The Institute for Research on Poverty is a national center for research established at the University of Wisconsin in 1966 by a grant from the Office of Economic Opportunity. Its primary objective is to foster basic, multidisciplinary research into the nature and causes of poverty and means to combat it.

In addition to increasing the basic knowledge from which policies aimed at the elimination of poverty can be shaped, the Institute strives to carry analysis beyond the formulation and testing of fundamental generalizations to the development and assessment of relevant policy alternatives.

The Institute endeavors to bring together scholars of the highest caliber whose primary research efforts are focused on the problem of poverty, the distribution of income, and the analysis and evaluation of social policy, offering staff members wide opportunity for interchange of ideas, maximum freedom for research into basic questions about poverty and social policy, and dissemination of their findings.

Contents

List of Tables xi
List of Figures xv
Foreword xvii
Preface xix
Acknowledgments xxiii

1 THEORETICAL PERSPECTIVE

1 What Is Class? 3

Gradational Versus Relational Theories of Class 5
Classes Defined by Market Relations Versus Production Relations 8
Classes Defined by the Technical Division of Labor Versus Authority Relations Versus Exploitation 11


List of Tables

<table>
<thead>
<tr>
<th>Table</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Basic Positions Within Class Relations</td>
<td>27</td>
</tr>
<tr>
<td>2.2</td>
<td>Levels of Control Within Ownership Relations</td>
<td>38</td>
</tr>
<tr>
<td>2.3</td>
<td>Formal Criteria for Contradictory Locations Within Class Relations</td>
<td>40</td>
</tr>
<tr>
<td>2.4</td>
<td>Criteria Used in High and Low Estimates for Sizes of Classes</td>
<td>51</td>
</tr>
<tr>
<td>3.1</td>
<td>Three Theories of Income Determination Compared</td>
<td>76</td>
</tr>
<tr>
<td>5.1</td>
<td>Distribution of Occupations Within Classes</td>
<td>114–115</td>
</tr>
<tr>
<td>5.2</td>
<td>Distribution of Classes Within Occupations</td>
<td>116</td>
</tr>
<tr>
<td>5.3</td>
<td>Distribution of Occupations Among Managers and Supervisors, Males Only</td>
<td>120</td>
</tr>
<tr>
<td>5.4</td>
<td>Regression Equations for Comparisons of Class and Occupational Status with Annual Taxable Income as Dependent Variable</td>
<td>124–125</td>
</tr>
<tr>
<td>6.1</td>
<td>Regressions of Taxable Income on Selected Variables</td>
<td>133</td>
</tr>
<tr>
<td>6.2</td>
<td>Analysis of Income Gaps for Comparisons of Total Annual Income of Workers with Managers and Supervisors</td>
<td>135</td>
</tr>
</tbody>
</table>
List of Tables

6.3 Regression Equations Within Class Categories with Annual Taxable Income as Dependent Variable 139–141
6.4 Returns to Education for Workers and Managers/Supervisors 143
6.5 Returns to Education for Workers and Managers, by Age 145
6.6 Returns to Specific Levels of Education for Workers and Managers 148
6.7 Income Gaps and Returns to Education for the Petty Bourgeoisie, Compared to Workers and Managers/Supervisors 151
6.8 Income Gaps and Returns to Education for Small Employers, Compared to Managers and Workers 155
6.9 Industrial Categories and Income Values Used in Industry Scale 157
6.10 Education Coefficients Among Employers and Other Classes 158
6.11 Returns to Education for Employers with less than College Education 162
7.1 Characteristics of the Sample in the Hierarchy in Organizations Study 166
7.2 Incomes Within the Managerial Hierarchy, Adjusted for Education, Age, and Tenure 174
7.3 Returns to Education Among Managers and Workers, Controlling for Hierarchical Position 178
7.4 Returns to Education Within Specific Levels of the Managerial Hierarchy 179
8.1 Distribution of Class Positions Within Racial Categories 185
8.2 Regression Equations Within Race-Class Categories with Annual Taxable Income as Dependent Variable 187–189
8.3 Returns to Education for Black and White Males Within Class Positions 190
8.4 Occupational Distribution Among Managers for Black and White Males 194
8.5 Returns to Education for Blacks and Whites Within the Manager/Supervisor Category, Excluding Teachers 195
8.6 Average Income Gaps Between Class Positions Within Racial Categories 198–199
8.7 Returns to Education for Different Class Positions Within Racial Categories 200
8.8 Average Income Gaps Between Races Within Class Categories 204
9.1 Returns to Education and Other Variables for Men and Women Within Class Positions 214–215
9.2 Income Gaps and Returns to Education and Other Variables for Class Positions Within Sex Categories 217
9.3 Distribution of Classes Within Race–Sex Categories 219
9.4 Gaps in Income Between Males and Females Within Class Categories 220

List of Tables
B.1 Criteria for Class Position in the Panel Study of Income Dynamics 242
B.2 Items in the PSID Questionnaire Used to Operationalize Class Position 243–244
B.3 Number of Employees and Expected Income 245
B.4 Characteristics of the Data Sets for Basic Class Operationalizations 246
List of Figures

1.1 A Typology of Definitions of Class ........................................ 5
2.1 The Relationship of Contradictory Class Locations to Basic Classes in Capitalist Society ........................................... 42
3.1 Formal Model of Income Determination at the Level of Classes ............................................................. 65
3.2 The Basic Model of Income Determination in Status Attainment and Human Capital Theories 74
4.1 An Individual-Level Model of Income Determination for Comparing Class and Status ........................................ 98
4.2 Basic Model for Investigating Class Mediations of the Income Determination Process ...................................................... 99
4.3 Hypothesized Relation of Income to Education ........................................ 102
4.4 Basic Model of Class Mediations of Race and Sex Effects on Income ...................................................... 107
6.1 Returns to Education Within Class Positions ......................................................................................................... 132
Foreword

Staff members of the Institute for Research on Poverty have contributed a great deal to our understanding of inequality in the United States. For example, in Public Expenditures, Taxes, and the Distribution of Income: The United States, 1950, 1961, 1970 (Academic Press, 1977) Morgan Reynolds and Eugene Smolensky trace the post-World War II trend in inequality. Similarly, David L. Featherman and Robert M. Hauser in Opportunity and Change (Academic Press, 1978) dissect the intergenerational transmission of inequality in the U.S. and how that has changed in our time. Erik Olin Wright’s Class Structure and Income Determination is a part of this growing body of research. But there is a difference: Wright is the first scholar at the Institute to approach this topic from a Marxist perspective. As a consequence, his book is likely to be even more controversial than others on the ever-controversial topic of inequality.