

# Racial/Ethnic Diversity and Economy - A Broad Overview of U.S. Counties, 2000-2014: County Scale Diversity and Economy

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## ABSTRACT

This article explores the relationships between diversity, its components, and their change with economic health at the scale of counties, using major economic characteristics such as change in population, labor-force participation, employment and unemployment, and median household income (overall and by race/ethnicity). Tract-scale and county-scale data from the National Historical Geographic Information System are used to compute diversity scores and its components, to visually analyze the spatial distribution patterns. Correlations & stepwise regression models suggest that diversity-2000 associates positively with greater diversity (overall and among non-whites) in 2014, but negatively with a change in diversity (overall, and non-white). While median household income associates with a positive change in diversity, those for Blacks associate negatively with change in diversity, largely supporting the inertia effects of Black presence as an ‘unattractive’ factor. Unemployment associates with diversity & change/non-white-diversity, suggesting unemployment likely prevalent among whites. This has huge socio-economic and politics-based policy implications.

## KEYWORDS

Correlations, Diversity Score, Information System, National Historical Geographic, Stepwise Regression Models

## INTRODUCTION

Racial/ethnic diversity in the United States has been increasing over last few decades, particularly after the enactment of the Immigration and Naturalization Act (1965), which opened pathways for immigrants from Central and South American and Asian countries. In addition, the Vietnam War (Wood, 1997), the global scale economic restructuring coupled with rise in demands for highly skilled labor in a globally interconnected economy (Li, 1998, 2006), along with political asylum seekers from various other crises and turmoil in numerous Central and South American countries (e.g., Cuban exiles) -- cumulatively facilitated the international migration of diverse sets of population groups into USA (Duany, 2017), who eventually sought acceptance as refugees, while integrating into the host society's economy. There also existed other types of migrants, such as the refugees from unfavorable and exploitative economic conditions, drug-wars, crime victims, including natural disaster victims from the Latin Americas (see reports by EESI, 2017 and GIZ, 2017). All of these added toward dramatic growth in USA's total population as well as its racial/ethnic plurality. In particular, these manifested through significant gains in the shares of Asians and Hispanics since the 1970s, and more so over last two decades. Subsequently, these changes in population groups have manifested

DOI: 10.4018/IJAGR.2020040102

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itself spatially through changing diversity and a variety of racial/ethnic mosaics, changing the social geographies of USA across the small-to-mid-sized and large-sized urban (Singer, 2003, 2004) and rural America (Lichter et al. 2006). During this process of immigrants and diverse population groups settling across America, many new-immigrant destinations were formed. This once again renewed the academic interest of regional and national scholars to examine the changing socio-spatial dynamics and their linkages with regional, national and global political-economy (e.g., Lichter et al., 2006; Smith & Furuseth, 2004; Winders, 2006, 2011a, 2011b). The NAFTA (North American Free Trade Agreement) of 1990s further boosted fast growth of Hispanics across many U.S. regions/states, as it created opportunities across both spectrum of economy and human capital supply (Parrado & Kandel, 2011; Mohl, 2007; Odem & Lacy, 2009; Sharma, 2016, 2018).

While these various types of immigration flows have certainly changed USA's racial/ethnic make-up at a much faster rate since the 1970s, the more recent times have also been noted for significant increase in anti-immigrant, anti-diversity and anti-minority sentiments and rhetoric across the social and political discourses all throughout the country. These have been well documented and captured in everyday news and media outlets (for example, see Lewis, 2011; Nowrasteh, 2011), including increase in incidences of violence and threats toward minorities. Some people have even expressed concerns about 'too much diversity' and how that has been negatively affecting their economic lives. Growing presence of immigrants and diversity has been often misrepresented by some media sources as 'immigrants taking away their jobs', and that 'their presence' in the labor market has negatively affected their (native populations') wage bargaining capacities at their work places (for more discussions about this fear among the native population, see the papers by Passel & Cohn, 2009, 2011).

While numerous media outlets have successfully created this fear among people, to this date, there has been no empirical analyses linking immigrants' presence with lowering of work opportunities (or wages) for domestic/native population. Brookings institute reports have rather found evidence on the contrary. Scholarly research has also suggested that growth and change in diversity are social manifestations of changing economic needs as well as growing economy, and that in general, greater diversity is positively associated with better economic health (Sharma, 2016, 2018). Research also suggests that diversity is linked with growth in specific types of economy, such as, manufacturing, or the primary sector, or the research & development activities, and the like (for example, see Maxim & Mark's (2018) Brookings report on the growth of manufacturing in the heartland of America, and Muro & Whiton's (2018) analyses of high-tech skill concentration in specific metropolises of USA). Few others have indicated that changing diversity and diversity-types are indeed outer manifestations of changing economic structures in the Midwestern states accompanied by growth of industries in the southern states of Alabama, Georgia, the Carolinas, and the like (see works by Mohl, Passel & Cohn, Parrado & Kandell, Smith, Winders, and many others). Alabama, for example, gained in racial/ethnic diversity due to significant growth and expansion in the manufacturing industries from NAFTA and deindustrialization in the Midwest (Sharma, 2016). In other parts of the country, such as North Carolina, Smith & Furuseth (2004) attribute fast growth of Latina population due to numerous construction jobs that Charlotte had undertaken during large scale urban redevelopment and expansion, and the short-term temporary labor gradually settled down over time periods, as they decided to make Charlotte their permanent havens. Similar changes in the racial/ethnic mosaics occurred across other parts of the country as well, wherein changing economy-types along with market variations affected urban expansion and redevelopments, which eventually have transformed their diversity (Brown & Sharma, 2010; Brown and Webb, 2011; Mohl, 2007; Odem & Lacy, 2009; Sharma & Brown, 2012; Sharma, 2013, 2014, 2016; Smith & Furuseth, 2004, 2006).

While some recent research has linked changing diversity with economy in the southern states (Smith & Furuseth, 2004, 2006; Winders 2006, 2011a, 2011b), the ongoing demographic changes have been occurring nationwide, and this requires a timely investigation so that adequate place-based policies can be implemented to address changing needs of diversity. These could include creating bi/multi-lingual schools, appropriate job trainings and skill development, human capital needs

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