSR Working Papers in the Social Sciences, Institute for Social Science Research, 405 Hightgard Avenue, Los Angeles, California 90024-1484.

**ON THE COSTS OF BEING AN AMERICAN INDIAN:
ETHNIC IDENTITY AND ECONOMIC OPPORTUNITY***

C. MATTHEW SNIPP

University of Maryland, College Park

Without question, race and ethnicity are among the most decisive influences shaping the distribution of economic opportunities in American society. In the past fifty years, beginning with DuBois, Frazier, and Myrdal, social scientists have catalogued literally hundreds of analyses describing the economic consequences of race (for an overview, see Farley and Allen 1987). Of course, the impact of race and ethnicity on economic opportunity typically ranges from debilitating to devastating, especially for Blacks and Hispanics. In the article from which the title of this paper is derived, Siegel (1965), for example, documented the extent to which Blacks are penalized solely on the basis of their race.

Compared to Blacks and Hispanics, discrimination against American Indians has not received much attention from sociologists. It is well known that American Indians are one of the poorest segments of American society, poorer even than other minorities. Historically, American Indians have been one of the least educated, most unemployed, poorest, and least healthy groups in the nation (Brophy and Aberle 1966; Levitan and Hetrick 1971; Sorkin 1971, 1978). Yet, this poverty has not attracted much attention and little is known about how much is due to racial discrimination and how much is due to other factors.

A recurring theme in social commentary about the economic plight of American Indians is that much of this poverty will be overcome once American Indians assimilate into the mainstream economy. In fact, this idea has been the foundation of many public policies designed to hasten Indian assimilation. For example, land allotments in the late 19th century were designed to make American Indians into yeoman farmers (Carlson 1981). And later, in the 1950s, relocation programs sought to integrate American Indians into the urban industrial work force (Sorkin 1978; Fixico 1986). None of these efforts were particularly successful in hastening the absorption of American Indians into American society.

Although of little interest to sociologists, the assimilation of American Indians and their resistance to the same has received considerable attention from anthropologists and historians. A longstanding expectation among these scholars was that American Indians would be eventually assimilated and that their economic position would gradually improve. However, neither of these expectations were realized and this caused one anthropologist to question "our earlier expectations concerning the rate of American Indian acculturation and why acculturation to White American ways of life is not occurring in the contemporary American scene" (Vogt 1957, p. 139).

This paper examines the assimilation of American Indians, specifically in relation to the role that economic discrimination has played in making American Indians one of the poorest groups in American society. The relationship between assimilation and discrimination is particularly important in this context. As assimilation increases, discrimination should

*Support for this research was provided by the Ford Foundation, and the University of Maryland Computer Science Center.

decrease and the economic position of the assimilated group, American Indians, should improve. Conversely, those groups least assimilated into American society bear the brunt of racial and ethnic discrimination, and their economic position should be correspondingly lower than more assimilated minorities. This idea is reflected in the simple diagram of Figure 1 (see Figure 1).

American Indians are a particularly interesting group among whom to examine these ideas. This is because it is possible to identify, in empirical data, distinct groups of persons with American Indian background that are more or less assimilated into American society. In studying the ways in which assimilation and discrimination affect the economic standing of American Indians, this research will address two closely related questions: 1) to what extent are American Indians assimilated into mainstream culture, and to what extent are different levels of assimilation manifest in different types of American Indian ethnic identities; and 2) what are the economic "penalties" assessed on persons who decline to assimilate into the mainstream culture?

ANTECEDENT LITERATURE

Cultural Assimilation of American Indians

As mentioned, for years, social scientists predicted that American Indians would eventually become absorbed into the dominant culture. In part, this belief was fueled by centuries of experience with a dwindling Indian population. At the time of European discovery, the indigenous North American population may have been as large as 18.0 million (Dobyns 1984). In the wake of disease, warfare, and genocidal practices, American Indians numbered less than a quarter-million by the late nineteenth century. Commenting on this decline, Linton (1940, p. vii) wrote that "it was assumed that the absorption of minority groups into the American population required nothing more than time... Indians would die out, with the few survivors losing themselves in the White population... None of these comfortable assumptions have been borne out in practice... Far from dying out, the Indians... have postponed their transformation into Whites indefinitely."

Since Linton wrote these words, there have been many studies seeking to determine the ways in which American Indians have and have not merged themselves into the dominant culture. Early work focused on the ways in which western cultural practices became incorporated into traditional native lifestyles (Mead 1932; Eggan 1937; Linton 1940; Kluckhohn and Leighton 1946). This work found, for example, that the domestic use of western technologies was becoming widespread, and that western ideas and values were having a subtle impact on native cultures. However, most of this research stopped short of predicting the eventual disappearance of distinct American Indian cultures.

More recent work has focused on the retention, and/or preservation of American Indian culture, especially among urban American Indians. Many urban American Indians are relatively recent in-migrants seeking employment opportunities in metropolitan labor markets (Ablon 1964; Price 1968; Hackenberg and Wilson 1972; Sorkin 1978). Among urban American Indians, the extent to which they assimilate into the urban mainstream culture varies considerably. The "penalty" for non-assimilating urban Indians is that they often find that their traditional values and lifestyles are severely at

odds with the highly structured demands of bureaucratic workplaces. This conflict entails intense psychological stress and often a less than successful experience in the labor market (Ablon 1971; Sorkin 1978). On the other hand, for some urban Indians, assimilation means economic success at the expense of their cultural background; these Indians all but abandon their Indian identity (Price 1968). A middle-ground approach finds a third group of American Indians who find ways of preserving elements of their culture and their identity while accommodating the demands of modern urban environments, especially those of the workplace (Sorkin 1978).

There also is evidence that American Indians are able to retain their identity yet find ways to accommodate the demands of urban environments. In a study of Seattle Indians, Chadwick and Stauss (1975) found little evidence of assimilation among these Indians; instead most strongly retained their cultural background and ethnic identification. For urban American Indians, pan-Indianism has long been an important factor in facilitating the maintenance of their ethnic identity (Hertzberg 1971). According to Lurie (1966), the prevalence of pan-Indianism among urban American Indians was responsible for instilling ethnic pride in many individuals who might have otherwise "passed" into White society. Pan-Indianism grew dramatically throughout the 1960s and 1970s (Steiner 1968) and this movement is the most often cited reason for the massive increase in the American Indian population between 1960 and 1980 (Passell 1976; Passell and Berman 1986). Between 1970 and 1980, the American Indian population increased nearly 73 percent and most of this growth was due to changes in racial identification (Snipp 1988). Significantly, the largest percentage increases in the American Indian population were found in urban areas (Snipp 1988).

ECONOMIC DISCRIMINATION AND AMERICAN INDIANS

Although many American Indians migrate to urban areas seeking employment, the economic benefits of urban residence are uncertain. In an analysis of BIA relocation program participants, Clinton, Chadick and Bahr (1975) found that urban relocation was associated with improvements in employment, income, housing, and perceived quality of life. Likewise, Sorkin (1978) found that urban relocation was positively related to employment and income. However, for all American Indians, not just BIA relocatees, Snipp and Sandefur (in press) found that urban residence is positively associated with the earnings of Indian workers but rural-urban migrants did not enjoy significant economic gains from their relocation.

It is not clear from these studies whether urban American Indians have less unemployment or more income because they are more assimilated and less discriminated against than American Indians in rural areas. However, in one case study, (Dowling 1968), members of the Oneida tribe felt that racial discrimination was a problem in their local community and this was cited as a reason for moving to larger cities such as Milwaukee and Chicago. In an analysis of survey data, Sandefur and Scott (1983) found significant differences among Blacks, Whites and American Indians. Relative to Whites, Blacks and American Indians were significantly disadvantaged. Yet, while the disadvantages of Blacks could be linked with racial discrimination, Sandefur and Scott found little evidence of systematic discrimination against American Indians.

Other studies have also found that American Indians suffer serious economic disadvantages in terms of their labor force participation and income. Trosper (1980) found that the returns to investments in human

capital were lower for American Indians than for Whites, suggesting the possibility of racial discrimination. Similarly, Gwartney and Long (1978) found that only 58 percent of the earnings gap between Indians and Whites could be attributed to differences in personal qualifications; the balance of 42 percent attributable to market discrimination. However, Kuo (1976) linked 84 percent of the earnings gap between Whites and Canadian Indians to differences in worker characteristics.

ASSIMILATION, DISCRIMINATION AND AMERICAN INDIANS: AN ASSESSMENT

The impact of assimilation and discrimination on American Indians is difficult to assess in the literature cited above. There is conflicting evidence about the extent to which American Indians are assimilated: some groups are more assimilated, others are less assimilated. The impact of discrimination on American Indian economic well-being is even more difficult to fathom. American Indians appear to be the victims of some racial discrimination but the literature is unclear about how much. Some studies indicate that discrimination is a very large problem while other reports are more sanguine.

Besides the conflicting nature of this evidence, none of it is useful for assessing the role that assimilation plays in lessening discrimination, if indeed it does. Furthermore, none of this literature deals directly with the impact of ethnic identity on economic well-being. Although there is a gap in earnings of rural and urban earnings, it does not necessarily follow that urban American Indians are more assimilated. If place of residence cannot be used as a proxy for assimilation, then it is more useful to focus on ethnic identity as one manifestation of assimilation. Individuals who are strongly committed to their ethnic background are probably less assimilated, and more likely to be discriminated against than persons weakly attached to their ethnicity. This proposition can be tested directly via the following hypotheses.

H(1): The more assimilated an American Indian is, the more that she/he will have personal characteristics resembling the White population.

H(2): The more assimilated that an American Indian is, the less likely that s/he will experience racial discrimination.

These hypotheses each have a corollary idea.

C(1): Less assimilated American Indians will have personal characteristics that make them distinctly more disadvantaged than Whites or their assimilated counterparts.

C(2): Less assimilated American Indians will experience more racial discrimination than their more assimilated counterparts.

CATEGORIES OF AMERICAN INDIAN IDENTITY

To assess these hypothesis and their corollaries, it will be necessary to make comparisons among more and less assimilated persons with American Indian background, and compare these groups with the White population. In the 1980 census, it is possible to identify at least two different types of

American Indian ethnic identity. Each of these identities are associated with different degrees of assimilation (Snipp 1986).

A facsimile of the item used in the 1980 Census to obtain information about the racial composition of American households is displayed at the top of Figure 2. Responses to this item are the basis of reports about the racial composition of the U.S. population. The race item shows that the Census Bureau recognizes 15 different racial groups including a residual category for "other" races. Whites, Blacks and 9 types of Asian and Pacific Islanders are represented in this classification. Hispanic groups are not officially recognized as a "race" but they are specifically identified by the question about Hispanic origins, shown in the middle of Figure 2. Three categories are allotted to the native North American population allowing American Indians, Eskimos and Aleuts to identify themselves in separate racial categories. American Indians are also asked to reveal their tribal background. An important characteristic of this classification is that it does not allow individuals to identify more than one race. The categories of this classification are mutually exclusive so it is impossible for someone to respond that they are multiracial. For instance, respondent's cannot identify their race as Indian and White. They are either Indian or White, but not both (see Figure 2).

Independent of their status as racial groups, American Indians, Aleuts and Eskimos also were recognized as ethnic groups in the 1980 Census. Information about ethnicity was obtained with the item appearing at the bottom of Figure 2. This item has two significant features. Perhaps most important is that the Census Bureau uses ancestry as the operational definition of ethnicity. The instructions for the ancestry item are shown below it and they are very general. Persons are asked to freely report the nationality, lineage, or national origin of themselves or their ancestors. In other words, individuals are requested to identify their ethnic origins in terms of their personal or ancestral heritage.

The race and ancestry from the 1980 Census are different in important ways. Race data are based on a question that forces the respondent to make a single choice from among a set of preselected categories. Ethnic ancestry data, by comparison, are elicited with a question that allows freely chosen responses from the repertoires of personal memory and self-identification. These differences result in sharply discrepant coverage for the Indian population, reflected in two strikingly different estimates for the size of the Indian population. Using race to define population boundaries results in an estimate of approximately 1.3 million Indians. Ethnic ancestry, including everyone who reports American Indian ancestry, yields a population estimate of 6.8 million; a number almost 5 times larger than the estimate based on racially defined population boundaries. (see Table 1).

Using the information about race and ethnicity, it is possible to show that the 1980 census captured at least two different types of American Indian identity. These identities are based on different patterns of race and ethnic identification. The first type of American Indian identity includes persons who disclose their race and ethnic background as American Indian. Leaving no doubt that they are members of the American Indian population, this group can be referred to as simply "American Indians." The consistency of their responses makes them a core group among persons of American Indian background. This groups also includes persons who report their race as Indian but include Indian and non Indian ancestries in their ethnic background. A second category of American Indian identity contains persons who cite a non Indian race yet claim Indian ancestry for their ethnic background. These individuals might be thought of as "Americans of Indian descent" (cf. Simpson and Yinger 1978).

Each of these American Indian identities define a distinct population. In 1980, nearly 6.8 million persons reported that their race and/or ethnic ancestry was Indian and out of this group, almost 81 percent, or 5.5 million were Americans of Indian descent. In contrast, American Indians numbered about 1.3 million, or 19 percent.

In terms of assimilation, persons who are relatively consistent in the reporting of their racial and ethnic background are probably less assimilated than persons who give inconsistent reports. At the very least, consistent race and ethnic ancestry reports represent a stronger identification than inconsistent reports. Concretely, this means that "Americans of Indian Descent" can be seen as relatively assimilated insofar as their American Indian identity is limited to recollection of an Indian ancestor, at the same time that they report a non Indian race. "American Indians" can be viewed as less assimilated because their identification is sufficiently strong that they report their race and their ancestry. This indicates that for this particular group, "American Indians" are their primary referent group for racial and ethnic identification.

ON THE COSTS OF BEING AMERICAN INDIAN

Data and Methods

The data for this analysis are taken from the 1980 census Public-Use Microdata Sample (PUMS-A) file. This sample is a representative five percent sample of the U.S. population. Ideally, it would be desirable to have a more up-to-date source of information. However, this sample is the only publicly available file with extensive demographic information about individuals with American Indian backgrounds. From this sample, all persons reporting their race or ethnic ancestry as American Indian were selected for analysis. Because this analysis focuses on labor force participation and earnings, only persons age 16 to 64 years were included. Individuals without earnings also were excluded from analyses of this variable. For comparison purposes, a random sample of Whites age 16 to 64 also was analyzed.

The dependent variables for this analysis are the logarithm of annual earnings and the probability of labor force participation. Log annual earnings has the useful property of normalizing an otherwise highly skewed variable, making it amenable to OLS linear regression. Log earnings also is interpretable as the rate of economic returns accruing to specific kinds of human resources. The probability of labor force participation is a dichotomous variable that cannot be analyzed with a linear regression model. Instead, logistic regression is employed for this purpose.

Finally, group differences are examined from two perspectives. Parametric differences are one indication of discrimination. To find evidence of these differences, simple t-tests for differences in regression slopes are applied. In the analysis of earnings, regression standardization (Jones and Kelley 1984) is used to assess the extent to which discrimination and other factors contribute to earnings differentials.

The equations for predicting labor force participation and earnings are adopted from well-known standard models in the literature (Snipp and Sandefur forthcoming; Parcel and Mieller 1983; Bowen and Finegan 1964). These specifications are designed to facilitate group comparisons but they are not intended to fully partition the systematic variance in labor force participation and earnings. As a result, these equations are not exhaustive

of every factor known to influence labor force participation and earnings -- however, all of the major known determinants of labor force participation and earnings are included. A list and brief description of these variables appears in Table 2 (see Table 2).

AMERICAN INDIAN IDENTITY AND PERSONAL CHARACTERISTICS

As an introduction, the descriptive statistics for comparing American Indians, Americans of Indian descent, and the White population are shown in Table 3. The statistics in this table show very distinct differences in the socioeconomic statuses of these groups. Foreshadowing other results, Whites fare noticeably better than either Americans of Indian descent or American Indians. Overall, Whites are less poor, more employed, and have other advantages not possessed by the other two groups. In most respects, Americans of Indian descent lag behind the Whites in these data but they also fare better than the American Indian respondents. In nearly every respect, American Indians are more economically disadvantaged than either Americans of Indian descent or Whites.

Among the most notable differences in Table 3, the annual earnings of Whites (\$12,456) are 34 percent higher than the annual earnings of American Indians (\$9,266), and about 20 percent higher than the annual earnings of Americans of Indian descent (\$10,411). Comparing persons with American Indian background, the earnings of Americans of Indian descent are about 12 percent higher than those of American Indians. The gaps in the annual earnings of these groups are reflected in other characteristics.

Whites are more likely than either Americans of Indian descent or American Indians to be active in the labor force, 85 percent compared to 82 and 73 percent, respectively. Whites work an average of one month per year longer than American Indians, though only a week longer than Americans of Indian descent. Whites also tend to be slightly older and better educated, with more veterans and fewer work limiting disabilities than the other groups. American Indians and Americans of Indian descent have identical levels of average education.

Do these data reflect different levels of social and economic assimilation for American Indians and Americans of Indian descent? Addressing this question, the results are not unequivocal but at this crude level of comparison, Americans of Indian descent appear to be more integrated into the economic mainstream than other American Indians; at the very least, they are more successful. Americans of Indian descent earn more, work more steadily, and are more attached to the labor force than American Indians. Americans of Indian descent are not fully assimilated in the sense of being indistinguishable from the White population but certainly they are more similar to Whites than persons with a strong American Indian identification. Perhaps the most compelling evidence is that the use of a non-English language at home, an important indicator of cultural assimilation, is substantially more common among American Indians than among either Whites or Americans of Indian descent. Approximately 24 percent of American Indians between the ages of 16 to 64 use another language besides English at home compared to four percent of Whites and eight percent of Americans of Indian descent (see Table 3).

ETHNIC IDENTITY AND LABOR FORCE PARTICIPATION

Without question, Whites, followed by Americans of Indian descent are more active in the labor force than American Indians. From the results in Table 3, Whites and Americans of Indian descent clearly have personal characteristics that facilitate higher levels of labor force participation. However, these crude comparisons offer no insights into the social processes affecting labor force participation. A particularly important question is whether labor force participation by persons of American Indian background is determined by the same factors that govern White labor force participation. If these factors are the same, do they differentially impact the White and American Indian populations? These questions address directly the hypotheses posed earlier in this discussion.

To answer these questions and assess the validity of the hypotheses labelled H(1) and H(Z), Table 4 presents logistic regression models of the labor force participation of American Indians, Americans of Indian descent, and Whites. To summarize the similarities and dissimilarities of these groups: Americans Indians and Americans of Indians descent are not particularly different; Americans of Indian descent and Whites are very similar; American Indians and Whites are most different in terms of their determinants of labor force participation.

As predictors of labor force participation, the results of the logistic regressions are about what might be expected from reading the voluminous literature on labor force participation. Education and experience, the latter in the form of age and military service, enhance the likelihood of labor force participation. Being single, female, or having a work limiting disability lessen the likelihood of labor force participation. All of these agents have a strong systematic effect on the probability of being in the workforce. Perhaps most interesting is that speaking another language besides English at home has a strong adverse impact on the labor force participation of American Indians but it has virtually no impact on the labor force participation of Americans of Indian descent or Whites, few of whom speak a non-English language regularly.

The negative impact of language on the labor force participation of American Indians represents one of the few systematic differences between American Indians and Americans of Indian descent. The only other large difference is in connection with the impact of gender. Gender has a much larger negative impact on the labor force participation of Americans of Indian descent than on American Indians. This probably indicates that compared to American women of Indian descent, the poverty and difficult economic circumstances facing American Indian women forces them into the labor market in numbers sufficient to reduce the differentials in male and female rates of labor force participation. The same can be said about the differential impact of gender among American Indians and Whites.

Consistent with hypotheses H(1) and H(2), Americans of Indian descent are not particularly different from American Indians, except for gender and language; and they are not particularly different from Whites. In fact, the only systematic differences between Whites and Americans of Indian descent is in connection with age. Age has a larger beneficial impact on the labor force participation of Americans of Indian descent than on White labor force participation, but less than on the labor force participation of American Indians. Indeed this is symbolic of the intermediate position of Americans of Indian descent. They are more economically assimilated than American Indians and they suffer fewer economic disadvantages yet they are not fully assimilated in the sense of being indistinguishable from the White workforce. From this standpoint, the data seem to suggest that being

more assimilated makes workers less at risk of being out of the labor force, or that assimilation brings rewards in the form of being more integrated into the labor market.

Pursuant to this reasoning, American Indian workers are not strikingly different than Americans of Indian descent, but they are clearly different from White workers. Gender and work limiting disabilities have less of an adverse impact on American Indians, and age has a more beneficial influence than on Whites. However, compared to White workers, American Indians are more handicapped by their language, being single, and they realize fewer benefits from their military service. These results do not unequivocally portray American Indians as more disadvantaged than Whites but clearly, they have liabilities that do not hinder the labor force participation of Whites. Surprisingly, the impact of education is not systematically different for any of these groups (see Table 4).

EARNINGS AND ETHNIC IDENTITY

In terms of earnings, American Indians lag behind Americans of Indian descent by \$1,145 and Whites by \$3,190. Clearly, the largest gap is between Whites and workers with American Indian backgrounds. Part of this differential is probably due to differences in personal qualifications -- White workers are arguably better qualified than workers with American Indian background. However, part of the earnings gap may also be due to systematic differences in the processes that determine annual earnings. What is not clear is the extent to which the economic well-being of persons with American Indian background is subject to a different set of contingencies than White workers, and whether being more assimilated makes a difference. The results of the logistic regression analysis suggest that the labor force participation of persons with American Indian background is subject to contingencies somewhat different than that of White workers, and assimilation does make a difference. A parallel set of results can be found in Table 5.

Table 5 shows the results of regressing log annual earnings on selected socioeconomic characteristics. This table also displays the results of t-tests contrasting the earnings determination models of Whites, American of Indian descent, and American Indians. As predictors of log earnings, the results in Table 5 provide few surprises. All of the selected characteristics except one have statistically significant effects and the models explain a sizable portion of the variance in log earnings, ranging from 56 to 62 percent.

A more interesting set of findings can be found in the comparisons of these models. Like the results for labor force participation, these findings are not unequivocal about the advantages of Whites or the benefits of assimilation. However, to summarize these results, American Indians appear somewhat disadvantaged compared to Americans of Indian descent and Whites. Furthermore, Whites appear to have certain advantages not reserved for workers with American Indian background.

Comparing American Indians with Americans of Indian descent, there are relatively few differences. However, the differences that do exist work to the disadvantage of American Indians. American Indian earnings are much more adversely impacted by a work limiting disability and by speaking a

native language.¹ Not only do American Indians work fewer weeks than American of Indian descent, their time at work also brings them less earnings. A week of work increases the annual earnings of American Indians about 4.4 percent while a week of work increases the earnings of Americans of Indian descent by about 4.8 percent.

Although there were few differences in the models of labor force participation, comparing Americans of Indian descent with White workers yields a large number of statistically significant differences. Indeed, only the effect of age on earnings is not statistically different between these groups. Contrasting Whites with Americans of Indian descent, the adverse impacts of gender, work disability, and being single are smaller for the latter than the former. Americans of Indian descent also benefit more than Whites from speaking a non-English language, military service, and active participation in the labor force. Nonetheless, in important ways Whites benefit more by earning more for each week they work and by receiving higher returns for their educational investments. A year of school increases the earnings of Americans of Indian descent by about 5.9 percent while the same amount of schooling increases the earnings of Whites by 7.0 percent.

In light of these results, the disadvantaged position of the less assimilated category of American Indians is hardly surprising, especially compared with Whites. American Indians are penalized more for speaking a non-English language, they earn less per work-week, and they are paid less for their schooling.* Offsetting these disadvantages, again compared to Whites, the gender gap is smaller among American Indians and the benefits of age and labor force participation are larger.

DISCRIMINATION OR RESOURCES?

In the results above, there were some indications that workers with American Indian backgrounds are subject to different labor market conditions than White workers. For example, a year of education is more valuable to Whites than to workers of American Indian background. Do such differentials constitute prima facie evidence of discriminatory practices in the workplace? To assess the extent of market discrimination, Table 6 shows the results of regression standardizations in which the observed differentials in earnings are broken down into components reflecting the contributions of market discrimination, differences in human resources, and the interaction of discrimination and resources (Althausser and Wigler 1972; Jones and Kelley 1984; Semyonov 1988).

The earnings gap between American Indians and Americans of Indian descent is about the same as the gap between Whites and Americans of Indian descent. Or, alternatively, Americans of Indian descent are midway between Whites and American Indians in terms of their earnings. The other results in Table 6 can be described simply as unequivocal evidence that the earnings differentials among these groups are overwhelmingly the result of differences in human resources and not market discrimination. In fact, market-related processes offset, to a very small degree, the earnings

1 Nearly all American Indians who do not speak English at home are speaking a native language.

2 The critical value for failing to reject the null hypothesis is 1.96. The t value for education is 1.95.

deficit between persons of American Indian background and Whites. In short, workers of American Indian background earn less than Whites because they possess fewer of the personal resources valued in the labor market, and not because of systematic forms of market discrimination (see Table 6).

DISCUSSION

The results presented in this paper reveal a number of insights into the economic benefits of assimilation, and the costs associated with non-assimilation. In virtually every respect, unassimilated American Indians, that is, persons who strongly identify themselves as American Indians, are more economically disadvantaged than Whites or more assimilated persons of American Indian background. In this discussion, assimilation means that an individual is able to recall some American Indian ancestry yet identify themselves with another race. Such individuals are not as disadvantaged as less assimilated American Indians yet they have not achieved full socioeconomic equality with Whites. If Whites and American Indians represent different ends of the socioeconomic spectrum, then the assimilated group of Americans of Indian descent are midway between these groups.

These findings have several implications for the hypotheses guiding this research, and about the impact of assimilation and discrimination on the socioeconomic well-being of the American Indian population. The first hypothesis predicted that persons with a weaker American Indian identity, Americans of Indian descent, would be more assimilated and thereby more similar to the dominant culture. The support for this hypothesis is unequivocal. Though not identical to Whites, Americans of Indian descent are considerably more socially and economically integrated than are American Indians.

The second hypothesis posited that higher levels of assimilation would be associated with lower levels of discrimination. More precisely, Americans of Indian descent benefit economically from less discrimination than less assimilated American Indians. The analyses of labor force participation and earnings, especially earnings, failed to provide any support for this idea. The average earnings of Whites are considerably higher than the earnings of workers with American Indian backgrounds. However, the earnings deficit for American Indians and Americans of Indian descent cannot be attributed to discrimination against either of these groups. These groups have lower earnings because they do not have the personal resources necessary to command higher wages and salaries in the labor market.

To find that American Indians are not seriously handicapped by market discrimination is not especially surprising. It is consistent with other research that has found discrimination against Blacks but not against American Indians (Sandefur and Scott 1983; Lurie 1966). Furthermore, this is not surprising in view of the historical differences in the labor market experiences of Blacks and American Indians (Jacobsen 1984). However, this finding has important implications for public policy and for understanding the status of American Indians in American society.

Although American Indians are one of America's most profoundly disadvantaged ethnic minorities, they nonetheless do not appear to suffer the burdens of economic discrimination. So-called low paying "Indian jobs" do not exist in the same way that low-paying jobs exist for Blacks and women. Instead, the lack of personal resources such as higher education represents the most formidable barrier to American Indians seeking greater

socioeconomic equality in American society. The lack of personal resources prevents many American Indians from competing successfully in the labor market. And in the continued absence of such resources, the socioeconomic status of American Indians is likely to remain low.

This means that measures to combat economic discrimination will not help American Indians as much as it might help other groups -- notably Blacks, and women. The public policy measures that will be most beneficial for American Indians are those that will help them compete more effectively in the job market. This means programs to develop job skills and work experience, reduce the high school drop-out rate, and promote higher education. Once American Indians have the resources to compete in the job market, combating discrimination may be increasingly important. Yet at this point in time, many American Indians lack the necessary background even to seek legitimate entry into the labor market, much less to compete for high-paying employment.

To argue that American Indians are not subject to discrimination in the job market does not imply that they are exempt from discrimination in other arenas of social life. Given the absence of wage discrimination, the next important research question should address why American Indians lack the personal resources to compete in the job market. Is it the case that American Indians lack schooling because of discriminatory practices in the educational system? Are there institutional barriers that prevent American Indians from gaining the resources that they need to become economically productive? The research presented in this paper does not deal with these matters but they should be addressed in future research.

The low socioeconomic position and absence of economic discrimination owes much to the unique position of American Indians in American society. In many respects, American Indians lack the resources valued in the job market because they have been isolated from the American mainstream by choice and circumstance. As Nancy Lurie has pointed out (1966), American Indians have had more options for assimilation than most other ethnic minorities but have declined to do so. In declining assimilation, American Indians have been able to preserve their native cultures but the "cost" of being an American Indian has been a history of poverty and economic deprivation. The challenge to public policy, to American Indian leaders, and to American Indians themselves, is finding a way to gain the resources needed in the job market without sacrificing the cultural traditions that make American Indian ethnic identity unique in the mosaic of American society.

REFERENCES

- Ablon, Joan. 1971. "Retention of Cultural Values and Differential Urban Adaptation: Sambans and American Indians in a West Coast City." *Social Forces* 49:385-92.
- 1 9 6 4 . "Relocated American Indians in the San Francisco Bay Area: Social Interactions and Indian Identity." *Human Organization* 23:296-304.
- Althausen, R. P. and M. Wigler. 1972. "Standardization and Component Analysis." *Sociological Methods and Research* 1:97-135.
- Bowen, William G. and T. A. Finegan. 1969. *The Economics of Labor Force Participation*. New Jersey: Princeton University Press.
- Brophy, William A. and S. D. Aberle. 1966. *The Indian: America's Unfinished Business*. Norman: University of Oklahoma Press.
- Carlson, Leonard A. 1981. *Indians Bureaucrats, and Land: The Dawes Act and the Decline of Indian Farming*. Westport, Connecticut: Greenwood Press.

- Clinton, Lawrence, B. A. Chadick, and H. M. Bahr. 1975. "Urban Relocation Reconsidered: Antecedents of Employment Among Indian Males." *Rural Sociology* 40:117-33.
- Dobyns, Henry F. 1983. *Their Number Become Thinned: Native American Population Dynamics In Eastern North America*. Knoxville: University of Tennessee Press.
- Dowling, John H. 1968. "A 'Rural' Indian Community in an Urban Setting." *Human Organization* 27:236-39.
- Eggan, Frederick. 1937. *Social Anthropology of North American Indians*. Chicago, Illinois: University of Chicago Press.
- Farley, Reynolds and W. R. Allen. *The Color Line and the Quality of Life in America*. New York: Russell Sage Foundation.
- Fixico, Donald L. 1986. *Termination and Relocation: Federal Indian Policy, 1945-1960*. Albuquerque, University of New Mexico Press.
- Gwartney, James D. and J. E. Long. 1978. "The Relative Earnings Blacks and Other Minorities." *Industrial and Labor Relations Review* 31:336-46.
- Hackenberg, Robert A. and C. R. Wilson. 1972. "Reluctant Emigrants: The Role of Migration in Papago Indian Adaptation." *Human Organization* 31:171-86.
- Hertzberg, Hazel W. 1971. *The Search for an American Indian Identity: Modern Pan-Indian Movements*. Syracuse University Press.
- Jacobsen, Cardell K. 1984. "Internal Colonialism and Native Americans: Indian Labor in the United States from 1871 to World War II." *Social Science Quarterly* 65:158-71.
- Jones, F. L. and J. Kelley. 1984. "Decomposing Differences Between Groups: A Cautionary Note on Measuring Discrimination." *Sociological Methods and Research* 12:323-43.
- Kuo, Chun-Yan. 1976. "The Effect of Education on the Earnings of Indian, Eskimo, Métis, and White Workers in the Mackenzie District of Northern Canada." *Economic Development and Cultural Change* 24:387-98.
- Leighton, D. and C. Kluckhohn. 1947. *Children of the People*. Cambridge, Massachusetts: Harvard University Press.
- Levitan, Sar A. and B. Hetrick. 1971. *Big Brother's Indian Programs - with Reservations*. New York, McGraw-Hill.
- Linton, Ralph. 1940. *Acculturation In Seven American Indian Tribes*. D. Appleton-Century Company, Inc.
- Mead, Margaret. 1932. *The Changing Culture of an Indian Tribe*. New York City: Columbia University Press.
- Parcel, Toby L. and C. W. Mueller. 1983. *Ascription and Labor Markets: Race and Sex Differences in Earnings*. New York: Academic Press.
- Passel, Jeffrey. 1976. "Provisional Evaluation of the 1970 Census Count of American Indians." *Demography* 13:397-409.
- Passel, Jeffrey S. and P. A. Berman. 1986. "Quality of 1980 Census Data for American Indians." *Social Biology* 33:163-82.
- Price, John A. 1968. "The Migration and Adaptation of American Indians to Los Angeles." *Human Organization* 27:168-75.
- Sandefur, Gary D. and W. J. Scott. 1983. "Minority Group Status and the Wages of Indian and Black Males." *Social Science Research* 12:44-68.
- Semyonov, Mbshe. 1988. "Bi-Ethnic Labor Markets, Mono-Ethnic Labor Markets, and Socioeconomic Inequality." *American Sociological Review* 53:256-66.
- Siegel, Paul. 1965. "On the Cost of Being a Negro." *Sociological Inquiry* 35:41-57.
- Snipp, C. Matthew and G. D. Sandefur. Forthcoming. "Earnings of American Indians and Alaska Natives: The Effects of Residence and Migration." *Social Forces*.

- Snipp, C. Matthew. Unpublished (1988). *The first of this Land: American Indians in the Late Twentieth Century*. Department of Sociology, University of Maryland-College Park.**
- _____. 1986. "Who are American Indians? Some Observations About the Perils and Pitfalls of Data for Race and Ethnicity." *Population Research and Policy Review* 5:237-52.
- Sorkin, Alan L. 1978. *The Urban American Indian*. Toronto: Lexington Books.**
- _____. 1971. *American Indians and Federal Aid*. Washington, D.C.: The Brookings Institute.
- Steiner, Stan. 1968. *The New Indians*. New York: Dell.**
- Trosper, Ronald L. 1980. "Earnings and Labor Supply: A Microeconomic Comparison of American Indians and Alaskan Natives to American Whites and Blacks." Social Welfare Research Institute. Boston College.**
- Yinger, Milton J. and G. E. Simpson. 1978. "The Integration of Americans of Indian Descent." *The Annals of the American Academy of Political and Social Science*. 435:137-51.**
- Vogt, Evon Z. 1957. "The Acculturation of American Indians." *Annals of the American Academy of Political and Social Science* 311:137-46.**