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# Building Inequality: A Case Study of White, Black, and Latino Contractors in the Atlanta Construction Industry

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BUILDING INEQUALITY: A CASE STUDY OF WHITE, BLACK, AND LATINO  
CONTRACTORS IN THE ATLANTA CONSTRUCTION INDUSTRY

by

CAMERON D. LIPPARD

Under the Direction of Charles Gallagher

ABSTRACT

In this exploratory case study, I compare and contrast the self-employment experiences and hiring practices of Black, Latino, and White business owners in the Atlanta construction industry. While much of the ethnic entrepreneurship literature has explained the racialized differences between racial and ethnic groups concerning self-employment and their hiring practices, few studies have been able to provide a clear explanation of the mechanisms racial groups use to maintain an economic and social edge without being overtly racist. Furthermore, many scholars have not yet begun to compare the experiences of Whites, Blacks, and Latinos in the South and how their racial ideologies and competition spur on discrimination and racism in a supposedly “color-blind” environment. To address these gaps, I interviewed 42 White, Black, and Latino sub- and general contractors in the Atlanta metropolitan area. I also collected observational data by visiting the worksites of my respondents and attending organizational meetings. Results suggest that even though many of my respondents indicated that racial dissimilarities were due to individual effort and poor motivation, I find that these color-blind ideologies work well to solidify the racial hierarchy and privilege White contractors. I also find

that these ideologies block Blacks and Latinos from obtaining better financing, building a good reputation, or having access to important social connections that introduced most contractors to more lucrative prospects. More importantly, the White “good ole’ boy” networks worked as a mechanism to exclude Blacks and Latinos from more lucrative connections, and keep any interactions to a strictly employee-employer relationship. However, these business owners’ hiring practices are the same: they want the cheapest and hardest-working employees they can get, who are usually Latino laborers. By moving beyond the black/white dichotomy, this study offers new explanations of race relations and racial inequality in a metropolitan area recently affected by immigration. Finally, I show that competition pushes these contractors to be more discriminatory, especially when Latino immigrants threaten their "hard-earned" social positions. My empirical and conceptual analyses provide a good start toward explaining how racism and discrimination is organized and continues to persist in a major U.S. industry.

**INDEX WORDS:** Entrepreneurship, Color-Blind Ideology, Hiring Practices, Race Relations, Construction Industry, Latinos, Blacks, Whites, Atlanta

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by

CAMERON D. LIPPARD

A Dissertation Submitted in Partial Fulfillment of the Requirements for the Degree of

Doctor of Philosophy

in the College of Arts and Sciences

Georgia State University

2006

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Major Professor: Charles Gallagher  
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Charles Jaret

Electronic Approved

Office of Graduate Studies  
College of Arts and Sciences  
Georgia State University  
August 2006

**DEDICATION**

To my loving wife, Heather and my darling son, Aidan.

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## CHAPTER 1

### INTRODUCTION

Despite the American Civil Rights Movement, legislative efforts, and America's avid support of a "color-blind" meritocracy to alleviate racial discrimination, racial inequality continues to persist. More specifically, while the attitudes and actions of White America seem to be less racist than in the past, the economic status of Blacks and Latinos, including owning a home or having high levels of income, continues to lag well behind White prosperity (e.g., Bonilla-Silva 2001; Camarillo and Bonilla 2001; Conley 1999; Gallagher 2003a; Oliver and Shapiro 1997; Rosenfeld and Tienda 1999; Shapiro 2004; Tienda and Wilson 1992; Wilson 1996). Finally, while America still claims to be a melting pot (see Alba and Nee 2003; Thernstrom 2004), anti-immigrant sentiments have, once again, intensified over concerns of the negative economic impact immigrant minorities might have on American citizens (e.g., Borjas, 1998, 2003, 2004; Espenshade and Hempstead 1996; Jaret 1999; Rodriguez 2004; Roediger 1991; Steinberg 1989; Waldinger and Lichter 2003).

Many of these problems can be seen in two opposite ends of the American economic spectrum, self-employment and the various labor markets within industries. As for self-employment, Whites are more likely to obtain and sustain the appropriate resources to own a business, as well as have the highest rates of success than any other racial and ethnic group (Bates 1997; Butler 2005; Light and Gold 2001; Waldinger, Aldrich, and Ward 1990). Within the labor market, employers overwhelmingly select immigrant minorities and Whites over Black applicants in almost all situations (Moss and Tilly 1996, 2001a, 2001b; Neckerman and Kirschenmann 1991; Waldinger and Lichter 2003). Even native-born individuals, including

Whites, are passed over for jobs in secondary labor markets because employers want a cheaper and more exploitable labor force, which can often be found among recent the Latino immigrant population today (see Moss and Tilly 2001a; Waldinger and Lichter 2003). Even with increased numbers of minorities working and moving into middle class status (see Alba and Nee 2003; Hewitt 2000; Shapiro 2004), many minorities, especially Blacks and Latinos, find themselves in dead-end, low-paying, or labor-intensive jobs (Gutierrez 1996; Hum 2000; Lieberman 1980; Rosenfeld and Tienda 1999; Waldinger and Lichter 2003; Wilson 1996). In short, much of the research of the American economy suggests a divided and racialized structure that assigns the dirty, back-breaking jobs, and the service businesses to minorities, while the best jobs, resources, and more lucrative self-employment opportunities are reserved for Whites (e.g., Bates 1997; Butler 2005; Light and Gold 2001; Omi and Winant 1994; Royster 2003; Waldinger 1996; Waldinger and Lichter 2003). It also suggests that the American economy continues to follow its historical path of searching for the cheapest and most exploitable labor, rotating out American citizens and using immigrants.

At the same time, the arrival of more Asians and Latinos after the immigration reforms of the 1960s has made the discussion about racial inequality more complex. Some scholars point out that, despite their minority status in America, many Asians and Latinos have seen high rates of self-employment, established strong ethnic enclaves, and obtained steady employment more often than African Americans (e.g., Bates 1997; Borjas 2004; Fairlie 1996; Logan, Alby, and McNulty 1994; Light and Bonacich 1988; Light and Gold 2001; Min 1988; Waldinger 1996; Waldinger et al. 1990, Waldinger and Lichter 2003; Wilson 1996; Yoon 1997). In addition, many Asian Americans and some Latinos have surpassed Blacks in obtaining higher levels of education after arriving in the U.S. (see Alba and Nee 2003). Many of these scholars have

suggested that individual effort or "cultural" qualities of immigrant minorities could explain the differences, suggesting that race or nativity rarely matter. Bonilla-Silva (2003) suggests that some Asian and Latino groups have become "honorary whites."

On the other hand, immigrant minorities, especially Latinos, find that their only economic choices are to participate in low-paying, secondary labor market jobs, or to take up the ownership of small co-ethnic businesses that only serve their communities (see Light and Gold 2001; Waldinger and Lichter 2003). Several scholars suggest that this continues to be the historical pattern of immigrants, having to follow the same racialized trajectories that most immigrants labeled "non-white" have faced such as the Irish, Italian, Europe Jew, or Chinese immigrant (Steinberg 1989). However, America continues to view Asian Americans and Latinos who are or have become U.S. citizens as "permanent foreigners" that threaten the economic, political, and social stabilities of the United States (Espiritu 1997; Rodriguez 2004).

However, the causes of racial inequality in the American economy remain one of the more contested topics in recent scholarship. Believing that the Civil Rights Movement had a significant impact on the economy with the introduction of Title VII requirements and affirmative action programs, many researchers have turned to more individualistic explanations to clarify economic differences between racial and ethnic groups. Some researchers have suggested that the continued disparity between Whites and minorities is due to individual shortcomings including poor motivation. For instance, D'Souza (1995) suggests that generations of poverty and relying on social welfare have made African Americans less motivated to get an education and go to work. Some scholars have even fallen back on archaic explanations of racial differences, suggesting that the differences between Whites and minorities are due to lower cognitive and intellectual abilities, which decrease educational attainment levels, leading to

fewer prestigious and higher-paying jobs (Farkas and Vicknair 1996; Murray and Herrnstein 1994). In his research on racial inequality, Wilson (1978, 1987, 1996) has long argued that Black and Latino disparities are due to their lack of education and skills and not because employers make racist decisions.

Other social scientists suggest that the arguments above ignore the possibilities that racism may be more subtle and hidden in the social structures and rhetoric of America. For instance, several researchers have found that well-educated and skilled Blacks and Latinos are often excluded from the more lucrative entrepreneurial and employment possibilities that White networks control in particular industries (see Bentil 1989; Feagin and Imani 1994; Hodge and Feagin 1995; Royster 2003; Waldinger 1996; Waldinger and Lichter 2003). Omi and Winant (1994:71) point out that while racism is not as blatant as it used to be, there are still social structures and ideologies that create and reproduce a racial hierarchy that benefits Whites. Bonilla-Silva (2001) also indicates that the persistence of racism is not just in the structures of society but also embedded in the contemporary citizens' attitudes and ideologies that continue to suggest that minorities are inferior. While the language to describe minority inferiority is not as blatant as it has been, White America does hide their dislike for minorities with color-blind rhetoric that reinforces cherished but defunct American achievement ideologies, such as hard work and self-reliance, as the keys to social mobility. For example, in Shih's (2002) research on hiring practices, he found that most employers suggested that they would rather hire individuals that were motivated and hard workers; however, employers only characterized Latinos this way, while Blacks were always seen as lazy, disrespectful, or the least likely to have a solid work ethic. In addition, Gallagher (2003a:23) suggests that White America views the American economy as a "level playing field" in which minorities have equal opportunities to succeed;

conversely, most minorities and "Black Americans see a field which is still quite uneven." In fact, the "new" form of racism is so well disguised that even some minorities use the color-blind language to explain their inability to get a job or own a home (Bonilla-Silva 2001; Bonilla-Silva and Embrick 2001; Shapiro 2004). In short, most of America views racism as passé, reserved only for the outlandish skinhead or the Confederate flag-waving redneck (Bonilla-Silva 2001).

The question still remains: how is it that racial inequality persists even though so many say it does not matter? More importantly, how do Whites maintain an economic and social edge without being considered racist? To contribute to this debate on the continuing significance of race and racism in the American economy, I conducted a qualitative case study in which I interviewed White, Black, and Latino contractors to determine the persistence of race and racism in the Atlanta construction industry. I also assessed whether the use and acceptance of a color-blind ideology stratifies the entrepreneurial and employment opportunities of Black, Latino, and White contractors. Finally, I attempted to discern whether there were subtle ideologies and actions that helped to perpetuate White privilege and dominance in this industry.

But, before presenting my results, I use the remainder of this introduction to frame the intent and purpose of this study. Unlike traditional dissertations, I leave much of the empirical and theoretical overview to each substantive chapter because this study covers several different areas of research on racial inequality. However, in this introduction, I present the historical and social context of this study by giving a synopsis of the complexities of, and changes within, Atlanta, Georgia, and its construction industry. I also present the two theoretical explanations that I use most often to frame my results and my three research questions.

## **ATLANTA: THEN AND NOW (1980-2005)**

Anyone living, working, and visiting Atlanta can attest that this urban region is a booming and constantly changing metropolis. Whether it is Atlanta's monstrous sprawl, rapid economic growth,<sup>1</sup> or its ever-diversifying and swelling population, Atlanta's change and growth in the last twenty-five years has far surpassed any of its accomplishments since the American Civil War. Atlanta's success has also made it an economic, cultural, and political center in the Sunbelt region because of its unmatched economic growth. Finally, and important to this study, many Atlanta politicians and business owners and others outside of its metropolitan area have consistently identified Atlanta as more socially progressive than any other city in the South because it has attempted to address racial inequalities; thus, many have identified Atlanta as the "city too busy to hate" (Bayor 1996, 2000:42; Keating 2001; Sjoquist 2000).

However, Atlanta is a paradox. Many scholars suggest that while Atlanta has seen dramatic economic growth and has been identified as having good race relations, the

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<sup>1</sup> For instance, from 1980 to 2005 the Atlanta metropolitan statistical area grew from 15 to 28 counties and includes over 130 different municipalities, stretching to the fringes of Chattanooga, Tennessee, southward to Macon, Georgia, west into Alabama, and only two hours east of the South Carolina state line. In 1980, the Atlanta metropolitan area included 15 counties, in 1990, 18 counties, and in 2000, 20 counties. As of 2005, the metro area covered over 8376.48 square miles, and it is larger than the Chicago and Philadelphia metro areas but smaller than New York and Los Angeles metro areas. Its urbanized area is also large at 1963 square miles, which is larger than Los Angeles and Boston but smaller than Chicago. In contrast, though, the central city is small at 132 square miles, which is smaller than almost all major cities and most southern cities such as Charleston (176 sq. miles), Charlotte (400 sq. miles), and Dallas (757 sq. miles). A metropolitan statistical area is defined by the Office of Management and Budget of the U.S. Census (2000:82238) as "a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting as." This definition includes the central city of Atlanta and the 28 counties that have a high degree of social and economic integration. These counties include Barrow, Bartow, Butts, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Harelson, Heard, Henry, Jasper, Lamar, Meriwether, Newton, Paulding, Pickens, Pike, Rockdale, Spalding, and Walton. Sometimes, I will discuss different parts of the Atlanta metropolitan area, as others have defined it. For example, the Atlanta Regional Commission usually publishes its reports on Atlanta only including the ten most central and closest counties to Atlanta. These figures represent only the square mileage of land, not including bodies of water. Retrieved from the US Census website, American Fact Finder, General Comparison Tables, GCT-PH1: Population, Housing Units, Area, and Density:2000 ([http://factfinder.census.gov/servlet/GCTGeoSearchByListServlet?ds\\_name=EC\\_2000\\_SF1\\_U&\\_lang=en&\\_ts=163074482416](http://factfinder.census.gov/servlet/GCTGeoSearchByListServlet?ds_name=EC_2000_SF1_U&_lang=en&_ts=163074482416)). The General Comparison Table only presents the square mileage of the Atlanta MSA in 2000. I added the land square mileage for the eight new counties added as of 2004.

metropolitan area continues to have substantial racial segregation, issues of economic exclusion, and extreme poverty among its minority citizens (see Bayor 1996; Brookings Institution 2000, 2003; Keating 2001; Sjoquist 2000; Bullard, Johnson, and Torres 2000). For example, Bullard et al. (2000) and Keating (2001) point out that Atlanta's northern part of the city and suburbs have seen the largest development of industries and increases of income and wealth in comparison to the southern portion of Atlanta, which has the highest unemployment and poverty rate in the entire metropolitan area. In addition, much of the growth has really only benefited affluent Whites in the northern part of Atlanta, even though Atlanta has a sizeable black middle class<sup>2</sup> (see Bayor 2000, 1996; Brookings Institution 2000, 2003; Keating 2001). Also, in a study of the 23 rapidly growing cities in the U.S., the Brookings Institution (2003) notes that despite rapid increases in income and declining poverty rate for all racial and ethnic groups in Atlanta, as of 2000, the metro area continues to have the third highest black poverty rate and fifth highest child poverty rate out of the cities examined.<sup>3</sup>

Another more recent element added to Atlanta's paradox is the dramatic increase in the number of Asians and Latinos, particularly foreign-born persons, which has made the discussion more complex. With the arrival of immigrant minorities, Atlanta has reacted like many U.S. cities already entrenched in immigration issues. Many newspapers in the Atlanta area have published articles reporting the fears that native-born Atlantans and other Georgia residents have

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<sup>2</sup>The Brookings Institution (2000) suggests that incomes between \$40,000 and \$75,000 can work as a way to determine the number of middle class households. In 1999, almost 32% of Blacks in Atlanta MSA had a median household income between \$40,000 and \$74,999; which is as many as 211,269 of 413,736 Black households (i.e., 32%) can be classified as middle class. However, this measure may not be representative the Black middle class since I do not take into account other variables that denote social class variables such as occupation, net wealth, and home ownership (see Hewitt 2000; Oliver and Shapiro 1997; Shapiro 2004 for more explanations). It should also be noted that 51% of the Black population in Atlanta had a median household income between \$10,000 to \$39,999, and almost 8% of the Black population had a median household income between \$75,000 and \$200,000 or more.

<sup>3</sup> This study focused on 23 of the fastest-growing or most economically-active cities in the U.S., including Atlanta, Miami, San Antonio, Chicago, and Dallas. The authors also compares Atlanta to the 100 largest cities in the nation based on population size.

concerning undocumented Latino workers (Bohon and Macpherson 2006). Also, in April of 2006, Georgia passed its first-ever immigration bill to address the growing issues expressed by the public concerning undocumented workers and their misuse of local and state government programs. In short, while Atlanta is a prosperous area, its change and growth have done little to alleviate the racial inequality that has always plagued the city. Furthermore, while there have been significant economic, social, and demographic changes in Atlanta, it is important to show that there are still problems that are the result of racial inequality. Below, I provide a more detailed explanation of the complexities of racial inequality in a supposedly "colorless" environment.

### **Diversifying Atlanta**

Demographically, Atlanta's population has drastically increased and diversified since 1980. From 1980 to 2000, Atlanta's population grew from about 2.3 million to over 4.4 million individuals, ranking 5<sup>th</sup> in the most population change among U.S. metropolitan areas (Atlanta Census 2000; Mumford Center 2001; MACOC 2005a). It was also the 13<sup>th</sup> fastest growing metro area in the U.S. from 1960 to 2004 (Frey 2005). Table 1.1 presents the overall trends in population growth, including a break-out of the four major racial and ethnic groups represented in the population over the last twenty-five years. From 1980 to 2000, the total Atlanta population increased by a little over 84%, from 2,233,191 individuals to 4,112,198. In 2004, the Atlanta metro population reached 4,477,579.<sup>4</sup>

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<sup>4</sup> Retrieved from the US Census website and the American Community Survey tables, B01003: Total Population for Atlanta MSA 2004 ([http://factfinder.census.gov/servlet/DatasetMainPageServlet?\\_program=ACS&\\_submenuId=datasets\\_2&\\_lang=en](http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=ACS&_submenuId=datasets_2&_lang=en)).

Examining the four major racial and ethnic groups in the Atlanta metro area, the non-Latino White and Black populations<sup>5</sup> make up about 91% of the total population; Whites and Blacks being the first and second largest populations in the area, respectively. Whites have seen a 48.3% change in population from 1980 to 2000, much of this change occurring in the first decade, from 1980 to 1990. However, Whites' overall proportion has steadily decreased since 1980 to 2000 in comparison to the other groups by almost fifteen percentage points (74.3% in 1980 to 59.8% in 2000) (Mumford Center 2001). However, Frey (2006:12) points out that Atlanta still ranks third (Phoenix and Riverside metro areas first and second) among the top ten metropolitan areas in White population gains, with 80,062 Whites added to the Atlanta population from 2000 to 2004. The estimated White population in 2004 for Atlanta metro area was 2,709,579.<sup>6</sup>

The Black population, on the other hand, increased by over 126.8% from 1980 to 2000. The Black population is also overwhelmingly native-born but has had over a 1200% increase in the number of foreign-born individuals. Much of this growth in the Black population has been in the last ten to fifteen years. For example, in 1990, Atlanta had the seventh largest Black population in the U.S. By 2004, Atlanta's Black population is the third largest in the U.S. (1.3 million) and has had the most positive change in number of Blacks living in the area than any other metro area since 2000 (183,187 Blacks moved into the area from 2000 to 2004) (Frey 2006). In 2004, the estimated Black population in Atlanta was 1,344,191. While the majority of this population growth has been because of more native-born Whites and Blacks moving into the

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<sup>5</sup> When discussing the different racial and ethnic groups, all discussions about Whites, Blacks, and Asians are only considering non-Latinos within these three groups. In addition, any discussion of Latino includes a variety of groups that identify as Latino or one or more of the ethnic groups within the Latino/Latino identity (i.e., Mexican, Cuban, Guatemalan, Salvadoran, Chilean, and Puerto Rican).

<sup>6</sup> Retrieved from the US Census website and the American Community Survey tables, B02001: RACE - Total Population for Atlanta MSA 2004 ([http://factfinder.census.gov/servlet/DatasetMainPageServlet?\\_program=ACS&\\_submenuId=datasets\\_2&\\_lang=en](http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=ACS&_submenuId=datasets_2&_lang=en)).

area, the diversification of the population has been largely due to the increased numbers of Latinos and Asians.

Based on Table 1.1, Asians and Latinos have seen tremendous increases in population since 1980. The Asian and Latino populations have grown by 1224% and 987%, respectively, from 1980 to 2000. In 1980, there were 24,723 Latinos and 12,029 Asians in the Atlanta metro area, representing 1.1% and .5% of the total population, respectively (Mumford Center 2001). In 2000, there were 268,851 Latinos and 149,292 Asians in the Atlanta metro area, representing about 6.5% and 3.3% of the population, respectively. From 1990 to 2000 alone, the Latino population increased by 383% and the Asian population increased by 169% (Atlanta Census 2000). In comparison to other metro areas in the U.S. from 1990 to 2000, the Atlanta metro area has the sixth highest change in overall Latino population growth and third highest change for Asians (Frey 2006). Atlanta ranks tenth out of the top ten metro areas that have seen increases in the overall numbers of Latinos (112,362 Latinos moved into the area) and ranks sixth in the overall population change of Latinos (41% change) from 2000 to 2004. In addition, Atlanta ranks fourth in the overall percent change in population from 2000 to 2004 for Asians (28.5% change). By 2004, the Asian and Latino populations were estimated to be 177,876 and 381,192, respectively.<sup>7</sup>

Another less-discussed facet of the increase and diversification of the Atlanta metro population is the increase of native- and foreign-born individuals moving from other states and metropolitan areas to Atlanta. Frey (2006) suggests that until 2000, Atlanta's population growth was largely driven by domestic migration, or native-born individuals. However, Frey (2006)

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<sup>7</sup> Retrieved from the US Census website and the American Community Survey tables, B02001: RACE - Total Population for Atlanta MSA 2004 and B03001: Latino or Latino Origin by Specific Origin - Total Population for Atlanta MSA 2004 ([http://factfinder.census.gov/servlet/DatasetMainPageServlet?\\_program=ACS&\\_submenuId=datasets\\_2&\\_lang=en](http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=ACS&_submenuId=datasets_2&_lang=en)).

suggests that while the percentage of migrants to Atlanta includes more foreign-born migrants, domestic migrants still make up more of the overall changes in the population in Atlanta. Frey (2006) also shows that from 2000 to 2004 the foreign-born only make up about 26.8% of the total growth during this period. Moreover, the largest component of actual growth in the Atlanta metro area was its natural growth (44%), which includes the increase of the population due to births. The domestic migrant growth was about 29% from 2000 to 2004. In short, while Atlanta has begun to attract higher numbers of immigrants, much of its population growth continues to be due to native-born individuals moving to the Atlanta metro area.

However, many Atlantans and other native-born Georgia residents have expressed increased fears concerning the influx of Latino immigrants to the area, despite the possible benefits that immigrants bring to an urban environment such as more jobs (see Adelman, Lippard, Jaret, and Reid 2005 for a recent explanation of the benefits of immigration for native-born Blacks). After doing an archival search on the *Atlanta Journal-Constitution's*<sup>8</sup> website, which stores all of its articles and editorials from 1985 to the present, I was able to get over 5,000 newspaper articles and editorials about the fears of competition and contestation of physical space in Atlanta concerning Asians and Latinos.<sup>9</sup> For example, two newspaper articles printed in two different years, one in 1999 and the other in 2001, pointed out that Asians and Latinos were "taking over" the business fronts of many stores across the Atlanta metro area, which was evident in the store signs that were in Chinese, Spanish, and Korean (Johnson 1999; Smith 2001). In fact, the town of Norcross passed a sign ordinance for the county in which all

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<sup>8</sup> The *Atlanta Journal-Constitution* has the highest circulation of local newspapers in almost all of the 28 counties included in the Atlanta metropolitan statistical area.

<sup>9</sup> This search was done using the "Archive" link on the *Atlanta Journal-Constitution's* website, [www.ajc.com](http://www.ajc.com). I entered four key terms and set the publication dates to the extreme limits of 1985 and 2006. The key terms I used were "Latino," "Hispanic," "Asian," "immigration/immigrant," and "illegal immigration/immigrant." This was accomplished on January 9, 2006.

businesses had to have an English translation of any foreign language. Within the articles, reporters quoted "native Atlantans" suggesting that Asians and Latinos were forcing them to learn new languages and taking over business space that should have gone to other "locals."

A more recent article, published on March 8, 2006, points out that the local fears and hostility toward illegal Latino immigrants are worsening (Tharpe and Campos 2006). One individual interviewed for this article suggests that many of his friends and neighbors feel they will lose their jobs and the comfort of a safe neighborhood. Other individuals suggest that illegal immigrants are overburdening the public education systems because there are too many immigrant students unable to speak English well enough to keep up with the curriculum. Another individual suggests in the article that Atlanta has to accommodate too much for Latinos, and it is enough when the local Wal-Mart provides two sets of announcements over the intercom – one in English and the other in Spanish. In short, this newspaper article demonstrates the growing perception of competition and fear among Atlanta's current population that there are too many Asians and Latinos moving into the area, leading to more hostility and negative racial attitudes.

In response to increased concerns about undocumented immigrants, the Georgia legislature passed its first immigration bill ever in the state. As of April 18, 2006, Georgia adopted Senate Bill 529, Georgia Security and Immigration Compliance Act, which was in direct reaction to growing Georgia citizen fears of too many unauthorized workers in the metro area. At the beginning, this bill attempted to include several strict laws that would encourage hefty fines (up to \$12,000 per unauthorized worker found on premises) against business owners hiring unauthorized workers, reduce any public and healthcare assistance to undocumented families and children, and train police officers in the metro area to serve as immigration law enforcers. However, by the time the bill was accepted, it had eliminated several of its more aggressive

suggestions and had lost much of its ability to actually address any issues surrounding unauthorized immigration (see Jaret 2006). Based on its accepted form, some of the main tenets of the bill include: (1) requiring any business doing work with the city and that has more than 100 employees to use the federal work authorization program to verify the legality of new hires, (2) establishing more punishment for illegal trafficking of undocumented workers, and (3) requiring all state and federal agencies to check the legal status of individuals over the age of 18 attempting to receive public assistance.<sup>10</sup> However, this bill may be overturned if the United States Congress passes an immigration bill (HR 4437) to address the issues suggested above.

In general, the growing and diversifying population of Atlanta has been substantial. However, this growth has met some hostility and fears that it is too much. As Bayor (1996) suggests, many individuals in Atlanta in the early 1960s and 1970s cringed at the thought of more Blacks moving to Atlanta. However, unlike then, Whites and Blacks turn their attention and frustrations on Latinos, the new Atlanta minority.

### **The Economic Boom**

A pull factor for the demographic growth is the economic prowess of the Atlanta metropolitan area since World War II. While its growth has been steady since the 1960s, its biggest success has been the increased number of jobs within the last twenty-five years. Atlanta's economic metamorphosis has made it a leading Sun Belt city and a worthy adversary to older, established U.S. cities based in terms of ability to attract several thriving industries such as the banking, service, retail, and wholesale industries (see Keating 2001). The evidence of this growth can be seen in the continued arrival of new industries and businesses to the metro area, as well as the increased job creation in the area. For example, from 1988 to 1998 571,200 jobs were created

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<sup>10</sup> I paraphrase the parts of the SB 529 from the documentation provided by the Georgia General Assembly ([http://www.legis.state.ga.us/legis/2005\\_06/sum/sb529.htm](http://www.legis.state.ga.us/legis/2005_06/sum/sb529.htm)).

(MACOC 2005b). As of 2005, Atlanta is home to over 130,000 business establishments and headquarters to 25 of the top Fortune 1,000 companies, including UPS, BellSouth, Coca-Cola Company, and The Home Depot (MACOC 2005c). Atlanta ranked second in the nation in new job growth from 1990 to 2000, adding nearly 525,000 new jobs (MACOC 2005a). It can also be seen in the physical expansion of the area and the persistent construction of office buildings, shopping malls, and housing. For instance, from 1988 to 1998 over 391,000 housing permits were issued to build new homes and apartments and over 90 million square feet of new industrial space and over 30 million square feet of office space was constructed in the Atlanta metro area (MACOC 2005b).

The most significant indication of Atlanta's economic success and growth is the number of thriving industries in the area and, more importantly, the number of jobs these industries have created over the last twenty-five years. As suggested earlier, there are over 130,000 business establishments and 1,100 foreign-based firms located in the Atlanta metro area, which employ over 2.1 million people (MACOC 2005a). Atlanta is also known as the "regional center" of commerce for the Southeast because of its ability, especially recently, to attract businesses and because many of these industries, such as the transportation and wholesale industries, supply goods to the entire Southeast. Moreover, Hartshorn and Ihlanfeldt (2000) suggest that, based on employment growth, Atlanta does better than several select cities, including Miami, Chicago, Dallas, and Philadelphia.

Table 1.2 presents information about the numbers of jobs in a selection of industries had in the Atlanta metropolitan statistical area from 1990 to 2005. Clearly, at each five year interval, the top industries are the trades, transportation, and utilities, professional and management services, and government. However, the percent change in the number of jobs from 1990 to 2005

has some surprises. Construction (76.9%), education and health services (92.0%), and professional and business services (91.6%) had the largest percent change in the number of jobs during this period. In addition, leisure and hospitality (53.1%), other services (46.4%), and government (40.5%) had substantial changes as well. On the other hand, if we combine leisure and hospitality and other services into one industry category, as many researchers do, then this industry has the largest percentage change in the number of jobs (99.5%). Based on Table 1.2, these increases, in total, demonstrate a constant pattern of creating more low-paying jobs, such as the leisure and hospitality, construction, and other service industries, instead of more jobs in the manufacturing and trades, transportation, and utilities industries that offer better wages and benefits for lower-skilled workers (see Hartshorn and Ihlanfeldt 2000).<sup>11</sup>

Even though there has been constant economic growth in Atlanta, there is still an unequal distribution of wealth and jobs that is based on racial and economic inequality. The first indication of unequal distribution of this economic growth is in the economic indicators of unemployment, percent of families below the poverty level, and median family income growth or decline by racial and ethnic group in Atlanta. Table 1.3 provides this information and demonstrates the overall effects of access for different racial and ethnic groups in Atlanta from 1980 to 2000.<sup>12</sup> Clearly, Whites in Atlanta have a clear economic advantage across all six socio-economic variables presented in this table with the lowest percentage of unemployment (3.2% in

<sup>11</sup> Georgia Department of Labor (2005) reported that, as of December of 2005, the highest average weekly salaries are in the information (\$1,329 a week), financial activities (\$1,115 a week), and professional and managerial industries (\$945), respectively. While the professional and managerial industry has significantly grown from 1990 to 2005, most of the top job growth has been in education and health (\$742 a week), as well as the leisure and hospitality (\$340 a week) and other service industries (\$568 a week); all of which have the lowest average weekly salaries and rates per hour. Put simply, while there has been economic growth, there are still issues concerning the growth of certain jobs that offer low wages that cannot lead to economic stability and mobility. More importantly, the possibility of different racial and ethnic groups obtaining jobs in the higher-paying industries has been limited by racial and ethnic discrimination, as well as the location of these industries in the Atlanta metro area.

<sup>12</sup> Based on Oliver and Shapiro's (1997) and Shapiro's (2004) books about the difference between White and Black economic standings, I provide these indicators to show a comparison of each racial or ethnic group's situation of housing. In the books, the authors suggest that owning a home is a sign of economic security and represents a possibility for social mobility in the future.

2000), highest increases in median family income (\$45,376 from 1980 to 2000), and have the highest percentage of homeownership than any other group presented. The only other group close to the numbers of change seen with Whites is Asians, who have significant increases in incomes (\$37,270 from 1980 to 2000) and home ownership (64% owned homes in 2000).

On the other hand, Blacks and Latinos are not doing as well as Whites and Asians. Blacks have the highest percent of unemployed (8.6% in 2000) and families below the poverty level (13.8%), as well as the next to highest numbers of renters (47.7% of Blacks rent in 2000). However, the Black median family income and number of home owners is higher than Latinos. Blacks have also seen a significant decrease in the percentage of unemployed (dropping by 13 percentage points since 1980) and a decent increase in income over the twenty-year period. Even though there are economic improvements for all groups, Whites continue to do better than all other groups, suggesting an economic difference.

Tied with these economic differences between racial and ethnic groups is the unequal distribution of jobs across groups. Table 1.4<sup>13</sup> demonstrates the representations of each racial and ethnic group within the major industries (excluding mining and armed forces). Overall, the table suggests that certain groups have higher concentrations in particular industries. Whites are well-distributed across all industries. The highest percentage of Whites are in wholesale and retail trades (18.1%), as well as the education and healthcare services (16.1%) and professional and managerial services (12.8%). The largest percentage of Blacks is in education and health services (17.6%) but also are within the trades (14.5%) and services (14.4%). Blacks also have the highest representation in public administration or government jobs (5.9%), which follows the trend in Atlanta since the 1970s (see Bayor 1996; Adelman et al. 2005). These industry

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<sup>13</sup> The data used in Table 2.4 comes from the Public Use Microdata Series provided by the Minnesota Population Center of the University of Minnesota (<http://www.ipums.org>).

concentrations in education and health services and public administration also represent what Hewitt (2000) identifies as middle-class occupations, which is another indication of a sizeable black middle class.

Asians' highest percentage of jobs rests in the service industries (22.8%) and a higher percentage of individuals in professional and managerial services (13.6%) than Whites, following some of the traditional placement of Asians in restaurants and retail stores or in well-educated professions. As for Latinos, they are mostly employed in construction (28.5%) and have a high percentage in the service industries (18.5%), which follow placements of immigrants into laborious, low-paying jobs (see Rosenfield and Tienda 1999). Using the same data I did to make the above tables, Adelman, Tsao, and Tolnay (2006) find similar concentrations of racial and ethnic groups in Atlanta industries. For instance, Latinos, native- or foreign-born, were more likely than any other group to have jobs in construction, and Blacks were more likely to hold administrative jobs than any other group. Overall, some groups fill certain jobs, suggesting a problem with the distribution of jobs.

In addition, when comparing these concentrations to the weekly wages per industry, one can see the economic gaps that arise between dominant and minority groups. For instance, Table 1.5 demonstrates this difference in pay based on the average weekly salaries and rates per hour based on Georgia Department of Labor as of December of 2005. The highest average weekly salaries are in the information (\$1,329 a week), financial activities (\$1,115 a week), and professional and managerial industries (\$945), respectively. While the professional and managerial industry has significantly grown from 1990 to 2005, most of the top job growth has been in education and health (\$742 a week), as well as the leisure and hospitality (\$340 a week) and other service industries (\$568 a week); all of which have the lowest average weekly salaries

and rates per hour. Put simply, while there has been economic growth, there are still issues concerning the growth of certain jobs that offer low wages that cannot lead to economic stability and mobility. More importantly, the possibility of different racial and ethnic groups obtaining jobs in the higher-paying industries has been limited by racial and ethnic discrimination, as well as the location of these industries in the Atlanta metro area.

Like Atlanta's demographic changes, these economic changes continue to avoid the issues of racial inequality and the existence of racism, despite Atlanta's economic boom. While incomes are continuing to rise for all groups, all of the minority groups are well behind and have higher family poverty rates and are the least likely to own homes. Even though there has been significant job growth, most of the industries are segregated by race and ethnicity, leaving the more back-breaking and lower wage jobs to minorities. However, while racial inequality continues, there are very few blatantly racist employers, business owners, or government officials to blame, which, as Park (1999) suggests, is why sociologists have to work harder to uncover the intricacies of why racial inequality perseveres.

### **THE ATLANTA CONSTRUCTION INDUSTRY**

To better understand the Atlanta paradox and to focus in on construction, it is important to show how the Atlanta construction industry represents a microcosm of how the entire metropolitan area of Atlanta and its economic system still use race and ethnicity to allow or restrict access to its economic prosperity, especially self-employment. The construction industry has also grown along with Atlanta and represents one of the more racially diversified industries in the area; however, the inclusion of Blacks and Latinos has been a forced process, which has been met with some reservations by White and native-born business owners. Most importantly, it has been an industry in Atlanta that has been under scrutiny for racial discrimination since the 1960s.

A clear development that has pushed the Atlanta construction industry into significant gains and recognition in the U.S. since 1980 has been the consistent growth of the metro area and the need to meet the demands of the swelling Atlanta population. As suggested in Table 1.2, the industry has seen an increase of 77% in the number of jobs from 1990 to 2005. The Metro Atlanta Chamber of Commerce (2005c) suggests that the Atlanta construction industry ranks first in the number of homes built from 1980 to 2003 in comparison to other Southeastern metro areas. In 2003, this was larger than any housing market of Houston, Phoenix, Dallas, Miami, and Los Angeles, in which the value of the construction equaled about \$6.4 billion dollars (MACOC 2005c). In addition, from 1980 to 2003 there was over a 201% increase in the number of building permits issued for single- and multi-family homes (22,058 building permits in 1980 to 66,377 in 2003). Interestingly, as suggested by Keating (2001), most of the Atlanta building since 1980 has been in the most eastern and northern counties (Fulton, Gwinnett, Cobb, and Cherokee) of the Atlanta metro area. These areas had the highest number of homes built than any other county south of the central city in 2003 (MACOC 2005c). This seems to follow the same patterns of economic growth in predominantly one direction – toward the more affluent and White North.

Commercial building has been as significant as the home building front. In 2003, 9,256 commercial building permits were issued and only about 1,200 were issued in 1980 – a 671% increase (MACOC 2005c). The value of commercial building in the Atlanta area reached about \$4.8 billion, and most of the commercial building permits issued were for retail and office buildings. Finally, again, like the home building trend, over 75% of the commercial building was in Northern Atlanta, but a significant portion of retail commercial building, about 32%, was South Atlanta. However, this, again, shows spatial mismatch in which the higher-paying industries are still locating in the North and retail (low pay) is in the South.

What has also shaped the Atlanta construction industry since the 1960s was the introduction of local and state legislation to control who has access to the construction industry as business owners and workers. The most ground-breaking form of legislation introduced in the city of Atlanta was the introduction of an affirmative action program that set aside a certain percentage of all city contracts to African Americans and other minorities. As of 2004, 34% of all city contracts for construction in the city perimeter and the city's possessions have to be allocated to minority contractors (City of Atlanta 2004). This program is one of only a few in existence in the U.S.; other minority programs exist in Baltimore and Detroit. The program was enacted by Maynard Jackson, who was the mayor of Atlanta during 1970s. Its first official form came about in 1974 when Jackson introduced the "Atlanta Plan," which required all public and private businesses in the city of Atlanta to introduce and enforce equal opportunity hiring plans (Boston 1999). By 1975, Jackson extended this city ordinance to get more African American contractors involved with the building of the Atlanta international airport. Of course, this met stiff opposition from the local builders because the airport represented the largest commercial project in Atlanta to date. Boston (1999:15) presents this quote that one of Jackson's airport development managers heard in a public meeting on the proposed plan: "Niggers don't fly airplanes, what do they know about building airports." Despite opposition, the Atlanta City Council officially adapted the "Midfield Resolution" that required at least 25% of the contracts to build the airport to go to minority contractors as general- or sub-contractors. By 1982, the policy was fully adapted and included all minority-status contractors, including women.

In addition to building the airport, this has allowed many African American construction businesses to have access to lucrative projects such as *Underground Atlanta*, *Georgia Aquarium*, *Turner Field*, and road construction. Boston (1999) reports that about 15% of or 191 million

dollars sent from 1979 to 1989 went to minority contractors. This included over 309 Black-owned businesses. By 1999, black-owned firms are represented on about 45% of all city contracts, and there were over 800 firms registered (Campos 1999; City of Atlanta 2005). Of course, this policy only applies to city contracts and does not cover private contracts, which represent a majority of construction in Atlanta (Keating 2001). Out of my Latino and Black respondents for this study, only six (four Latinos and two Blacks) were not registered with the city of Atlanta as minority contractors.

While the policy has done well to include all minorities, including Latino contractors, it has met stiff opposition. In 1987, the Georgia Supreme Court issued a ruling against the first court case, which was filed by a white contractor in 1984, suing the city of Atlanta for reverse discrimination. This case was instigated by one white contractor who suggested that the program unfairly gave minorities an advantage over white contractors (Boston 1999). The Supreme Court suggested that the program was constitutional since it was in compliance with the federal Civil Rights Act of 1964.

Again, in 1999, a group of four White contractors, in association with the Southeastern Legal Foundation, filed a federal lawsuit against the city of Atlanta's affirmative action program (Campos 1999). In this lawsuit, all four contractors accused the city of Atlanta of "de facto quotas" that favor minorities unfairly in most instances (Campos 1999:A10). In addition, they suggested that these quotas increased the cost of business and forced majority contractors to hire minority subcontractors, even when the quality of their work was inadequate. By 2000, the Supreme Court ruled the Atlanta program as legal, however, there have been single-suit cases every year since then. However, the program still exists and was strictly enforced with the construction of a new runway and terminal at the Atlanta international airport in recent years.

But, another lawsuit was filed by a White subcontractor in 2000, which made the city of Atlanta pay the White contractor for losses due to the program, which could signal a shift in the program's legality. This program has also been put on hold for some of the larger projects, such as the construction done for the 1996 World Olympics when the construction had to be finished quickly (Campos and Rankin 1999). Moreover, it has provided access for minorities into the construction industry in the city of Atlanta but, as suggested in my results, the program has had little success in helping minorities break into the White social networks that control the Atlanta construction industry.

Another important piece of legislation that will affect who enters the construction industry is the requirement that all contractors be licensed in the state of Georgia. Up until 2006, the state of Georgia did not require the licensing or insuring of general contracting or construction businesses, even though most states in the U.S. do. The state of Georgia does, however, have a licensing procedure for specialty contractor or subcontractor businesses such as electricians and plumbers. However, before the enactment of this law, anyone could start a business as a general contractor who would be allowed to build commercial, residential, or public properties for interested clients. While this questions the quality of work done in the Atlanta metro area, it also suggests that more individuals would be allowed to be self-employed as general contractors because there are fewer "gate-keepers" to restrict self-employment in this area. More importantly, not having to deal with licensing allows individuals to start a construction business with little financial or human capital. In fact, I found in my previous research that licensing requires that you have substantial savings, good credit, and a sizeable insurance policy that costs thousands of dollars a year in certain states (Lippard 2003).

Yet, as of January of 2006, the State Licensing Board of General and Residential Contractors was created to regulate and issue licensing for all general contractors working in the Georgia construction industry. This Board is part of the Compliance Office of Georgia and is under the Secretary of State. The Governor of Georgia appoints all fourteen members of this board, which is split into two divisions: a seven-member board for general contractor licensing and another seven-member board for residential contracting. Five of each division are to be general contractors or residential contractors that have had a number of years of experience. After examining the list, all ten are from very affluent and prominent contracting companies that serve much of Georgia, as well as other states. While it is important to include individuals on the board who are experienced in the area of contracting, all of the members on the list come from large construction firms and are White, which could pose a problem. In addition, these members have the final decision-making power on any individual applying for licenses, even if they pass all other requirements based on the board members assessment of whether the applicant “is of a good character and is otherwise qualified as to competency, quality, and integrity” (Georgia Code 43-41-1:9). These more subjective measurements may also present some problems as to who is allowed to qualify for licenses.

To receive a license a contractor must meet the following criteria: (1) must be 21 years of age, (2) have a good character that presents competency, quality, and integrity, (3) have some years of experience in the industry as a laborer or an assistant in the chosen area of licensing, and (4) have a college degree or some education past high school related to construction. An applicant must also have references that speak to their integrity and craftsmanship and pass the examination designed by the division on construction and contracting (Georgia Code 43-41-1 through 17). However, those general contractors that existed before the law was enacted can be

“grandfathered” into the licensing procedure and not have to take the examination but will still have to apply for licensing and provide proof of conduct through references.

A final factor that continues to shape the Atlanta construction industry has been the shift in who owns the businesses and does the labor in this industry. A little over 38% of all Latino self-employment is in the Atlanta construction industry, as of 2000, which is the highest and most concentrated percentage of all four major racial and ethnic groups of the metro area. Whites are second by 22% and then Blacks at 17.6%.<sup>14</sup> In a recent study of minority business ownership released by the U.S. Economic Census, Latinos were reported as having the largest number of businesses in construction than any other minority (i.e., Blacks, Asians, and women) and the second largest number in comparison to Whites, with 212,496 Latino-owned businesses (30% are in construction) (US Economic Census 2006b). In Georgia and Atlanta, Latinos are also the second largest owners (Whites being first) of construction businesses, with 5,869 and 5,461, respectively. The percent change in the Atlanta metro area alone of Latino construction business ownership from 1997 to 2002 was 185% (1,194 Latino-owned construction businesses in 1997 to 5,461 in 2002) (US Economic Census 2001b, 2006b). While there are no recent reports of what types of businesses Latinos run in construction, as of 1997, most Latino business were specialty contractors or subcontracting businesses in the U.S. and Georgia, such as drywall installation, masonry, and landscaping and few were in general contracting, which is a more lucrative business than subcontracting (see US Economic Census 2001b).<sup>15</sup> Whites, however, are more likely to be in general contracting than any other construction-related business as of 1997. This

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<sup>14</sup> These data come from a separate analysis using the Public Use Microdata Series provided by the Minnesota Population Center of the University of Minnesota (<http://www.ipums.org>). This is more fully discussed in Chapter 4.

<sup>15</sup> In 1997, Latinos in the U.S. owned over 16,000 general contracting businesses but owned over 132,000 subcontracting businesses, which makes up about 87% of all Latin-owned construction businesses in the U.S. (US Census 2000b). I should also note that the U.S. Economic Census rarely reports the numbers of different types of construction businesses by group.

becomes even more important when discussing the perceived competition among Black, Latino, and White contractors.

While not as strong as Latino increases, Black businesses in construction have also increased since 1997. In 2002, Blacks owned about 6,293 and 4,171 construction-related businesses in Georgia and Atlanta, respectively (US Economic Census 2001c, 2006a). This represents a percentage change from 1997 of about 36% more Black construction businesses in Georgia and about 72% more in Atlanta as of 2002. However, again, Black construction-related businesses in 1997 were more likely to be subcontracting businesses than larger, general contracting businesses in comparison to Whites and Latinos.<sup>16</sup>

The labor pool has also dramatically changed. Based on my results, Table 2.4 shows that Latinos are the most likely to work in the construction industry in Atlanta (28.5%). In addition, Mexicans and other Latino groups that include Hondurans and Guatemalans make up the largest concentration in the Latino population working in construction, at 36.2% and 17.1%, respectively.<sup>17</sup> Only about 8% and 4.5% of the Whites and Blacks worked in construction, respectively. Kochhar (2005a) also finds that Mexicans make up about 30% of all construction labor in Atlanta. As of 2004, Latinos, including Mexicans, made up about 20% of all construction labor in the U.S. (see Passel 2005; Kochhar 2005a, 2005b). The total percentage of other foreign-born groups' participation in the construction is around 10%, and the percentage of native-born participation is around 7.2% (see Kochhar 2005b). However, my respondents suggest that Latinos, including Mexicans, make up about 75% to 80% of all laborers in construction.

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<sup>16</sup> In 1997, Blacks in the U.S. owned over 8,000 general contracting businesses and over 46,000 subcontracting businesses (US Census 2000a). Both numbers are less than Latino ownership in both categories and are not reported by state or metropolitan area.

<sup>17</sup> This percentage comes from a supplemental analysis that had examined the several different ethnicities within Asian and Latino categories using the same 5% IPUMS Sample Data for Atlanta metro area, 2000.

Many individuals question the legal status of these individuals. Passel (2006) suggests that around 20% of the U.S. construction labor force could be undocumented Latino workers. In Georgia, it is less than 12%. However, these are estimates and local Atlanta newspapers suggesting that the percentage of undocumented Latinos is much higher, reaching 50% of the Latino construction labor force (Feagans 2006). Interestingly, Kochhar (2005a) finds that Mexican immigrants' wages from construction jobs is much lower than the average reported salary per week, at \$807.<sup>18</sup> Kochhar finds that his respondents, on average, reported earning a weekly salary of only \$300 or less (63% of his respondents). More importantly, Kochhar found a correlation between increases in pay based on English proficiency. If a respondent spoke English, then their pay increased to \$500 a week versus a person speaking no English earning less than \$200 a week.<sup>19</sup>

Overall, this shift has caused some friction within the industry and a concern of what is to come. In a recent newspaper article, Feagans (2006) highlighted one contractor's story of how he lost his framing business (constructing the skeletons of homes) to Latino competition. The framer suggested that he lost his business because of cheap Latino labor and their saturation of the industry made so he could not compete and still make his business profitable. Moreover, the SB 529 Georgia bill on immigration, mentioned earlier, was in direct response to the overwhelming presence of Latinos, whether legal or illegal workers, in the construction industry.

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<sup>18</sup> Based on salary reports as of December of 2005 furnished by the Georgia Department of Labor (2005).

<sup>19</sup> In an ongoing struggle, Mayor Shirley Franklin and a commission of individuals has attempted to push for a "living wage" for individuals that work within the city of Atlanta in different industries, especially retail and service industries (City of Atlanta 2004b). In this discussion, a living wage is considered at least \$10 an hour, which helps with the cost-of-living in Atlanta. However, in this living wage ordinance, the city of Atlanta has excluded construction workers. While it is not specifically mentioned why construction workers are not included, it does state that prevailing city laws would already cover the wages of construction workers, and they would be naturally increased to \$12 an hour. However, this rule only applies to construction projects that are worth over \$1 million dollars, which is only about 20% of all city projects. Moreover, most construction in the Atlanta area is not for the city and located outside of city limits; therefore, the campaign only applied to a small portion of the construction industry.

One of the main tenets of this legislation, before it passed, was that if construction businesses were found hiring illegal immigrants, then they may have been fined up to \$12,000 per incident. However, that version of the bill protected general contractors, suggesting that if their subcontractors hire illegal workers, then the general contractor will not be held liable. However, when the bill was signed, this provision was removed.

## **THEORETICAL FRAMEWORK**

In light of the difficulty in showing how racial inequality and racism persists, I use several empirical and theoretical arguments throughout this study to explain my results. However, I do use two specific theoretical arguments that work well to frame many of my findings and discussions in this study. I first draw on Eduardo Bonilla-Silva's racialized social systems approach to explain racism in the post-Civil Rights era. Like Omi and Winant (1994), Bonilla-Silva recognizes that racism and the racial hierarchy created before the 1960s has not completely disappeared from the American stratification system. His approach suggests that the persistence of racial inequality is due to the continued presence of a covert or "color-blind" form of racism that resides in the existing economic, political, social, and ideological structures of American society (Bonilla-Silva 2001:37). These structures, and the individuals that participate in them, work, whether overtly or covertly, to place individuals into racial categories and to maintain the racial hierarchy in which the dominant race gains more social, economic, political, and even psychological advantages over other groups. Bonilla-Silva (2001:42) identifies this as the "racialization process" in which every groups' behaviors, actions, and societal roles are classified based on an "us" versus "them" spectrum in which groups are included or excluded from privileges based on their racial classification. Overall, this racialization process or "racial practices" limit a group's life chances based on their skin color. It is also systematic and

ingrained in every part of the social system; thus, American society is organized around racial classifications.

Bonilla-Silva (2001:43) suggests that one of the major mechanisms that perpetuate the racial hierarchy in the U.S. is racism or "racial ideology." He defines a racial ideology as "the racially based framework used by actors to explain and justify (dominant group) or challenge (subordinate race or races) the racial status quo" (Bonilla-Silva 2001:63). In other words, a racial ideology provides clarification of one's racial classification, a sense of their social position in the racial hierarchy, and provides mechanisms to explain racial inequality. It also explains how racial and ethnic groups should relate and clearly define who represents the in-group versus the out-group. Bonilla-Silva also argues that while every group has the ability to create these racialized frameworks, it is the dominant group's racial ideology that shapes all other frameworks. In addition, the dominant racial ideology's explanations of race relations and other racial and ethnic groups can be as overt or covert as needed to make sure that the dominant group stays at the top of the racial hierarchy.

However, the more important point of Bonilla-Silva's discussion of racial ideology is that today's dominant racial belief (or racism) is "color-blind"; it does not overtly recognize minority groups as biologically and intellectually inferior. Rather, this new color-blind ideology suggests that race and ethnicity and, more generally, skin color, does not matter in shaping an individual or group's life chances. However, using this color-blind ideology does not negate racial inequality or racism. As Bonilla-Silva (2001:77) states "the dominant racial ideology helps normalize racial inequality by portraying the particular interests of the dominant race as universal, and thus by claiming social and moral authority over all social actors." For example, many Whites explain minority disparities based on cultural differences (such as they were not

taught how to save money), or on the seemingly more objective reasons such as the lack of education or skills for higher-paying jobs. Therefore, a color-blind ideology allows Whites and other groups to couch any racial and ethnic differences in a more “colorless” language that implies that the differences are due to individual shortcomings.

Bonilla-Silva (2001) proposes that even minorities support color-blind ideology because it suggests that all racial practices are based on less racist assumptions and seemingly more logical and liberal assumptions. For instance, some employers suggest that they do not hire Blacks for managerial positions because they do not have the appropriate education or skills. On the surface, this seems like a perfectly legitimate and rational explanation of hiring practices; however, it completely discounts the possibility that the employer could just not like Blacks. More importantly, having the “appropriate” education may only be something Whites are viewed as having; thus, creating a racial hierarchy based on supposedly meritorious decisions. In addition, Whites rarely recognize past events of racial oppression, such as slavery, and suggest that since the Civil Rights Era, society has become more equal, with a level playing field. Color-blind ideology also allows groups to argue a strict liberal position in which everyone is equal and any type of program that aims to address racial inequality is not appropriate or is unnecessary. Overall, color-blind ideology allows the dominant group, Whites, to deny the possibilities of the existence of a racial hierarchy, further supporting the racial status quo.

Bonilla-Silva’s approach allows me, as a researcher, to look deeper into the meanings of what my respondents suggest about the opportunities and access each group has to the Atlanta construction industry. It also allows me to be wary of explanations of racial and ethnic differences based on discussions of individual effort, hard work, or the lack of motivation (i.e., American achievement ideology). This approach gives me the tools to broaden my findings to

explain how color-blind ideology continues to support racism and a racial hierarchy, even though it is embedded in more colorless language. Finally, and most important, I will be able to uncover the more hidden racial practices and mechanisms that continue to privilege Whites over minorities, despite the lack of overt racism among Whites.

The second theory I most often use is Blumer's (1958) prejudice theory. While Bonilla-Silva's approach gives me a way to understand how ideologies can perpetuate privilege and racial hierarchy, it does not clearly define why individuals use racism, or why Whites can, all of sudden, become increasingly more outspoken and discriminatory toward other groups. For instance, why has the call for more government action against illegal immigration dramatically increased in the last two years in the U.S.? Blumer's theory suggests that any escalation in prejudice and discrimination toward a certain group is because an individual's or racial/ethnic group's perceived social position or sense of entitlement is challenged. Blumer (1958:5) argues that prejudice is a build-up of a racial or ethnic group's feelings of anger and frustration due to continuous discrimination and competition over resources, which results in the development of a "sense of group position."

Blumer (1958) suggests that all ethnic/racial groups and individuals develop a racial identification through comparison and experience, which leads to the labeling of other racial groups as opposite or "other" to their position. This racial identification also provides a group some type of understanding of their place in the American hierarchy, or, as Blumer suggests, it explains to a group where they think they "ought to be" in relation to other groups or their most desired position. As can be seen in White America's historic identification of Blacks as ideological opposites, outsiders, or the "other" (Roediger 1991), Whites consider their social position as better than Blacks. Developing this "sense of group position" involves four aspects:

- (1) a feeling of superiority,

- (2) a feeling that the subordinate race is intrinsically different and alien,
- (3) a feeling of proprietary claim to certain areas of privilege and advantage,
- (4) a fear and suspicion that the subordinate race harbors designs on the prerogatives of the dominant race (Blumer 1958:4).

These feelings culminate into a perceived social position, which sparks a group to become more prejudiced and discriminatory if this position is challenged. Bobo et al. (2000:491) states that Blumer believed this sense of group position permeated every social aspect of a person's life and "that the social relations of race will carry over into market relations of the economy." Thus, any type of threat or perception of competition to a racial or ethnic group's social position leads to increased prejudice and discrimination.

In short, Blumer's theory suggests that prejudice and discrimination increase with competition. This theory helps to explain the ebbs and flows of race relations and racial inequality. It also helps me to show how Whites and Blacks in Atlanta understand and perceive the inclusion of Latinos into a city that has long maintained a white-black dichotomy. It also points out how discrimination and racism can have different levels of severity and whether these levels are heightened in an economically competitive industry like construction where I find that the labor market is split into two competitive halves based on the price of the laborers or subcontractors: cheap and hard-working immigrant workers versus expensive and lazy Latino, White, and Black Americans.

## **RESEARCH QUESTIONS**

In this study, I address three major research questions that were designed to assess the salience of race, ethnicity, and nativity in shaping the Atlanta construction industry. I also propose questions that would set up a comparison between the three largest racial and ethnic groups involved in the Atlanta construction industry: Whites, Blacks, and Latinos. First, what are the racial attitudes of my respondents and how does this shape the general atmosphere of race relations in Atlanta?

Second, how is the access to self-employment for Whites, Blacks, and Latinos similar or different? Finally, what are the similarities and differences between these business owners' hiring practices? I examined these questions by conducting 42 in-depth interviews and several observations of construction worksites of equal numbers of Whites, Blacks, and Latinos, who own subcontracting and general contracting businesses within the Atlanta metropolitan area. This study provides insight into the complex processes of self-employment, and issues surrounding hiring practices by comparing racial and ethnic groups. By also moving beyond the black/white dichotomy, this study offers new explanations of race relations, social mobility, and socioeconomic inequality in an area with increasing numbers of immigrants.

**Table 1.1: Number and Percent Change of Atlanta MSA\* Population by Racial and Ethnic Group from 1980 to 2004.**

|                           | <b>Total Population</b> |
|---------------------------|-------------------------|
| <b><i>Atlanta MSA</i></b> |                         |
| 1980                      | 2,233,191               |
| 1990                      | 2,959,950               |
| 2000                      | 4,112,198               |
| 2004                      | 4,477,579               |
| % Change from 80-00       | 84.4%                   |
| % Change from 00-04       | 8.9%                    |
| <b><i>White</i></b>       |                         |
| 1980                      | 1,658,844               |
| 1990                      | 2,101,441               |
| 2000                      | 2,460,740               |
| 2004                      | 2,507,385               |
| % Change from 80-00       | 48.3%                   |
| % Change from 00-04       | 1.9%                    |
| <b><i>Black</i></b>       |                         |
| 1980                      | 530,166                 |
| 1990                      | 742,678                 |
| 2000                      | 1,202,260               |
| 2004                      | 1,344,191               |
| % Change from 80-00       | 126.8%                  |
| % Change from 00-04       | 11.8%                   |
| <b><i>Asian</i></b>       |                         |
| 1980                      | 12,029                  |
| 1990                      | 51,829                  |
| 2000                      | 159,252                 |
| 2004                      | 177,876                 |
| % Change from 80-00       | 1224%                   |
| % Change from 00-04       | 11.7%                   |
| <b><i>Latino</i></b>      |                         |
| 1980                      | 24,723                  |
| 1990                      | 58,215                  |
| 2000                      | 268,851                 |
| 2004                      | 381,192                 |
| % Change from 80-00       | 987%                    |
| % Change from 00-04       | 41.8%                   |

*Source:* 1980, 1990, and 2000 U.S. Census of the Atlanta Metropolitan Area. Also, includes 2004 American Community Survey data provided by the U.S. Census.

\*Atlanta MSA had a variable number of counties included at each year presented.

**Table 1.2: Number and Percent Change of Atlanta MSA Industries 1990 to 2005.**

| Industry                | 1990             |             | 1995             |             | 2000             |             | 2005             |             | 90-00          |              | 90-05          |              |
|-------------------------|------------------|-------------|------------------|-------------|------------------|-------------|------------------|-------------|----------------|--------------|----------------|--------------|
|                         | #                | %           | #                | %           | #                | %           | #                | %           | # Change       | % Change     | # Change       | % Change     |
| Mining                  | 2,200            | 0.1%        | 2,000            | 0.1%        | 2,200            | 0.1%        | 2,100            | 0.1%        | 200            | 0.0%         | -100           | -4.5%        |
| Construction            | 74,800           | 4.8%        | 87,400           | 4.7%        | 128,500          | 5.6%        | 132,300          | 5.8%        | 53,700         | 71.8%        | 57,500         | 76.9%        |
| Manufacture             | 186,900          | 11.7%       | 199,300          | 10.6%       | 207,200          | 9.0%        | 177,400          | 7.6%        | 20,300         | 10.9%        | -9,500         | -5.1%        |
| Trade/Trans./Utilities  | 406,400          | 25.3%       | 448,000          | 23.9%       | 551,600          | 24.1%       | 534,200          | 22.9%       | 145,200        | 35.7%        | 127,800        | 31.4%        |
| Information             | 74,400           | 4.6%        | 84,500           | 4.5%        | 111,100          | 4.8%        | 89,900           | 3.8%        | 36,700         | 49.3%        | 15,500         | 20.8%        |
| Financial Activities    | 106,800          | 6.6%        | 121,100          | 6.4%        | 148,400          | 6.5%        | 157,100          | 6.7%        | 41,600         | 39.0%        | 50,300         | 47.1%        |
| Profess./Business Ser.  | 203,100          | 12.6%       | 288,600          | 15.4%       | 392,000          | 17.1%       | 389,200          | 16.6%       | 188,900        | 93.0%        | 186,100        | 91.6%        |
| Education and Health    | 121,100          | 7.6%        | 158,100          | 8.4%        | 191,200          | 8.4%        | 232,500          | 9.9%        | 70,100         | 57.9%        | 111,400        | 92.0%        |
| Leisure and Hospitality | 142,500          | 8.9%        | 171,900          | 9.2%        | 196,300          | 8.6%        | 218,200          | 9.3%        | 53,800         | 37.8%        | 75,700         | 53.1%        |
| Other Services          | 65,700           | 4.1%        | 70,300           | 3.7%        | 88,400           | 3.8%        | 96,200           | 4.1%        | 22,700         | 34.6%        | 30,500         | 46.4%        |
| Government              | 219,600          | 13.7%       | 246,500          | 13.1%       | 272,800          | 12.0%       | 308,500          | 13.2%       | 53,200         | 24.2%        | 88,900         | 40.5%        |
| <b>TOTAL</b>            | <b>1,603,500</b> | <b>100%</b> | <b>1,877,700</b> | <b>100%</b> | <b>2,289,700</b> | <b>100%</b> | <b>2,337,600</b> | <b>100%</b> | <b>686,200</b> | <b>42.8%</b> | <b>734,100</b> | <b>45.8%</b> |

Source: U.S. Bureau of Labor Statistics, Georgia Metropolitan Areas at a Glance: Atlanta-Sandy Springs-Marietta, GA. (<http://www.bls.gov>).

**Table 1.3: Economic Indicators for the Four Major Racial and Ethnic Groups in the Atlanta MSA, 1980-2000.**

| <b>Atlanta MSA</b>  | <b>% Unemployed</b> | <b>% Family Poverty</b> | <b>Median Income</b> | <b>Median Family Income</b> | <b># Who Own Home</b> | <b># Who Rent</b> | <b>% Own</b> | <b>% Rent</b> |
|---------------------|---------------------|-------------------------|----------------------|-----------------------------|-----------------------|-------------------|--------------|---------------|
| <b>1980</b>         | 4.8%                | 9.7%                    | \$18,355             | \$21,328                    | 442,041               | 27,758            | 94.1%        | 5.9%          |
| <b>1990</b>         | 5.1%                | 7.8%                    | \$36,051             | \$41,618                    | 559,968               | 393,045           | 58.8%        | 41.2%         |
| <b>2000</b>         | 5%                  | 6.9%                    | \$51,948             | \$59,313                    | 2,783,834             | 1252793           | 69.0%        | 31.0%         |
| <b>2004*</b>        | 6.7%                | 9.2%                    | \$51,186             | \$60,044                    | n/a                   | n/a               | n/a          | n/a           |
| <b>Change 80-00</b> | 0.2%                | -2.8%                   | 183%                 | 178%                        | 2,341,793             | 1,225,035         |              |               |
| <b>Change 00-04</b> | 1.7%                | 2.3%                    | -\$762               | \$731                       |                       |                   |              |               |
| <b>White</b>        |                     |                         |                      |                             |                       |                   |              |               |
| <b>1980</b>         | 3.0%                | 5.1%                    | \$20,654             | \$23,619                    | 371,918               | 179,980           | 67.4%        | 32.6%         |
| <b>1990</b>         | 3.6%                | 3.6%                    | \$40,626             | \$46,687                    | 460,064               | 230,621           | 66.6%        | 33.4%         |
| <b>2000</b>         | 3.2%                | 3.3%                    | \$59,709             | \$68,995                    | 2,023,149             | 543,096           | 78.8%        | 21.2%         |
| <b>2004</b>         | 4.7%                | 3.9%                    | \$61,986             | \$74,071                    | n/a                   | n/a               | n/a          | n/a           |
| <b>Change 80-00</b> | 0.2%                | -1.8%                   | 189%                 | \$45,376                    | 1,651,231             | 363,116           | 82.0%        | 18.0%         |
| <b>Change 00-04</b> | 1.5%                | 0.6%                    | \$2,277              | \$5,076                     |                       |                   |              |               |
| <b>Black</b>        |                     |                         |                      |                             |                       | n/a               | n/a          | n/a           |
| <b>1980</b>         | 9.4%                | 25.6%                   | \$11,232             | \$12,815                    | 67,388                | 93,803            | 41.8%        | 58.2%         |
| <b>1990</b>         | 9.6%                | 20.1%                   | \$24,267             | \$26,860                    | 91,973                | 150,205           | 38.0%        | 62.0%         |
| <b>2000</b>         | 8.6%                | 13.8%                   | \$39,073             | \$42,624                    | 605,704               | 553,392           | 52.3%        | 47.7%         |
| <b>2004</b>         | 10.9%               | 21.2%                   | \$36,657             | \$41,286                    | n/a                   | n/a               | n/a          | n/a           |
| <b>Change 80-00</b> | -0.8%               | -11.8%                  | 248%                 | \$29,809                    | 538,316               | 459,589           | 53.9%        | 46.1%         |
| <b>Change 00-04</b> | 2.3%                | 7.4%                    | -\$2,416             | -\$1,338                    |                       |                   |              |               |

Source: 1980, 1990, and 2000 U.S. Census of the Atlanta Metropolitan Area. Also, includes 2004 American Community Survey data provided by the U.S. Census.

\*The 2004 data are estimates based on a smaller sample in the Atlanta MSA.

(continued)

**Table 1.3: Economic Indicators for the Four Major Racial and Ethnic Groups in the Atlanta MSA, 1980-2000 (continued).**

|                     | <b>% Unemployed</b> | <b>% Family Poverty</b> | <b>Median Income</b> | <b>Median Family Income</b> | <b># Who Own Home</b> | <b># Who Rent</b> | <b>% Own</b> | <b>% Rent</b> |
|---------------------|---------------------|-------------------------|----------------------|-----------------------------|-----------------------|-------------------|--------------|---------------|
| <b>Asian</b>        |                     |                         |                      |                             |                       |                   |              |               |
| <b>1980</b>         | 4.4%                | 13%                     | \$16,287             | \$19,674                    | 1,425                 | 1924              | 42.6%        | 57.4%         |
| <b>1990</b>         | 5.2%                | 10%                     | \$35,204             | \$36,777                    | 5,872                 | 7105              | 45.2%        | 54.8%         |
| <b>2000</b>         | 6.2%                | 7.6%                    | \$52,981             | \$56,944                    | 82,873                | 46,660            | 64.0%        | 36.0%         |
| <b>2004*</b>        | 4.8%                | 7.2%                    | \$60,604             | \$67,121                    | n/a                   | n/a               | n/a          | n/a           |
| <b>Change 80-00</b> | 1.8%                | -5.4%                   | 225%                 | \$37,270                    | 81,448                | 44,736            | 64.5%        | 35.5%         |
| <b>Change 00-04</b> | -1.4%               | -0.4%                   | \$7,623              | \$10,177                    |                       |                   |              |               |
| <b>Latino</b>       |                     |                         |                      |                             |                       |                   |              |               |
| <b>1980</b>         | 6.1%                | 14.5%                   | \$14,698             | \$17,251                    | 3,337                 | 4177              | 44.4%        | 55.6%         |
| <b>1990</b>         | 6.2%                | 12.2%                   | \$31,971             | \$34,119                    | 5,647                 | 9325              | 37.7%        | 62.3%         |
| <b>2000</b>         | 6.0%                | 14.2%                   | \$44,276             | \$40,361                    | 94,117                | 164,051           | 36.5%        | 63.5%         |
| <b>2004</b>         | 5.7%                | 16.1%                   | \$39,351             | \$36,549                    | n/a                   | n/a               | n/a          | n/a           |
| <b>Change 80-00</b> | -0.1%               | 0.3%                    | 201%                 | \$23,110                    | 90,780                | 159,874           | 36.2%        | 63.8%         |
| <b>Change 00-04</b> | -0.3%               | 1.9%                    | -\$4,925             | -\$3,812                    |                       |                   |              |               |

**Table 1.4: Percentage of Racial and Ethnic Groups Employed in the Major Atlanta MSA Industries, 2000.**

|               |               | Major Atlanta MSA Industries |               |                      |                                 |                      |                          |                      |          |                       |        |
|---------------|---------------|------------------------------|---------------|----------------------|---------------------------------|----------------------|--------------------------|----------------------|----------|-----------------------|--------|
|               |               | Construction                 | Manufacturing | Wholesale and Retail | Transport, warehouse, utilities | Fire and Information | Professional, Management | Education and Health | Services | Public Administration | Total  |
| <b>White</b>  | Count         | 5250                         | 7603          | 12236                | 4002                            | 8582                 | 8654                     | 10870                | 7782     | 2587                  | 67566  |
|               | % of Group    | 7.8%                         | 11.3%         | 18.1%                | 5.9%                            | 12.7%                | 12.8%                    | 16.1%                | 11.5%    | 3.8%                  | 100.0% |
|               | % of Industry | 61.4%                        | 62.4%         | 67.9%                | 57.0%                           | 66.6%                | 66.3%                    | 64.4%                | 55.4%    | 57.6%                 | 63.1%  |
| <b>Black</b>  | Count         | 1314                         | 3151          | 4268                 | 2710                            | 3719                 | 3061                     | 5175                 | 4214     | 1736                  | 29348  |
|               | % of Group    | 4.5%                         | 10.7%         | 14.5%                | 9.2%                            | 12.7%                | 10.4%                    | 17.6%                | 14.4%    | 5.9%                  | 100.0% |
|               | % of Industry | 15.4%                        | 25.9%         | 23.7%                | 38.6%                           | 28.8%                | 23.5%                    | 30.7%                | 30.0%    | 38.7%                 | 27.4%  |
| <b>Asian</b>  | Count         | 82                           | 565           | 714                  | 95                              | 277                  | 478                      | 432                  | 803      | 79                    | 3525   |
|               | % of Group    | 2.3%                         | 16.0%         | 20.3%                | 2.7%                            | 7.9%                 | 13.6%                    | 12.3%                | 22.8%    | 2.2%                  | 100.0% |
|               | % of Industry | 1.0%                         | 4.6%          | 4.0%                 | 1.4%                            | 2.1%                 | 3.7%                     | 2.6%                 | 5.7%     | 1.8%                  | 3.3%   |
| <b>Latino</b> | Count         | 1904                         | 864           | 815                  | 217                             | 357                  | 809                      | 395                  | 1240     | 88                    | 6689   |
|               | % of Group    | 28.5%                        | 12.9%         | 12.2%                | 3.2%                            | 5.3%                 | 12.1%                    | 5.9%                 | 18.5%    | 1.3%                  | 100.0% |
|               | % of Industry | 22.3%                        | 7.1%          | 4.5%                 | 3.1%                            | 2.8%                 | 6.2%                     | 2.3%                 | 8.8%     | 2.0%                  | 6.2%   |
| <b>Total</b>  | Count         | 8550                         | 12183         | 18033                | 7024                            | 12935                | 13002                    | 16872                | 14039    | 4490                  | 107128 |
|               | % of Group    | 8.0%                         | 11.4%         | 16.8%                | 6.6%                            | 12.1%                | 12.1%                    | 15.7%                | 13.1%    | 4.2%                  | 100.0% |
|               | % of Industry | 100.0%                       | 100.0%        | 100.0%               | 100.0%                          | 100.0%               | 100.0%                   | 100.0%               | 100.0%   | 100.0%                | 100.0% |

Source: Extracted data from the Integrated Public Use Microdata Series of the 2000 U.S. Decennial Census, Atlanta Metropolitan Area (<http://ipums.org>).

**Table 1.5: Average Weekly Salaries and Per Hour Rates of Pay for Each Atlanta MSA Industry, December 2005.**

| <b>Industry</b>                             | <b>Average Weekly Salary</b> | <b>Average Per Hour Rate</b> |
|---|------------------------------|------------------------------|
| <b>Mining</b>                               | \$752                        | \$18.80                      |
| <b>Construction</b>                         | \$807                        | \$20.18                      |
| <b>Manufacturing</b>                        | \$924                        | \$20.23                      |
| <b>Services</b>                             | \$809                        | \$19.90                      |
| <b>Trade, Transportation, and Utilities</b> | \$796                        | \$33.23                      |
| <b>Information</b>                          | \$1,329                      | \$27.88                      |
| <b>Financial Activities</b>                 | \$1,115                      | \$23.63                      |
| <b>Professional and Managerial Services</b> | \$945                        | \$18.55                      |
| <b>Education and Health Services</b>        | \$742                        | \$8.50                       |
| <b>Leisure and Hospitality</b>              | \$340                        | \$14.20                      |
| <b>Other Services</b>                       | \$568                        | \$21.95                      |
| <b>Government</b>                           | \$878                        | \$20.84                      |
| <b>Overall Average</b>                      | \$818                        | \$20.84                      |

Source: Georgia Department of Labor, December of 2005 (<http://explore.dol.ga.state.us/analyzer/startanalyzer.asp>).

## **CHAPTER 2**

### **METHODOLOGY**

To best answer my research questions for this study, I used a case study approach to examine the processes of how race and ethnicity become ingrained in the self-employment and hiring practices of business owners in the Atlanta construction industry. The methodology of this study relies on in-depth interviews, observations, and traditional qualitative coding schemes. This approach allows for the exploration of a series of topics, such as racial attitudes and access to self-employment in the construction industry and the South, that have not necessarily been examined by previous social scientists. Finally, a qualitative approach allows the attitudes and beliefs reflecting societal discourse about race and ethnic relations to emerge as a more convincing account of how race matters for these individuals and for this industry.

### **SAMPLE**

The sample for this study consisted of 47 respondents; 42 of these respondents were general contractors, real estate developers, and subcontractors and five respondents were representatives within construction-oriented partnership or membership associations that provide information, training, and networking opportunities within the industry (i.e., non-profit and commerce associations). The majority of the sample and the study's results rely on the 42 contractors I interviewed, which consisted of three sets of fourteen respondents who self-identified as White, Black, or Latino and identified themselves as owning and operating a general contracting, real estate development, or subcontracting company, which specializes in construction within the

Atlanta metropolitan area (MSA).<sup>20</sup> At the outset of this study, I had planned to only speak with general contractors because they are more likely to work with several different areas of the construction industry (i.e., vendors, city planners, architects, subcontractors, laborers) and are more likely to hire several different types of workers (i.e., subcontractors, full- and part-time labor, and day-laborers). However, I had to alter my sampling methods because I was only able to locate five full-time and three part-time Latino general contractors present in Atlanta.<sup>21</sup> Therefore, I decided to add subcontractor specialists (i.e., masons, plumbers, heating and air condition, construction management) to the list of possible respondents for all three racial and ethnic groups to add some comparability to the Latino subcontractors. Overall, I interviewed 32 general contractors (11 Whites, 12 Blacks, and 9 Latinos) and 10 subcontractors (3 Whites, 2 Blacks, and 5 Latinos). Also, eight of the general contractors identified as real estate developers (4 Whites and 4 Blacks) and six of the general contractors identified as subcontractors too (1 White and 5 Latinos).

Each of the 42 contractors classified their businesses under three general types of contracting work<sup>22</sup>: residential, commercial, and/or public construction. Of the 42 contractors, 31

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<sup>20</sup> A general contractor is a business owner that usually coordinated and manages several subcontractors that build certain properties, whether it is a home, skyscraper, or warehouse. General contractors are also in charge of managing the overall finances of the construction project, keeps the project on a schedule, and makes any additions or changes to architectural facets of the projects. They are also responsible for hiring, paying, and terminating any subcontractors involved in the project. Sometimes a general contractor is called a “GC,” or “the builder.” A real estate developer is a business owner who specializes in preparing and selling land for the potential of building homes or commercial buildings to general contractors and other interested parties. They are usually involved with the preparation of land, such as buying the land, obtaining preparation permits from various governments, and preparing (i.e., grading, cutting and paving roads, putting sidewalks and utility hook-ups) and laying out lots or parcels of land to sell. Finally, subcontractors are smaller businesses that usually specialize in a particular part of building any project and have a set of workers or crew that they manage and pay to complete the job. These specialties include masonry, plumbing, sheetrock, roofing, grading, painting, electrical works, and heating and air condition installation.

<sup>21</sup> I question the number of Latino general contractors in upcoming chapters, discussing their access to this branch of the industry as a possible issue of access due to racial discrimination that limits access to this tier of business ownership in the construction industry.

<sup>22</sup> Contract refers to a client, construction job or project that a contractor takes on to build a structure of some type, which can include residential, commercial, and public building.

solely identified as contractors that concentrate their businesses on residential construction (12 Whites, 9 Blacks, and 10 Latinos); while seven focused solely on commercial construction (2 White, 1 Black, and 4 Latinos).<sup>23</sup> Two contractors suggested that they did public construction (1 Black and 1 Latino) in addition to their residential or commercial work and five did a mix of all the above (3 Whites, 1 Black, and 1 Latino). Three of the respondents operated their businesses part time because they also work for another construction company full time (2 Blacks and 1 Latino), and three contractors worked as part-time general contractors due to their full-time subcontracting businesses (1 White and 2 Latinos).

As for other information about my sample, such as demographics and measures of the business size, I report this in Table 1.1.<sup>24</sup> All of the contractors were male.<sup>25</sup> The age range of the contractors was from 28 to 72, and the average age was 44. The oldest members of my sample were Whites except for one Black contractor, who was 72. The youngest were Latino, ranging from 28 to 62 years old. Fifty-seven percent of the contractors had a college degree or professional degree. However, Blacks had more college education (by one degree) than Whites in my sample but both Whites and Blacks had more education than Latinos. Latinos also were the only group that had two contractors that did not finish high school. Most were married and had children. Most of the contractors have lived in Atlanta for five years or more and thirteen are natives to Atlanta. However, 70% (29) of these contractors are from another state or country; all fourteen of the Latino contractors were from either Texas or California, or from Central and South American countries. While I do not present the differences between the businesses based

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<sup>23</sup> By residential, the respondents suggested that this type of construction included houses, duplexes, apartments (multi-family units), and condominiums. Commercial construction included large warehouses, mini-malls, restaurants, large business buildings, daycares, and sports arenas.

<sup>24</sup> Table 1 is used more to discuss further findings throughout the study.

<sup>25</sup> I contacted twenty women contractors but all of them turned me down for an interview, citing too busy or not interested. This could suggest something about issues concerning gender access to construction, but I cannot make any conclusions.

on size and profitability specifically here, this information is available in Table 1.2. Overall, Whites have the larger-sized businesses due to their number of contracts per month, number of employees, and average profits per contract; Black contractors are second, and Latinos are third.

I used only fourteen individuals from each racial and ethnic group for two reasons. First, there were several issues concerning my access to these individuals within this industry, which I will discuss later in this chapter. Second, fourteen individuals for each group were enough to “saturate” all of my main themes that I discuss in this study. As suggested by Criswell (1998), Maxwell (2005), and Miles and Huberman (1994), when using standard qualitative data analysis methodologies to structure one’s coding, it is necessary to have enough data (i.e., words, phrases, sentences, paragraphs, and interviews) to show that a concept or theme exists solidly across the data (i.e., consistency). With fourteen interviews, I was able to clearly develop my major themes and show that they were continuously discussed throughout my sample without collecting more data. Strauss and Corbin (1998:136) state “Saturation is more a matter of reaching the point in the research where collecting additional data seems counterproductive; the “new” that is uncovered does not add that much more to the explanation at this time.”

I also focused on the construction industry for several reasons. The first factor is that a large number of self-owned businesses in Atlanta are in construction; roughly about 43,000 construction businesses in the metropolitan area have paid employees either on a full- or part-time basis as of 1997 (US Economic Census 1997).<sup>26</sup> This industry is also ranked second in the top ten businesses in Atlanta based on its size and profits; service industries are first (US Economic Census 1997). This industry also contains a significant number of White, Black, and Latino business owners, unlike some of the other Atlanta industries. There are at least 2,400

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<sup>26</sup> While the U.S. Economic Census has recently produced reports on the 2002 collection of data on business owners, they have not released the number of construction businesses in Georgia or Atlanta.

construction firms owned by African Americans, 1,900 owned by Latinos, and about 30,000 owned by Whites (US Economic Census 1997). As of 2002, the number of Black-owned construction businesses in Georgia rose to 6,293 businesses since 1997; a 35% increase from 1997 to 2002. Also, the number of Black-owned construction firms grew from 2,421 to 4,171 from 1997 to 2002 (US Economic Census 2006a). This is also true for Latinos in Atlanta that saw a 185% change in business ownership from 1997 (2,276) to 2002 (5,869) (US Economic Census 2006b). While there are no current statistics reported for Whites, the Economic Census suggests that their businesses have increased as well in the last five years in which 80% of all construction businesses in Atlanta are White-owned.

A second factor in my choice of participants is due to Roger Waldinger's study of New York City and his discussion of the construction industry. Waldinger (1996) suggests that entry into the construction industry is relatively easy due to its low requirements of start-up capital and formal education. He also suggests that the construction industry is one of the more cherished industries for first-time immigrant entrepreneurs and has treated black business owners well in terms of growth and stability. Waldinger also suggests that it is an industry that has been less studied and needs more attention within research about ethnic entrepreneurship. Finally, he suggests that entry into the construction industry and survival in it is really due to a racial or ethnic group's ability to develop "embedded" networks that could provide more or less access for certain groups. However, African American and Latino participation in the construction industry is usually blocked by racial barriers. In fact, those African Americans who are able to enter this industry find it very competitive and challenging to be successful (Feagin and Imani 1994). In short, this industry provides an avenue to examine how success happens for some and not for all.

A third factor that influenced my decision was that many of the jobs within this industry are secondary labor market jobs, meaning low pay with poor working conditions (Hum 2000). Traditionally, immigrant minorities, especially Latinos and Asians, have filled these jobs (Espiritu 1997; Gomez-Quinones 1994; Gutierrez 1996; Hum 2000). While Whites and Blacks have also filled these jobs, my previous research in this industry suggests that Whites and many middle-class Blacks fill the more skilled and certified jobs, such as plumbing and electrician work (see Lippard 2003). Also, most of my past African American respondents suggested that there was a “valid” difference between why they hired Latinos, Whites, and Blacks, such as Latinos were hard workers and Blacks and Whites were lazy. This echoes many of the comments made by employers in other studies across the United States (see Neckerman and Kirschenman 1991; Moss and Tilly 2001a; Waldinger and Lichter 2003). Overall, these reasons suggested that this industry was ripe with the possibilities of comparing racial and ethnic groups concerning self-employment and hiring practices and, more generally, explaining growing racial tensions and negative attitudes that affect the industry.

Although there were over 40,000 construction businesses in Atlanta in 2000, there were some unique challenges to collecting the sample for this study. First, much of the difficulty of sampling this industry is that very few construction businesses actively advertise or publicize their businesses in the Atlanta area. In fact, out of 159 businesses I contacted, only 20 of these businesses had advertisements or telephone listings in Atlanta area telephone books. Even though there were listings of contractors in area telephone directories and I attempted to use them, there were several issues using these directories: 1) there was no way to determine their race or ethnicity before contacting them, 2) most individuals’ telephone numbers I called were disconnected or they never returned my phone calls, and 3) there were over fifty different

telephone directories to work from in the Atlanta MSA, not including Internet listings, making it too time-consuming and cost prohibitive. Moreover, many of my first respondents suggested that most construction businesses publicize by word-of-mouth only through former clients and other business owners in the industry. They also suggested that only smaller, one-person or “mom and pop” construction businesses advertised in the telephone directories and that I would not be able to contact the bigger and more-specialized companies.

Second, I was not an insider for any of these groups in any way. While I thought that being white would give me a better opportunity to access White business owners, they were almost three times more likely to turn me down for an interview than Blacks or Latinos. In addition, when I contacted Black business owners they were twice as likely to turn me down as White and a third of the Latino business owners I contacted turned me down. My access to Latinos was also limited because I cannot speak Spanish. While I had two bilingual undergraduate students help to contact some of my Latino respondents for this study, only three out of 12 Latinos, who only spoke Spanish, decided to speak with me. Two Latino respondents suggested that much of my problem with contacting Latino business owners is that I did not speak Spanish and, more importantly, I did not go through the proper people to contact them. In other words, Latinos almost required that I contact them through one of their friends, relatives, or business partners.

One way I attempted to combat this issue was to contact some of the different contractor and builder associations and organizations that worked to provide resources and connections to contractors throughout Atlanta and the state of Georgia.<sup>27</sup> I contacted ten different organizations that identified as associations in which construction business owners joined in order to gain connections to other builders and to help them with difficult situations, such as law suits or

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<sup>27</sup> I also met with two state officials and a state Congressman that provided me contacts that were not fruitful.

finding insurance. Five of these organizations were Latino/Hispanic-identified associations, four general builders associations,<sup>28</sup> and one Black-identified association. Unfortunately, many of these associations did not want to give me information because they did not trust the intent of my study (even though they were given full descriptions of my study and ways to contact my dissertation chair and institution) or they required me to become a member to access their member rosters, which was hard for me to since I was not a business owner and the dues for these organizations made it cost prohibitive. I only had three out of the ten organizations help me; two Latino organizations and one general association that was for home remodeling contractors in Atlanta.

However, these three organizations, especially the newly-developed Hispanic association that focused on construction business owners,<sup>29</sup> provided me with lists of contractors, indicating their race, ethnicity, area of service, and type of business. The Hispanic organization was especially helpful and provided me with six contacts to Latino contractors. The other lists I received from the two other organizations were not as fruitful as I had hoped because many individuals turned me down due to several reasons including being too busy, not interested in participating, or suspicious of the intent of my study. Out of the three association and organization lists I was given, I contacted twelve of my respondents – six of which were Latinos and six were Whites. I was also able to interview the five association and organization members through this endeavor to find contact information for contractors.

The most fruitful approach to collecting this sample was using my respondents to refer me to other business owners. As suggested by Henry (1990), snowball sampling works best for reducing costs of sampling and locating hard-to-reach populations, especially when a researcher

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<sup>28</sup> General contractor associations usually consisted of a majority white staff and had membership lists that were over 85% white, with some Latino representation.

<sup>29</sup> I became an active member of this association during my research and continue to participate in any way possible.

already has a set of reliable informants. Before this study began, I had already contacted and interviewed twelve Black respondents during my thesis work in 2003 at Georgia State University using the same sampling methodology and interview schedule. These twelve respondents came from two initial meetings I had with two Black contractors that I had contacted using a website (*theblackpages.com*), listing various black businesses in Atlanta. Through these two individuals, I was referred to over 20 individuals, of which I interviewed fourteen. While I included all twelve of these respondents in this study, these interviews were re-coded based on the concepts and themes generated when comparing them to the 28 new interviews I collected during this study. These individuals referred me to two more Black respondents and three White respondents. I also re-interviewed three of the original twelve respondents to fully understand their take on race relations in the construction industry and to further develop the themes emerging in the data.

Two of my dissertation committee members also provided me connections to three of my White respondents who they knew from working and being neighbors with these individuals. All fourteen of my Black respondents were through two of the Black respondents, which was the easiest group to access and interview out of all three groups. Finally, I was referred by three of my Latino respondents I had received through the organizational listings to six other Latino respondents, and my last two White respondents were through referrals from two of my previous White respondents.

While I contacted business owners through telephone and organization directories, personal contacts were better at establishing rapport and trust with these individuals. Sample issues concerning participants being too busy or feeling skeptical were circumvented with the help of other participants who called friends and co-workers who set up my essential

conversations with other business owners. Moreover, while many of these businesses do have offices and telephones, getting their cellular telephone number from one of their friends in the business ensured that I could talk to the participant within the first call instead of two weeks later. After eight months of collecting and interviewing my sample, I contacted over 159 individuals (82 White, 45 Black, and 32 Latino construction business owners), ten organizations, and searched several telephone directories to produce the sample for this study.<sup>30</sup>

### **MODE OF OBSERVATION**

My modes of observation for this study incorporated in-depth, face-to-face interviews with my respondents; observations of contractor worksites; and various associations meetings I attended. The interview schedule for the contractors was a semi-standardized format that focused on three general topic areas (see Appendix A). Berg (2001) suggests that a semi-standardized interview consists of a number of predetermined questions, but the interviewer is also able to ask questions not on the interview schedule (i.e., informal probes). This type of format allows the interviewer to probe far beyond the established set of questions.

The first topic area covered questions that spark discussions about the respondent's relative success in the Atlanta construction industry. The questions also included discussions about how long they have been in the business, how they were introduced to construction, and any hurdles they have faced in this area. This set of questions, along with some informal probes, gave me some indication as to the history of their businesses, the economic issues within Atlanta concerning construction, and the factors necessary to make a business successful. These questions also examined the relative accessibility of the business, economic assimilation for the

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<sup>30</sup> Interestingly, I did keep a record of why individuals would not meet with me, and Whites were the toughest group to access and were 3 times more often than Blacks and Latinos to suggest that they were too busy to speak with me. On the other hand, Blacks and Latinos were 2 times more likely than Whites to be suspicious of my intent.

Latino and Black respondents, and the development of possible ethnic economies in this business. Finally, we also discussed networks and their power and prevalence in this industry.

The second section of questioning unveiled some discussions about competition, racial issues, and the respondent's commitment to his or her racial and ethnic communities. It also included discussions about the new immigrant populations concerning the respondents' perceptions and overall attitudes toward the Latino community. I also asked questions about what each respondent thought of other racial and ethnic groups' involvement in the construction industry and how they perceived race relations in Atlanta (i.e., whether they were good, bad, or something else).

The third section of my interview schedule dealt with hiring preferences and narratives of those preferences. Many of these questions in this third section were loosely modeled after questions asked by Moss and Tilly's (2001a, 2001b) and Neckerman and Kirschenman's (1991) research on hiring practices. However, I also asked several other questions that explain the business owners' intentions of hiring one potential employee over another and the relationship between the business owner and the workers. I also asked the respondents to compare and contrast their employees based on qualifications suggested in the interview and based on the employees' race or ethnicity. I also asked them to talk about the pay scale of employees, the importance of each employee's job as to the relative success of the company, and their estimations of which groups dominated certain areas of the industry. Finally, I explored how they feel about the overall performance of each racial group on the job and had them explain to me the differences between groups.

As for the other five interviews I did with Atlanta area association employees, there were only ten open-ended questions. These questions asked each individual about their take on how

well the Atlanta construction industry was doing economically, what they viewed as the successes and pitfalls of the industry for different racial and ethnic groups, and how they viewed the competition of this industry. We also discussed how they viewed the emergence of a Latino population in Atlanta; how it has affected the industry; and how they viewed past, present, and future race and ethnic relations in Atlanta.

With this format, I avoided asking too many direct and closed-ended questions and used a free-flowing conversational format about the topic areas. I hoped that this format would provoke participants to speak openly about their personal views on these issues, especially since there was a great amount of hesitancy. As Gallagher (1999) suggests, one can possibly establish an insider's perspective using a conversation format instead of a question and answer format. Gallagher (1999) explains that it is difficult to discern the true attitudes and personal positions of a participant when the observer or interviewer is an outsider. As a White male, being an insider to this industry was difficult, especially in accessing White and Latino business owners. While being a White male researcher may have inhibited the participants from answering truthfully about racism and exploitation, less-direct and non-confrontational techniques enabled me to verify the concepts in question and build new ones to conceptualize an understanding about race relations. This format was also extremely helpful in obtaining most of my referrals to other respondents because individuals saw me as honest and trustworthy after speaking with me. It also helped that I agreed, through my consent form, that the respondents' discussions were confidential and that I would change their names and the names of their companies to pseudonyms.

However, being a White male researcher also had some benefits. First, being a White researcher provided me some credibility with the participants; especially with some of the

organizations and some of the respondents who had gone to college. For example, many of my respondents assumed that I was very knowledgeable in the area that I was researching. They also assumed that I had a higher position within the University by suggesting that I was a professor, or a funded researcher. In contrast, being a young White graduate student also suggested to the respondents that I was young and naïve. This assumption led to several in-depth descriptions of the construction industry and how certain groups, such as Blacks, strived to be successful. I also find that being a White male allowed most of my respondents to talk openly about their businesses as a sign of triumph over years of racial oppression. Some respondents also seemed to be comfortable talking negatively about immigrant minorities because I, as an American citizen (an insider in this context), understood the problems that immigrants cause for American citizens, such as job security. In short, I planned not to position myself as an insider, nor did my respondents perceive me as one. Then again, being an outsider gave more in-depth information and, possibly, a better glimpse into my respondents' beliefs and attitudes.

Thirty-seven of my interviews took place face-to-face with my respondents at local restaurants, offices, and jobsites my respondents chose. The other five interviews were over the telephone, in which I used two undergraduate students<sup>31</sup> to help translate the conversations with three Latino respondents. The other two were with White contractors. I audiotaped each of the interviews with the permission of the respondents. On average, the lengths of the interviews were about one and a half to two hours long. I interviewed several of my participants twice to get more clarification and information than what they could provide me during the first interviews. I re-interviewed three Black, seven White, and three Latino respondents.

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<sup>31</sup> The two undergraduate students that translated for me and one research assistant that transcribed many of my interviews were compensated for their time through a dissertation grant I received through Georgia State University.

Before each interview, I asked the respondents to read and sign the consent form to participate in the study (see Appendix B). For the telephone interviews, I read the consent form to the respondents and asked for their verbal consent, which was recorded on the audiotape before the interview began. I also had the undergraduate students assist me by obtaining signed consent forms for each of the interviews they assisted me with during my research. After obtaining consent, I asked some initial demographic questions about their age, education, marital status, number of children, whether they were a lifetime resident of Georgia and Atlanta, type of business, number of employees, years in business, and average number of jobs per month. These interviews were transcribed by a research assistant and myself; however, I coded and cataloged all data using qualitative data analysis techniques.

In addition to interviewing my respondents, I also made some observations of some of the jobsites for each contractor I spoke with and jotted down observations of meetings I attended that pertained to the organizations I contacted. I decided to do these observations for three reasons. First, I was exposed to so many different things that were not discussed in the interviews by meeting my respondents and viewing their work. In fact, there were several unspoken events and sights which did even better than some of my interviews in explaining the inter-workings of this industry. Second, I felt that I needed some type of record of what I was seeing at these jobsites that seemed to be in conflict to what my respondents were suggesting in their interviews concerning who they hired and the jobsite conditions.<sup>32</sup> Finally, in order to get access to my respondents and to get to know their lifestyle and conditions of this industry, I had to get involved. As Emerson, Fretz, and Shaw (1995:2) suggest, “immersion enables the fieldworker to

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<sup>32</sup> The observations of jobsites served well as a way to check the validity and reliability of my respondents when they suggested they hired all races and ethnicities to work for them. While my two visits were not representative of all their work, it was clear that some contractors only hired certain groups for particular jobs on the site and hired more Latinos than any other group, even though they suggested otherwise. I discuss this more in the chapters concerning hiring practices.

directly and forcibly experience for herself both the ordinary routines and conditions under which people conduct their lives, and the constraints and pressures to which such living is subject.” For me, since I had spent so much time getting my sample, I thought it was best to also write down what I saw and not just what I heard from my respondents.

For each of the 42 respondents, I asked them to suggest, or take me to, two of their jobsites to show me what they did exactly or to demonstrate the types of problems they ran into as a business owner.<sup>33</sup> Out of all 42 respondents, I visited 36 jobsites because five of the contractors only had one jobsite going at the time of our interview and one contractor did not have any jobsites available for me to visit. Only 14 contractors drove me to some of their sites, while the rest suggested I go on my own and gave me directions. At each site, I spent a half to a full hour watching the site and talking to some of the workers there. At most jobsites, I was able to walk around unabated except for some of the commercial sites that had restricted admittance requirements (i.e., Atlanta airport). At each site I jotted down key terms and figures while examining the race/ethnicity of the employees and their jobs, as well as the conditions of the site, and any off-hand comments made by the crews there. Most individuals acted like I was not there, and only seven times did someone approach me to ask what I was doing. After leaving the site, I wrote out my observations and added any interjections as to how it related or contradicted what my respondents stated in their interviews. These fieldnotes were recorded in a journal and transferred to a word document file. I also observed and wrote fieldnotes for any organizational meeting I attended or during any of my visits to the organizations I contacted. I noted the overall goals of the organization, the racial/ethnic make-up of the employees, and the condition of the organization (i.e., years in service, facilities, number of members).

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<sup>33</sup> I use Emerson, Fretz, and Shaw's (1995), *Writing Ethnographic Fieldnotes*, to provide me some guidance and insight as to how to do and record my observations.

## MODE OF ANALYSIS

In order to catalog and analyze the data from these interviews and observations, I used traditional qualitative data analysis techniques to uncover the themes and concepts. As suggested by several qualitative researchers (see Creswell 1998; Maxwell 2005; Miles and Huberman 1994; Strauss and Corbin 1998), “coding,” writing memos about observations and coding, and narrative analysis are necessary to bring the words and thoughts of my respondents to life and to represent my overall findings without a mathematical process of interpretation. More importantly, using certain analysis techniques, such as “descriptive” and “pattern” coding, allows a researcher to be critical of his/her analysis, be flexible in his/her interpretation, to think abstractly, to be sensitive to words and actions as data, and to have a sense of devotion to the process (Maxwell 2005; Miles and Huberman 1994; Strauss and Corbin 1998). Moreover, I use the analysis techniques discussed below because, as Miles and Huberman (1994:56) state, “For our purposes it is not the words themselves but their *meanings* that matter.” Although I do not follow any one way of doing this analysis, I did follow some of the instructions mainly suggested by Miles and Huberman (1994) and further explained by Creswell (1998) and Maxwell (2005). As Miles and Huberman (1994), a qualitative research takes the most essential parts of data analysis and customizes it to fit his or her research. With this in mind, I present three basic steps that helped me fully analyze and produce the findings presented: coding, memos, and narrative analysis. I should also mention none of the steps are completely separate in practice but were combined in several ways to handle the interview data I collected.

The first step in analyzing data was organizing and identifying pieces of my respondents’ answers and the observations I made into “codes” that I could use to organize and compare and contrast the data across my respondents. This is called “coding.” Miles and Huberman (1994:56)

define codes as “tags or labels for assigning units of meaning to the descriptive or inferential information compiled during a study.” They also point out that a code can be assigned to words, phrases, sentences, or paragraphs within a respondent’s answer. A code can also be assigned to observations made in the field or within notes taken by a researcher. Strauss and Corbin (1998:3) define coding as “The analytic processes through which data are fractured, conceptualized, and integrated to form theory.” These codes can be very straightforward in their identification or can be in the form of a metaphor, which expresses a more complex explanation of what is coded. For example, if one of my White respondents states, “I never see color when I hire someone,” I could code this phrase as “color-blindness” to denote a theoretical explanation of how many Whites, since the 1960s, try to use more race-neutral language to disguise overtly racist feelings about Blacks or race and ethnic relations in general. This code is more metaphorical, instead of direct, such as labeling it as “hiring decision #1.” Also, as Creswell (1998) points out, much of what a respondent says in an interview has to be interpreted more symbolically to link to other codes or categories and helps organize the data into broader themes and issues, which will be necessary to create an explanation of a researcher’s findings.

While coding, several different types of codes emerge. First, I identify “descriptive” or “organizational” codes, which are the initial concepts or themes that emerged from my interviews or observations (Maxwell 2005:97; Miles and Huberman 1994:57). These codes represent my first “gut reaction” to the information I read in my interviews and observations. I wrote most of these descriptive codes in the margins of the interviews and field notes, which later helped to shape a list of codes that I looked for in subsequent interviews and observations. I also counted the number of times these codes show up to understand the regularity of these themes across all three sets of my respondents. These were temporary codes that I usually

recoded, removed, or incorporated into a more relevant and theoretically-indicative theme or category. Overall, this first type of coding gave me a general sense of the data collected and allowed me to consider whether I needed to collect more to saturate a discussion or further investigate something some of my respondents suggested. Many times, after initially coding an interview, I went back to my respondents during a second or third interview to clarify any questions I had about what they said. I also reconfigured some of my questions based on some of the initial themes I found for future interviews to incorporate concepts identified in my coding to get further saturation of a category or theme<sup>34</sup> and to find out what the three different racial and ethnic groups felt about certain suggestions made by other groups.

Placing or recoding any of these descriptive codes into more empirically and theoretically-driven categories represents a second type of coding, which Strauss and Corbin (1998) identify as “axial” coding and Maxwell identifies as “theoretical” categorization. Here, the code becomes more stratified and “dimensionalized,”<sup>35</sup> in which some codes became thicker with meaning because more of my respondents used language and suggested ideas that compared and contrasted to my initial coding. In other words, these once primary codes became more complex with a spectrum of possibilities. For instance, the above example of hiring practices was initially a descriptive code, “Color-Blindness”; however, it became a part of a theoretical category or theme I identified as “Color-Blind Racism,” because all three racial and ethnic groups had comments that were similar to the one I presented above. Moreover, there were different types of “color-blindness” among my respondents; for instance, some White contractors

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<sup>34</sup> I used Strauss and Corbin’s (1998) notion of saturation here to make sure that the coded data I collected presented no new information which would change the overall understanding and structure of the categories and themes I produced. I believe I achieved this with the number interviews and the depth of information I received from my respondents and observations.

<sup>35</sup> Strauss and Corbin (1998:101) define the dimensions of a category as “the range along which general properties of a category vary, giving specification to a category and variation to [a] theory.”

suggested that Blacks faced hardships as business owners because they lacked a work ethic and others suggested it was because Blacks did not grow up in a “business-savvy” environment. In fact, this coded material was best explained, not by an abstract concept, but by Bonilla-Silva’s (2001) recent discussion and theory on color-blind ideology that he found among his White and Black respondents. I found myself using several already developed theories to help conceptualize and code much of my interviews. I also found that attempting to totally exclude any previous theoretical knowledge, as suggested by Strauss and Corbin’s (1998) grounded theory method impossible. As discussed in the following chapters, I used several theories to explain the results I coded concerning racial attitudes, entrepreneurship, and my respondents’ hiring practices.

The second step of analyzing my data was writing memos. These memos were written throughout the analysis process, including after interviews to jot down important points that I thought were important to remember while transcribing, during coding, and while writing up the results. Maxwell (2005) and Miles and Huberman (1994) view “memoing” as a way to sketch out ideas about the direction of one’s analysis, to reflect on coding procedures, to explain one’s rationale for using specific codes, and to provide structure to the overall analysis. Memos should also be written to discuss possible similarities, differences, and connections between codes and data (Creswell 1998; Strauss and Corbin 1998). These memos were also helpful in helping to construct chapters around the major or “core” categories I identified, and helped to make sure I had a common narrative or storyline across the entire study. I also used memos as a way to discuss similarities and differences between the three racial and ethnic groups concerning specific themes I was identifying. For example, I found that all three groups used color-blind ideologies in some way, but White contractors were more likely to use them (based on frequency) and emphasize these ideologies more often before expressing any thoughts on race and ethnic

relations or racism than Black or Latino contractors. I wrote memos on all my coding schemes, emerging categories and themes, and on the overarching story that was materializing through my coding schemes.

The last step I undertook for this analysis was developing a comparative strategy or narrative analysis. After fully segmenting and fracturing the data into analytical categories, Maxwell (2005) suggests that there has to be a way to put it all back together to produce a story or narrative of a researcher's findings. He suggests that researchers should attempt to find relationships between theoretical categorizations that connect them together and produce a coherent explanation of his/her empirical findings. In this step, one must integrate all the broken up parts of the data analysis and produce an overarching explanation. This can be done by identifying one of the theoretical categories as central to explaining all other categories identified or a researcher can simply look for the "common thread" that links all the categories. Using my memos during coding and falling back on other researchers' empirical and theoretical explanations, I suggest that the overarching narrative of my research is largely shaped by my three research questions, which essentially asked whether race and ethnicity mattered within the Atlanta construction industry. This "race matters" theme became the connection between all the major categories I discovered and produced a narrative that confirmed that race and ethnicity matters. Also, it shows how the race matters narrative competes against many of my respondents' suggestions that race did not matter and that a strong work ethic and dumb luck were the real catalysts to why White contractors come out on top and Black and Latino contractors continue to face barriers and pitfalls in the construction industry.

**Table 2.1: Social Demographics of 42 Contractors (Race/Ethnicity, Level of Education, Birthplace, Year of Residence, Number of Years in Atlanta, Marital Status, and Number of Children)\***

| Racial/Ethnic Group       | Pseudonym  | Race/Ethnicity | Age | Level of Education  | Birthplace     | Year of Residence in Atlanta | # of Years in Atlanta | Marital Status | # of Children |
|---------------------------|------------|----------------|-----|---------------------|----------------|------------------------------|-----------------------|----------------|---------------|
| <b>Black± Contractors</b> |            |                |     |                     |                |                              |                       |                |               |
|                           | James      | Black          | 42  | Technical training  | Illinois       | 1993                         | 12                    | Married        | 1             |
|                           | Clearwater | Black          | 42  | Technical training  | North Carolina | 1993                         | 12                    | Divorced       | 5             |
|                           | Richards   | Black          | 72  | College degree      | Atlanta        | Lifetime                     | Lifetime              | Married        | 3             |
|                           | Baker      | Black          | 46  | Professional degree | New Jersey     | 1988                         | 15                    | Married        | 2             |
|                           | Wilson     | Black          | 42  | Professional degree | Georgia        | 1978                         | 27                    | Married        | 1             |
|                           | Jaeger     | Black          | 35  | College degree      | Atlanta        | Lifetime                     | Lifetime              | Married        | 1             |
|                           | Mitchell   | Black          | 40  | Technical training  | New York       | 1989                         | 14                    | Married        | 3             |
|                           | Rogers     | Black          | 35  | Professional degree | Atlanta        | Lifetime                     | Lifetime              | Married        | 3             |
|                           | Edwards    | Black          | 37  | College degree      | Atlanta        | Lifetime                     | Lifetime              | Married        | 1             |
|                           | Randolph   | Black          | 34  | College degree      | Pennsylvania   | 1989                         | 14                    | Married        | 1             |
|                           | Farrell    | Black          | 33  | Technical training  | Atlanta        | Lifetime                     | Lifetime              | Married        | 2             |
|                           | Marcus     | Black          | 47  | Professional degree | Illinois       | 1986                         | 17                    | Married        | 2             |
|                           | Persons    | Black          | 34  | HS diploma          | Ohio           | 1988                         | 15                    | Married        | 2             |
|                           | Walters    | Black          | 63  | Professional degree | Atlanta        | Lifetime                     | Lifetime              | Married        | 2             |
| <b>White Contractors</b>  |            |                |     |                     |                |                              |                       |                |               |
|                           | Matthews   | White          | 55  | Technical training  | Florida        | 1997                         | 8                     | Married        | 2             |
|                           | MacGyver   | White          | 56  | Professional degree | Pennsylvania   | 1970                         | 35                    | Married        | 3             |
|                           | Ferry      | White          | 53  | College degree      | Atlanta        | Lifetime                     | Lifetime              | Married        | 1             |
|                           | Charles    | White          | 54  | Professional degree | Atlanta        | Lifetime                     | Lifetime              | Married        | 3             |
|                           | Dmitry     | White          | 48  | College degree      | Spain          | 1983                         | 22                    | Married        | 3             |
|                           | Brooks     | White          | 54  | College degree      | Atlanta        | Lifetime                     | Lifetime              | Married        | 2             |
|                           | Patterson  | White          | 66  | Professional degree | Atlanta        | Lifetime                     | Lifetime              | Married        | 2             |

\*All information provided in this table was self-reported by the respondents.

± 13 of the 14 Black contractors identified their race and ethnicity as “Black,” only one identified as an “African American.”

† Only three of my Latino contractors identified as “Latino,” however, all of them identified their ethnicity first. I use Latino to generally identify the entire group for this study.

(continued)

Table 2.1: Social Demographics of 42 Contractor Respondents (continued)

| Racial/Ethnic Group                  | Pseudonym | Race/Ethnicity          | Age | Level of Education  | Birthplace     | Year of Residence in Atlanta | # of Years in Atlanta | Marital Status | # of Children |
|--------------------------------------|-----------|-------------------------|-----|---------------------|----------------|------------------------------|-----------------------|----------------|---------------|
| <b>White Contractors (continued)</b> |           |                         |     |                     |                |                              |                       |                |               |
|                                      | Fredrick  | White                   | 43  | College degree      | Georgia        | 1992                         | 13                    | Married        | 1             |
|                                      | Ernest    | White                   | 49  | College degree      | Texas          | 1984                         | 21                    | Married        | 4             |
|                                      | Jacobs    | White                   | 38  | College degree      | Georgia        | 1998                         | 7                     | Married        | 0             |
|                                      | Jack      | White                   | 58  | Professional degree | Atlanta        | Lifetime                     | Lifetime              | Divorced       | 1             |
|                                      | Blythe    | White                   | 56  | College degree      | North Carolina | 1986                         | 18                    | Married        | 2             |
|                                      | Josephs   | White                   | 41  | Technical training  | Atlanta        | Lifetime                     | Lifetime              | Married        | 1             |
|                                      | Mackey    | White                   | 32  | Technical training  | Atlanta        | Lifetime                     | Lifetime              | Married        | 1             |
| <b>Latino† Contractors</b>           |           |                         |     |                     |                |                              |                       |                |               |
|                                      | Sosa      | Latino/Colombian        | 38  | Professional degree | Colombia       | 1996                         | 8                     | Married        | 1             |
|                                      | Quinones  | Latino/Mexican          | 28  | HS diploma          | Mexico         | 1995                         | 10                    | Married        | 2             |
|                                      | Martin    | Latino/Argentinean      | 36  | College degree      | Argentina      | 2000                         | 5                     | Married        | 0             |
|                                      | Lopez     | Latino/Mexican          | 28  | Some HS             | Texas          | 1994                         | 11                    | Married        | 1             |
|                                      | Ramirez   | Latino/Mexican American | 32  | HS diploma          | California     | 1991                         | 14                    | Married        | 1             |
|                                      | Ortiz     | Latino/Mexican American | 32  | Technical training  | California     | 1995                         | 10                    | Married        | 3             |
|                                      | Lorenz    | Latino/Mexican          | 42  | Some HS             | Texas          | 1988                         | 17                    | Married        | 3             |
|                                      | Munoz     | Latino/Mexican          | 30  | HS diploma          | Mexico         | 1990                         | 15                    | Married        | 4             |
|                                      | Gutierrez | Latino/Mexican          | 41  | Technical training  | Mexico         | 1988                         | 17                    | Married        | 3             |
|                                      | Rodriguez | Latino/Salvadoran       | 35  | Technical training  | El Salvador    | 1988                         | 17                    | Married        | 2             |
|                                      | Mendez    | Latino/Colombian        | 62  | Technical training  | Colombia       | 1999                         | 6                     | Married        | 2             |
|                                      | Castillo  | Latino/Salvadoran       | 50  | Professional degree | El Salvador    | 1985                         | 20                    | Married        | 5             |
|                                      | Ortega    | Latino/Texan            | 53  | College degree      | Texas          | 1995                         | 10                    | Married        | 6             |
|                                      | Diego     | Latino/Brazil           | 48  | HS diploma          | Brazil         | 1986                         | 19                    | Married        | 2             |

**Table 2.2: Descriptive Information of 42 Contractors' Businesses (Type of Business, Years in Business, Number of Full- and Part-Time Employees, Contracts per Month, and Average Profits per Contract)\***

| Racial/Ethnic Group                      | Pseudonym  | Type of Business  | # of Years in Business | # of Full-Time Employees | # of Part-Time Employees $\pm$ | Contracts per Month | Average Profit per Contract |
|--|------------|---|------------------------|--------------------------|--------------------------------|---------------------|-----------------------------|
| <b>Black<math>\pm</math> Contractors</b> |            |   |                        |                          |                                |                     |                             |
|  | James      | Subcontractor (plumber)/Residential                                 | 13                     | 1                        | 5                              | 8                   | \$15,000                    |
|  | Clearwater | General Contractor/Commercial                                       | 20                     | 2                        | 10                             | 3                   | \$25,000                    |
|  | Richards   | General Contractor/Real Estate Developer/<br>Residential-Commercial | 52                     | 2600+                    | Over 1,000                     | 31                  | \$1,000,000                 |
|  | Baker      | General Contractor/Commercial                                       | 16                     | 10                       | 50                             | 4                   | \$450,000                   |
|  | Wilson     | General Contractor/Residential                                      | 12                     | 2                        | 20                             | 5                   | \$350,000                   |
|  | Jaeger     | General Contractor/Residential                                      | 5                      | 1                        | 15                             | 2                   | \$175,000                   |
|  | Mitchell   | Part-time General Contractor/Residential                            | 16                     | 0                        | 8                              | 3                   | \$15,000                    |
|  | Rogers     | General Contractor/Real Estate Developer/Residential                | 11                     | 3                        | 10                             | 4                   | \$300,000                   |
|  | Edwards    | General Contractor/Real Estate Developer/Residential                | 12                     | 5                        | 15                             | 3                   | \$300,000                   |
|  | Randolph   | General Contractor/Real Estate Developer/Residential                | 5                      | 2                        | 20                             | 5                   | \$75,000                    |
|  | Farrell    | Subcontractor (electrician)/Residential                             | 8                      | 1                        | 4                              | 10                  | \$10,000                    |
|  | Marcus     | General Contractor/Residential-Commercial-Public                    | 17                     | 35                       | 30                             | 3                   | \$500,000                   |
|  | Persons    | Part-time General Contractor /Residential                           | 14                     | 0                        | 6                              | 1                   | \$20,000                    |
|  | Walters    | General Contractor/Residential-Commercial                           | 21                     | 3                        | 40                             | 3                   | \$250,000                   |

\*All of the information in this table was reported by the contractors and are estimations suggested in the interviews.

$\pm$  The estimation of part-time employees includes subcontractors, day laborers, and other part-time help, which was hard for contractors to estimate; therefore, there are not very reliable estimates.

(continued)

**Table 2.2: Descriptive Information of 42 Contractors' Businesses (Continued).**

| <b>Racial/Ethnic Group</b> | <b>Pseudonym</b> | <b>Type of Business</b>  | <b># of Years in Business</b> | <b># of Full-Time Employees</b> | <b># of Part-Time Employees±</b> | <b>Contracts per Month</b> | <b>Average Profit per Contract</b> |
|----------------------------|------------------|--|-------------------------------|---------------------------------|----------------------------------|----------------------------|------------------------------------|
| <b>White Contractors</b>   |                  |  |                               |                                 |                                  |                            |                                    |
|                            | Matthews         | Subcontractor (basements)/Part-time General Contractor/Residential     | 8                             | 25                              | 15                               | 100                        | \$35,000                           |
|                            | MacGyver         | General Contractor/Residential   | 30                            | 8                               | 30                               | 3                          | \$450,000                          |
|                            | Ferry            | General Contractor/Residential   | 30                            | 9                               | 30                               | 3                          | \$200,000                          |
|                            | Charles          | Real Estate Developer/General Contractor/Residential-Commercial-Public | 30                            | 15                              | 50                               | 15                         | \$400,000                          |
|                            | Dmitry           | Real Estate Developer/Commercial                                       | 20                            | 20                              | 50                               | 35                         | \$400,000                          |
|                            | Brooks           | General Contractor/Residential   | 32                            | 10                              | 50                               | 100                        | \$120,000                          |
|                            | Patterson        | General Contractor/Residential   | 30                            | 12                              | 50                               | 35                         | \$500,000                          |
|                            | Fredrick         | General Contractor/Residential   | 13                            | 0                               | 10                               | 4                          | \$50,000                           |
|                            | Ernest           | Real Developer/General Contractor/Residential                          | 25                            | 2                               | 50                               | 3                          | \$500,000                          |
|                            | Jacobs           | General Contractor/Residential   | 4                             | 0                               | 20                               | 3                          | \$100,000                          |
|                            | Jack             | General Contractor/Real Estate Developer/Residential                   | 16                            | 8                               | 40                               | 10                         | \$350,000                          |
|                            | Blythe           | General Contractor/Residential   | 20                            | 4                               | 30                               | 3                          | \$400,000                          |
|                            | Josephs          | Subcontractor (electrician)/Residential                                | 23                            | 6                               | 20                               | 20                         | \$20,000                           |
|                            | Mackey           | Subcontractor (framer)/Residential                                     | 15                            | 2                               | 5                                | 10                         | \$35,000                           |

(continued)

**Table 2.2: Descriptive Information of 42 Contractors' Businesses (Continued).**

| <b>Racial/Ethnic Group</b> | <b>Pseudonym</b> | <b>Type of Business</b>  | <b># of Years in Business</b> | <b># of Full-time Employees</b> | <b># of Part-time Employees<math>\pm</math></b> | <b>Contracts per Month</b> | <b>Average Profit per Contract</b> |
|----------------------------|------------------|--|-------------------------------|---------------------------------|---|----------------------------|------------------------------------|
| <b>Latino Contractors</b>  |                  |  |                               |                                 |   |                            |                                    |
|                            | Sosa             | General Contractor/Commercial                                  | 8                             | 10                              | 35  | 6                          | \$400,000                          |
|                            | Quinones         | General Contractor/Subcontractor/Residential                   | 5                             | 3                               | 10  | 5                          | \$45,000                           |
|                            | Martin           | General Contractor/Residential                                 | 2                             | 3                               | 15  | 2                          | \$60,000                           |
|                            | Lopez            | General Contractor/Subcontractor/Residential-Commercial        | 4                             | 2                               | 10  | 4                          | \$50,000                           |
|                            | Ramirez          | General Contractor/Residential                                 | 5                             | 0                               | 25  | 6                          | \$75,000                           |
|                            | Ortiz            | Subcontractor (sheetrock)/ Residential                         | 8                             | 4                               | 20  | 12                         | \$15,000                           |
|                            | Lorenz           | Subcontractor (mason)/Part-time General Contractor/Residential | 20                            | 4                               | 30  | 5                          | \$100,000                          |
|                            | Munoz            | Subcontractor (painter)/Residential                            | 11                            | 20                              | 15  | 25                         | \$40,000                           |
|                            | Gutierrez        | Subcontractor (mason)/Part-time General Contractor/Residential | 10                            | 5                               | 30  | 15                         | \$200,000                          |
|                            | Rodriguez        | Part-time General Contractor/Residential                       | 1                             | 0                               | 10  | 1                          | n/a                                |
|                            | Mendez           | Subcontractor (heating and air)/Residential                    | 7                             | 1                               | 6   | 9                          | \$10,000                           |
|                            | Castillo         | General Contractor/Subcontractor/Commercial                    | 1                             | 3                               | 25  | 4                          | \$275,000                          |
|                            | Ortega           | General Contractor/Subcontractor/Residential-Commercial        | 10                            | 15                              | 40  | 5                          | \$250,000                          |
|                            | Diego            | Subcontractor (mason/flooring)/Commercial                      | 30                            | 6                               | 25  | 4                          | \$75,000                           |

## CHAPTER 3

### RACIAL IDEOLOGIES

The state of race and ethnic relations in Atlanta has often times been characterized as "a city too busy to hate." In 1955, the Mayor of Atlanta, William Hartsfield, coined this slogan for the city, suggesting that "racial harmony was protected and perpetuated because of concern about the city's economy" (Bayor 2000:42). However, it was also a strategic move on the part of White business owners and political officials to avoid the civil unrest and boycotts sweeping across the South. Undoubtedly, as many scholars and political analysts attest, race and racism have played a significant role in Atlanta. Yet, by recognizing racial disparities, Atlanta has produced some of the more advanced, race-conscious policies, such as city-wide affirmative action programs and the placement of low-income public housing in middle class neighborhoods (see Bayor 1996, 2000; Boston 1999). However, the negative and persistent effects of racism continue to leave its ugly mark on the city; for example, continued economic and residential segregation among its White and non-white citizens (see Clayton, Geller, Patram, Patton, and Sjoquist 2000; Bayor 1996, 2000; Keating 2001; Sjoquist 2000).

While the slogan above does not implicitly propose that race does not matter in Atlanta, it does, however, propose that Atlanta is "color-blind." In other words, it above recognizes that race exists but it dilutes the connection between race and the hierarchy that it creates in the Atlanta economy. Much like other Sunbelt cities in the 21<sup>st</sup> century, Atlanta's mantra and its ideological liberalization represents why many of the states and cities of the old Confederacy<sup>36</sup>

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<sup>36</sup> The Old Confederacy is a reference to the states that seceded from the United States by 1861 and formed the Confederate States of America during the American Civil War. The states included were Alabama, California, Florida, Georgia, Louisiana, Mississippi, Missouri, North Carolina, South Carolina, Tennessee, Texas, and Virginia.

are identified as the “New South”; a place very different from its blatantly racist and Jim Crow past (see Kuklinski, Cobb, and Gilens 1997; Reed 1991). Even McKinney and Bourque (1971) long ago believed that the South's racial attitudes and distaste for Blacks would considerably shift to a more liberal ideology as it became more occupationally and educationally similar to the rest of the country. Some theorists also suggested that more urbanization, economic growth, increased Black participation in politics, and the increased arrival of non-Southern migrants, the South would become more liberal (Kasarda, Hughes, and Irwin 1991; Reed 1983). However, researchers have found that the South and its cities have not completely let go of their more conservative views about different racial and ethnic groups in comparison to other U.S. regions (see Kuklinski, Cobb, and Gilens 1997; Tuch and Martin 1997). Moreover, with the introduction of more Latinos and Asians to the area and the recent call from Atlanta and Georgia residents for a state-wide crack down on illegal immigration, race and ethnic relations in Atlanta have become more multi-faceted and complex. As D.A. King, an activist, stated in a recent newspaper article about the Latino populations in Atlanta, "You are criminals," "You cannot have my country!" (Campos 2006).

In this chapter, I answer my first research question which asks about the current state of race relations and racial attitudes in multiracial Atlanta. Also, by tying into the theoretical and empirical argument about the persistence of racism and the power of color-blind ideology, this chapter demonstrates how racism continues to be alive and well in Atlanta, even though it has transformed into a more covert and color-blind form. Bonilla-Silva (2001) suggests that an individual's attitudes and ideologies toward certain groups represent one way to define and demonstrate the persistence of racism. Even though my respondents repeatedly told me that race and racism did not matter in the construction industry, the comments presented in this chapter

show that they think about, are affected by, and act upon race. However, these respondents' racial attitudes and ideologies only preface how race and racism affects individuals, groups, and the social structures of America. The real indication that racism exists comes with the total narrative I present, emphasizing how the racial ideologies presented here become the exclusionary tools of the Atlanta construction industry. More importantly, these color-blind attitudes and ideologies represent how Whites in this study maintain their edge without being overtly racist. This chapter also adds another layer to this debate by including Latino racial attitudes. Although there have been decades of research on racial attitudes, most of this research has not considered any discussion of racial attitudes outside of the white-black dichotomy. Moreover, any discussion by Whites and Blacks about attitudes toward Latinos has been usually identified as concerns about immigration. Finally, I add to the growing literature that suggests a revamped racial hierarchy of Blacks versus everyone else.

### **RACIAL ATTITUDES IN THE U.S.**

Research about racial attitudes research has been used to measure and explain the continuity and change of racism in the U.S. for over four decades. This research addresses abstract values, such as attitudes concerning equality and evaluative opinions of race-conscious social policies (i.e., affirmative action) (Schuman et al. 1997). Research on racial attitudes also measures racial and ethnic group perceptions of competition over resources such as jobs, housing, and education. In general, this research has suggested that racial attitudes have become less offensive and not as blatantly racist as they were before the 1960s. Moreover, if racial attitudes are an indicator of racism, then racism has possibly changed or disappeared.

Researchers suggest that White racial attitudes have shifted from a more blatant form of distaste for Blacks and other minorities to a more tolerant or ambivalent stance (e.g., Bobo and

Smith 1998; Feagin 2001; Firebaugh and Davis 1998; Kinder and Sanders 1996; Sears 1988; Schuman et al. 1985, 1997; Tuch and Martin 1997). For example, Schuman et al. (1985, 1997) have found that Whites tend to support equality for Blacks, such as the integration of neighborhoods, schools, and other public facilities. They have also found that Whites increasingly support interracial marriage and that they have voted for Black candidates during elections. However, White racial attitudes vary across socio-demographic variables. Schuman et al. (1985, 1997) find that Whites become less liberal toward Blacks with age because of cohort effects<sup>37</sup> and increases in income and wealth. They also find that education and gender have an affect on racial attitudes; women, and individuals with more education generally hold more liberal and supportive views of Blacks and other minorities.

Where Whites live also matters in shaping views. For example, Tuch and Martin (1997) find that Whites who live in the South have more conservative views of racial policies and continue to use old racist terms (i.e., "colored" or "Negro") and ideologies (i.e., Blacks are naturally and biologically inferior) to explain White and Black differences.<sup>38</sup> However, Kuklinski et al. (1997) point out that much of this liberalization of attitudes in the South in comparison to the rest of the U.S. may really be because White southerners provide more socially desirable answers<sup>39</sup> in a post-civil rights era. In other words, Whites embrace the need

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<sup>37</sup> Schuman et al. (1997) has found that since the 1960s White attitudes have become less abrasive because of the generational effects of the Civil Rights Movement, desegregation, and the virtual eradication of public and legalized discrimination.

<sup>38</sup> Tuch and Martin (1997), as well as Schuman et al. (1997), suggest that Whites in the Midwest and West tend to have more tolerant views than the rest of the country. In addition, Whites in "Deep South" states, like Mississippi, have more conservative racial attitudes than the peripheral southern states, such as North Carolina and Georgia. Tuch and Martin (1997) do suggest, however, that Southern attitudes are not as strong as they were in the 1960s and 1970s.

<sup>39</sup> Many researchers suggest that White responses to traditional questions about segregation and integration may not be able to measure racism anymore because of the significant shifts in racial policies and general public attitudes since the 1960s. Schuman, Steeh, Bobo, and Kryson (1997) suggest that most racial attitudes research attempts to prevent this by adding several other questions measuring more current race-based ideologies. For example, asking about welfare, affirmative action, and "special" programs to help minorities start businesses and receive public assistance.

for racial harmony because of increased pressures by minority groups and social institutions to be more conscious and observant of racial equality.

However, some scholars argue that the shift in White racial attitudes does not suggest that Whites are more race-conscious or that racism has waned (Bobo 2001; Bonilla-Silva 2001, 2003; Feagin 2001; Feagin and Vera 1995; Gallagher 2003a, 2003b, 2006; Omi and Winant 1994). They do suggest, however, that Whites have begun to use seemingly more race-neutral language that relies heavily on American achievement ideologies of individualism, hard work, and self-reliance to explain the success and failure of certain groups, not their race or ethnicity. Thus, many Whites view any disadvantages minorities face as self-inflicted because they did not work hard enough or they are victim to their own cultural deficiencies (Bonilla-Silva 2001; Gallagher 2003a, 2003b; Feagin 2001). Whites also suggest that the "socioeconomic playing field" is level because the Civil Rights Movement and government intervention alleviated institutional racism. Thus, Whites ignore the history of racism and its continuing effects. They also are more likely to recognize class and cultural explanations for disparities but not any that include race or ethnicity (Gallagher 2003a). Therefore, Whites believe that race really does not matter in today's context. However, as their color-blind rhetoric suggests, Whites still very much view minorities as different or deficient in their abilities to do as well as Whites. Interestingly, though, the meanings of these more race-neutral explanations still smack of past racial attitudes that were, as Bonilla-Silva (2003:275) suggests, more "straightforward" and less concealed behind "elements of liberalism" (meritocracy and self-reliance).

Color-blind ideology also functions in several ways to perpetuate White privilege. First, by suggesting that minorities do not work hard enough or that their culture does not give them the right norms and values, color-blind ideology continues to put minorities in subordinate roles.

Second, ignoring that race and ethnicity shape life chances allows Whites to feel less guilty and, therefore, less inclined to address the social problems minorities face. Also, by not viewing the social system as problematic or that skin color is an issue, Whites justify the existing social systems and racial hierarchy that perpetuates White privilege (Gallagher 2003a:28, 2003b, 2006). In attitudinal research, Whites often staunchly oppose or scream reverse racism when any type of race-conscious programs are used to equalize access to jobs or public amenities, which destroys the overall effectiveness of these programs.<sup>40</sup> Finally, and important to this study, color-blind ideology perpetuates White privilege because it embraces meritocracy and uses several American values, such as individualism and self-reliance, which most groups support. In my earlier research on Blacks in the construction industry, I found that Black contractors repeatedly referred to hard work and self-reliance as the keys to individual and group economic success. Thus, any suggestions made by Whites that identify American values as the source of success and failure are largely supported by other groups. Thus, Whites feel that they are not blatantly disputing what everyone else suggests, giving the idea that it is okay, which cloaks the privilege that it passes on to Whites.

A final explanation is Herbert Blumer's (1958) theory of prejudice. Unlike the other explanations above, Blumer's theory adds a needed discussion of how perceptions of social positions and a stratification system encourage increased competition and prejudice among groups. Blumer suggests that individuals in every group have a perception of where they "ought" to stand in the American hierarchy. Groups also, over time, develop strong prejudiced and racist feelings toward other groups that threaten their sense of group position. These threats include challenges to valuable resources that stabilize a group's position, such as jobs, self-employment,

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<sup>40</sup> Several researchers have found that Whites view affirmative action programs as special treatment and tend to resent Blacks for not working or earning these benefits (see Bobo 2001; Bobo et al. 1997; Bonilla-Gallagher 2003b; Silva 2001; Sears 1988; Kinder and Sanders 1996; Schuman et al. 1997).

housing opportunities, or good education. Therefore, any special programs or perceptions of special treatment are usually contested, especially when they threaten a group's perceived position. Overall, the attitudes of every racial and ethnic group shift with increased or decreased competition over resources and hierarchical positioning; thus, Whites' continued aggression toward Blacks (see Bobo 2000; Bobo and Hutchings 1996; and Schuman et al. 1997 for examples).

Research on Black racial attitudes suggests a consistent and starkly different trend in comparison to White attitudes (e.g., Bobo and Kluegel 1993; Bobo and Zubrinsky 1996; Bonilla-Silva 2001; Hudson and Hudson 1999; Schuman et al. 1997; Tuch and Martin 1997). Black racial attitudes have always favored equality ideologies such as continued integration of schools and neighborhoods. Blacks also tend to support government programs and assistance for minorities (see Schuman et al. 1985, 1997; Bonilla-Silva 2001). Bonilla-Silva and Embrick (2001:61) find that Blacks have always viewed discrimination as important, supported affirmative action, and believed that Whites are in "an advantageous position in society."

Black racial attitudes change, though, when they focus on other minorities and issues concerning competition over resources with other minorities (i.e., Latinos and Asians) (see Bobo 2000; Bobo and Hutchings 1996; Lopez and Pantoja 2004). For example, Black attitudes become more intense and negative when discussing the issue of resources and opportunities such as sharing the same educational, political, and employment opportunities with other minority groups (Bobo and Hutchings 1996; Bobo and Johnson 2000; Charles 2001; Kluegel and Bobo 2001; Schuman and Hatchett 1974; Lee 2002a; Vickerman 1999; Wilson and Hammer 2001). Like White attitudes, Blumer's prejudice theory explains Blacks' negative views of other groups because other groups, such as Latinos, challenge Blacks' perceptions of their earned position in

America (see Bobo 2000; Bobo and Hutchings 1996; Lopez and Pantoja 2004). Also, similar to Whites, Black negative attitudes toward other minorities increase as Blacks become older and decrease with more education. However, Black racial attitudes seem to be uniform across social class lines (see Hwang, Fitzpatrick, and Helms 1998) but political affiliation (i.e., conservative or liberal) and one's physical proximity to other racial and ethnic groups can predict shifts in racial attitudes among Blacks (see Bobo and Johnson 2000). For example, the closer Blacks live to other minority groups, the more they express negative positions about other groups, as seen in the 1992 L.A. Riots when Blacks and Koreans fought. Finally, some researchers suggest that Blacks also use color-blind ideologies, such as lack of effort or cultural deficiencies, to explain continuing disparities for Blacks and other groups (see Bonilla-Silva 2001; Bonilla-Silva and Embrick 2001; Schuman et al. 1997).

While the research is scant, Asian and Latino racial attitudes follow similar patterns of White and Black attitudes. Overall, Asians and Latinos tend to support abstract ideologies of equal treatment and fairness for all groups. These two groups also tend to suggest that the treatment of Blacks and policies helping Blacks and other minorities are necessary (Bobo 2000; Bobo and Hutchings 1996; Lopez and Pantoja 2004). However, they also feel a sense of group competition and are less likely to fully support these policies if they do not benefit them (see Bobo 2000; Bobo and Hutchings 1996). In addition, these groups offer "middle ground" responses, making them almost seem apathetic toward race-conscious policies. Finally, the longer Asians and Latinos live in the U.S., the more negative their attitudes and feelings of competition are toward other racial and ethnic groups. Some researchers suggest that this increase in negative attitudes is because of a growing knowledge of discrimination and where

they fit in the American hierarchy (Bobo 2000; Bobo and Hutchings 1996; Lopez and Pantoja 2004; Portes and Rumbaut 1996).

### **ATTITUDES TOWARD IMMIGRATION AND IMMIGRANTS**

The literature on attitudes toward immigration and immigrants is immense because the discussion is as old as the United States itself. However, the overall measurement of these attitudes has produced a pretty consistent result throughout American history; native-born and naturalized citizens have all expressed fears of immigrants threatening America's solidarity, culture, and economic prowess. Espenshade (1995:201) summarizes the similarities by stating:

At least since the 1880s, immigrants have been assumed to take jobs away from and to lower wages of native workers, to add to the poverty population and to compete for education, health, and other social services. Negative feelings toward immigrants were reinvigorated as successive new waves arrived – first the Irish, then the Italians, then Mexicans, and now Asians.

Jaret (1999) suggests that there are several similarities between anti-immigrant attitudes during the two most significant eras of U.S. immigration; from 1880 to 1924 and from 1970 to 1998. First, during both eras, Americans have expressed fears concerning the racial and ethnic make-up of newly-arriving immigrants and feared that immigrants would not assimilate into the American mainstream.<sup>41</sup> Second, public opinion during both eras viewed immigrants as economic risks that would cripple the economy or push native-born individuals out of jobs, which increased support for more restrictive immigration policies (see de la Garza, Falcon, Garcia, and Garcia 1993; Diamond 1998; Espenshade 1995; Jaret 1999). Third, native-born groups have feared that immigrants will destroy the American way of life and its prestige (see Feagin 1997). Finally, both eras have similar patterns of violence against immigrants.

<sup>41</sup> In their book, *Remaking the American Mainstream*, Alba and Nee (2005) point out that most Asian and Latino immigrants that arrived to America in the 1960s and 1970s have actually assimilated into the American mainstream culture by not speaking their native language, increasing educational outcomes, and living within the white suburbs of America.

The major difference today, however, is that immigration attitudes have focused more on illegal or unauthorized immigrants and more on one population, Latinos (see Espenshade 1995; Espenshade and Hemstead 1996; Jaret 1999; Passel 2005). Passel (2005) suggests that over 10 million unauthorized immigrants entered the U.S. in 2004, which is 29% of the total 35.7 million foreign-born individuals at that time. However, Passel (2005) also finds that over 70% of the American public suggests that most immigrants entering the country are doing it illegally.<sup>42</sup>

Most of this negative sentiment has largely focused on Mexican immigrants and not the millions of unauthorized Asian, African, European and other Latin American immigrants coming into the country (Bohon and Macpherson 2006; Espenshade 1995; Jaret 1999; Passel 2005). While Mexicans do make up the majority of the unauthorized population, 57%, the other 43% are not from Mexico and very little discussion focuses on these other groups (Passel 2005). As discussed in Chapter 1, just within the last two decades, many news articles have highlighted the fears of American citizens concerning unauthorized immigration, specifically concerning Latinos (Bohon and Macpherson 2006). For example, the *Atlanta Journal-Constitution* published articles with titles like, "Worry grows over illegal immigrants" and "Why can't they just come here legally?" to present the growing fears that Georgia citizens have concerning the growing Latino population (see Borden 2006; Campos 2006; Tharpe and Campos 2006).<sup>43</sup>

A more recent article published on March 8, 2006, points out that the local fears and hostility toward illegal Latino immigrants were worsening (Tharpe and Campos 2006). One individual interviewed for this article suggests that many of his friends and neighbors fear they

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<sup>42</sup> Jaret (1999) also reports that about 60% of the American public suggested that most immigrants were illegal during the 1990s.

<sup>43</sup> Even some, American citizens have begun to serve as "minutemen" to help patrol and detour Mexican immigrants from crossing into the U.S., which is lawful based on the Homeland Security Act of 2001 (see [minutemanproject.com](http://minutemanproject.com)). The organization, Minute Man Project, website states this opinion about the current issue of illegal immigration: "Future generations will inherit a tangle of rancorous, unassimilated, squabbling cultures with no common bond to hold them together, and a certain guarantee of the death of this nation as a harmonious 'melting pot'" (Minute Man Project 2005).

will lose their jobs and the comfort of a safe neighborhood. Other individuals suggest that illegal immigrants are overburdening the public education systems because there are too many immigrant students unable to speak English well enough to keep up with the curriculum. Another individual suggests in the article that Atlanta has to accommodate too much for Latinos and it is enough when the local Wal-Mart provides two sets over announcements of the intercom – one in English and the other in Spanish. In short, this newspaper article demonstrates the growing perception of competition and fear among Atlanta's current population that there are too many Asians and Latinos moving into the area, leading to more hostility and negative racial attitudes. Also, as can be seen in most discussions of recent legislation addressing unauthorized immigration, much of the discussion centers on Mexican migration. In the recent drafting and discussion of the Georgia Security and Immigration Compliance Act (Senate Bill 529), Senator Chip Rogers, the sponsor of the bill, has often had individuals "testify" to the problems of Mexican unauthorized immigrants and no other groups.

Research shows that native-born and foreign-born Asians, Blacks, Latinos, and Whites all express some form of animosity toward immigrant groups, especially concerning issues of economic competition or job loss. Even recent immigrants, who have lived in the U.S. for a couple of years, tend to have some animosity toward newcomers (Binder, Polinard, and Wrinkle 1997; de la Garza et al. 1993). Jaret (1999) suggests that native-born fears, in the past and recently, fall within four broad accusations against immigrants. First, native-born groups have identified immigrants as a threat to the political order of America. For example, many Americans view Mexican immigrants as lacking good citizenship qualities because they seem apolitical and less willing to assimilate. Second, immigrants threaten the social and cultural fabric of America, possibly destroying the "American way of life." For example, in a recent newspaper article, one

person in a small town in South Georgia suggested that Mexican immigrants had changed her community because now all the public schools have to offer Spanish instruction, which forces her, as a teacher, to learn Spanish (Tharpe and Campos 2006). Third, some nativists have suggested that immigrants are a threat to the environment; putting a strain on natural resources such as land and water use. The most frequent and most studied native-born fear is the notion that immigrants are an economic threat to the U.S. economy. Espenshade and Hempstead (1996) suggest that many native-born groups view increased influxes of certain immigrant groups as the key to job loss, higher unemployment, and reductions in wages and poor working conditions in selected industries.

Strains on other resources, such as housing, public schools, and welfare programs are also considered as part of the economic burden of immigration and immigrants (Espenshade 1995). Moreover, many groups do a personal cost-benefit analysis to determine the economic impact of immigrants. For instance, Espenshade and Hempstead (1996) point out that if native-born groups feel that immigrants are using more than their fair share of social services and public resources, then they are more likely to view immigrants as a burden on the U.S. economy. Some scholars suggest that this perception of immigrants being an economic threat is probably the most important factor in influencing support for more restrictive immigration policies (see Beck 1996; Bernard 1998; Borjas 1998 [1993]; Binder et al. 1997; de la Garza et al. 1993; Espenshade 1995; Espenshade and Hempstead 1996; Diamond 1998; Waldinger 1997; 2004). Researchers suggest that this same cost-benefit analysis is used to determine the racial attitudes of groups concerning policies that help minority groups.

Also, researchers suggest that there is significant and positive correlation between anti-immigrant attitudes and the increase in unemployment rates, recessions, and depressions (Borjas

1998 [1993]; Espenshade and Hempstead 1996; Jaret 1999; Waldinger 1997). For instance, Diamond (1998) finds that African American support of liberal immigration policies from the early 1800s until the 1990s depended on whether the job market was tight due to recessions or if Blacks felt they competed with immigrants for employment. Also, Binder et al. (1997) points out that White and Mexican Americans support more restrictive immigration policies when these groups have witnessed immigrants competing for similar jobs.

However, the support of immigrants and more liberal immigration policies increase for some groups when other variables are considered. For Whites, increases in the levels of income and education increases support for more liberal immigration policies and lowers their feelings of competition over resources (Bobo and Hutchings 1996; Binder et al. 1997; Espenshade and Hempstead 1996). Blacks become more supportive of immigrants if they feel immigrants face the same issues of discrimination and exclusion (Diamond 1998). Groups considered as "recent" immigrants, such as Latino and Asian Americans, are also more likely to support liberal immigration policies and immigrants because they are still closely associated with the immigrant population (i.e., cultural affinity hypothesis) (Binder et al. 1997; de la Garza et al. 1993; Espenshade and Hempstead 1996). However, Binder et al. 1997 and de la Garza et al. (1993) find that Mexican Americans are more likely to support strict immigration policies because they feel less of a tie to new immigrants because of the stigma assigned to Mexican immigrants.

The only problem, however, with identifying immigrants as an economic threat to Americans is that research has produced conflicting results.<sup>44</sup> On one hand, researchers suggest that immigrants negatively affect the economic outcomes of native-born groups by taking jobs, reducing wages and incomes, and increasing unemployment rates (see Beck 1996; Borjas,

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<sup>44</sup> This question is more fully discussed and answered in Chapter 6 where I discuss hiring practices and my respondents' notions of fairness when choosing employees.

Freeman, and Katz 1996; Borjas 2003; Browne, Tigges, and Press 2001; Frey 1996; Moss and Tilly 2001; Catanzarite 2003; Rosenfeld and Tienda 1999; Ong and Valenzuela 1996; Waldinger 1996, 1997). On the other hand, some researchers argue that immigrants have a positive affect on some groups and the U.S. economy because increases in populations usually create more jobs, especially for skilled and educated workers (Adelman et al. 2005; Grant and Parcel 1990; Lim 2001; Muller 1993; Rosenfeld and Tienda 1999).

Overall, none of the results on either side of this debate show that immigrants have an overwhelming positive or negative economic impact on the U.S. or particular groups. Researchers also suggest that the economic impact of immigrants may have varying effects; it may help some and hinder others based on native- and foreign-born social class standing and amount of human capital (see Adelman et al. 2005). Finally, I contend that my respondents largely view immigrants as economic threats, however, only a few had actually experienced any sort of challenge to their livelihoods or economic prosperity. However, what fuels their concerns is that they know or have heard of other contractors losing their businesses because of immigrant competition, energizing their anti-immigrant attitudes more than their limited experiences; thus, fear grows with anticipation, as suggested by Blumer's (1958) prejudice theory.

### **COLOR-BLINDNESS AND XENOPHOBIA**

The Black, White, and Latino contractors in this study had several opinions about the general state of race and ethnic relations in Atlanta and the U.S. While much of the discussion during these interviews focused on their businesses and the construction industry, many times, these contractors found themselves reflecting on their views of different racial and ethnic groups. I present these reflections based on two overarching themes that ran through each individual's conversation with me. First, all of my respondents discussed their views about fairness, equality,

and the existence of racism in the construction industry and Atlanta, which represents the color-blind ideology that is prevalent when discussing race and ethnic relations today. Second, and most prevalent, were discussions about competition between groups, which is where their opinions about different groups became more aggressive.

### **Color-Blindness and Equality**

In many of my respondents' minds, racism is an old issue and one that does not necessarily affect these contractors' opportunities. While I seldom directly asked my respondents about race relations and the existence of racism in Atlanta, the topic usually came up as a way to qualify some of their opinions on how different racial and ethnic groups were treated in the construction industry or Atlanta, in general. This discussion also included several comments about immigration. Moreover, many of the respondents felt compelled to give me an honest explanation of race relations. As Mitchell, a Black part-time contractor, stated to me as he slapped me on the back:

You know what you have to do, right – with what you've heard today? You have to tell the dumbasses in Atlanta that in order to get respect here you just have to work hard and that's it. (We laugh.) Really, that's all it's about and if you don't work hard, then racism is the result. That racist bullshit is over, I mean we all have to pull together to make a buck, right?

What comes out of the above statement and the ones I present for each group in this section, are, as Bonilla-Silva (2001:157) suggests, common color-blind stories or "storylines" that each of my respondents use to suggest that race relations are doing okay and to possibly minimize the significance of racism. Like many researchers (i.e., Bonilla-Silva 2001, 2003; Gallagher 2003a, 2003b), I find that color-blind ideologies drive much of this discussion and creates a seemingly raceless environment in which the construction industry is a meritocracy for my respondents. More importantly, the color-blind rhetoric presented below works well to hide that race matters in shaping this industry and the fates of each contractor in this study.

*White Color-Blind Ideology*

For me, one of the more difficult tasks of doing this research was getting Whites to discuss issues about race, ethnicity, and issues concerning immigration. In fact, in almost every interview in which I asked a direct question about race relations or racism, most (eight of the fourteen respondents) suggested that they really did not know what to say at first. Or, as two of my oldest respondents (Brooks and Patterson) suggested, any questions about race and ethnic differences are "too subjective" and "not appropriate for business discussions." As Bonilla-Silva (2001) and Gallagher (2003a) suggest, most Whites avoid conversations about the significance of race and ethnicity or discussions about racism to show that it does not matter or that the topic is passé.

However, when the White contractors discussed race and racism, they would always preface the conversation with a color-blind caveat, "Well, you know everyone is the same, " or "really, color doesn't matter to me," suggesting a carefree view that discounted the factors of race and racism as important in shaping things in the construction industry.<sup>45</sup> Often, my White respondents also minimized the significance of race and racism by suggesting that some of their best employees and friends were minorities. For example, Brooks, who was retiring from construction after selling his company to a national company, stated: "Some of my best employees were Blacks and Hispanics. One Hispanic guy, Jose, he never made one mistake and Vern, the one Black project manager, was always on the ball." MacGyver also stated, "Some of the best foreman I've every had have been Black or something. Color doesn't matter, work ethic does." Researchers of color-blind ideology find this to be the most common way of suggesting that race does not matter by suggesting that since Whites have minority friends and co-workers, then there is racial peace and harmony, as well as no need for concern about racism (see Bonilla-

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<sup>45</sup> The color-blind statements suggested in the text were stated 564 times in the fourteen White interviews I conducted.

Silva 2001; Gallagher 2006). As Matthews stated about race relations, "We all get along now right? No need to worry about it because we're developing working relationships."

Many of my White contractors also viewed tensions between racial/ethnic groups as a non-issue and racism as a thing of the past. Matthews, a subcontractor who has lived in Atlanta for a few years, stated: "Racism, what's that? Really. I don't think that is something we have to worry about anymore because everyone understands that we don't use race or any other social device to determine worth anymore." Patterson, a lifetime resident and a contractor in Atlanta for over 30 years, also stated the sentiment that racism is an old issue:

Well, I do remember when racism was bad and my parents talking about how they heard a Black man was lynched or beaten for looking at a White woman, but you don't hear or see that anymore. I believe that has been a significant change since Martin Luther came through and the Civil Rights Movement. Racism can't be out there anymore because things are better for Blacks. I think we all get along fine and there is no real physical threat, so that means it's a dying issue, I think.

Dmitry, a White contractor who is originally from Spain and moved to Atlanta 22 years ago, also suggested, in his thick Spanish accent, that racism is dead:

Blacks and Hispanics don't have to worry about discrimination or not getting an equal chance because Whites aren't allowed to do things the same way. It's over with, finished, you know? So, I tell my Black and Hispanic business partners, who bring up racist problems, 'don't worry, be happy, it can't be that, its probably because you pissed them off with the price or screwed up something,' right (he laughs)?

Mackey, a 15-year veteran house framer, best sums the above views while taking a big drag from his cigarette:

We need to realize that it is ten times better now than it was thirty years ago or during slave times. I know, when I was growing up the KKK was active. Of course, they didn't just harass black folks, they also would drag out shitty fathers and beat them to teach them a lesson or to tell them to sober up. Anyway, that's in the past, and the present to me seems to favor any group that works hard – (another drag from the cigarette) – plain and simple. The only thing different today is that we have more Mexicans we have to deal with than Blacks, but they don't get treated badly either.

All of the comments above suggest that racism is largely a condition of the past and generally suggest that minorities, especially Blacks, have been treated better in recent years. As some researchers suggest (see Bobo 2000; Bonilla-Silva 2001; Gallagher 2003a, 2003b, 2006; Feagin

2001), most Whites attempt to break the linkage between the bitter and overtly racist past to the present and minimize any past and present happenings concerning racism. For instance, Mackey downplays the hostility of the Klu Klux Klan towards Blacks by suggesting that everyone could be a victim to their wrath, which also disconnects race as a problem or reason for disparities seen today. It also suggests that Whites and Blacks could share the same plight, devaluing any concerns Blacks and other minorities might have about overt racism and discrimination, which is a constant theme in color-blind literature (see Gallagher 2003b, 2006). More importantly, the comments above take the responsibilities of racism and discrimination off of Whites and suggest that the failure of minorities is due to their individual shortcomings.

For example, Jacobs, who was a computer specialist before becoming a general contractor, stated this: "I don't care what color you are because it doesn't matter when it comes down to it. What really matters is if you have a strong work ethic and you are willing to work odd hours, long hours. If you are white, black, blue, or purple, working hard is what matters." Jack stated, "Color doesn't matter in this industry. It is dedication and the drive to want to do well that does." Blythe, a contractor that does residential construction and remodeling in the more affluent neighborhoods of Atlanta said this about racial differences:

Race is not a factor. It is how hard you work and whether you can get the job done at or under the budget. No one really cares if you are White or Black, they care how much it costs and if you will do it right the first time. Have a good work ethic and most everyone will hire you.

Apparent in these comments and the ones above is that White contractors imply that a strong work ethic is the source of success for them, which takes away the possibilities of a racial hierarchy affecting this industry. In addition, their suggestions that a work ethic matters also imply that minority contractors lack the necessary work ethic to do well in this industry. Feagin (2001:95) identifies this discourse as "cultural racism" in which Whites blame the lack of minority achievement on cultural deficiencies, such as a poor work ethic. Earlier, this was also

suggested under the theory of symbolic racism and is one of Bonilla-Silva's (2001:141) salient frames in identifying color-blind racism in which individuals use an argument for the "biologicalization of culture." This argument places the problems minorities face squarely on the minorities' shoulders because of their socialization and values. As Mackey stated, after discussing with me some of his problems of getting enough customers recently due to competition with Latinos:

Man, fuck those guys out there that whine about having a hard time finding work. They don't deserve hand outs because they work less than me and get more contracts. It is just not a fair world and if you don't know that, then you're just plain stupid. These Black and Mexican guys have to understand that nothing's for free and you have to work for it. But, maybe they don't get that since they have no concept or abilities to deal with it. I don't know man, maybe Blacks and Whites are different because Whites are born with a sense of business and success that many Whites have to do something or they will starve. I don't know if Black guys have that since they grew up around people who don't care to make it.

Here, Mackey suggests that Black contractors' problems are really because they are not born with business sense or that their role models did not encourage a sense of self-reliance. I explore this notion of whether a business owner's "know-how" to be business owners, or their "cultural capital," is important in determining their abilities to be successful owners in Chapter 4. Gallagher (2003a) finds that most Whites in his study suggest that any success they have achieved is because of their hard work and dedication; however, they also suggest that the lack of hard work and dedication explains all of the problems minorities face. In short, the White contractors view their success and minority failures as an individual problem rather than something that is caused by the racial hierarchy.

White contractors also describe race relations concerning Latinos using this "work ethic" storyline. Charles stated this as he leaned closer to my audiotape recorder: "Mexicans are all great, but I think all races are fine, if they do their job and do their part, then – Mexicans always

do their part."<sup>46</sup> After avoiding any discussions about race relations, Patterson stated this about

Latinos:

Well, I know that Latinos or Hispanics have earned their place in the construction industry and they deserve some respect and support, but like me and everyone else in this business, you have to constantly stay at it and make sure you represent yourself well because people will, I don't know, (pauses) think of you as used up and worthless. Everybody has to continue to earn their place, that's the way the business works.

Matthews, who has several Latinos working on his crews, said this about them:

Mexicans work hard and are great employees because of that reason, I don't ever have to ask them twice to do anything and they want it because they are hungry for work and money. You know, they come to America to escape the poverty they face in their home countries. So, let them come if they are going to work this hard.

Brooks also viewed Latinos as an asset in many ways. This is what he said when I asked him about the presence of Latinos in construction:

Hispanics, well, Hispanics they're great, no questions about it because they're the backbone of this industry. We also have to realize that they are immigrants and we were too at one time. Truly, there are very few people in America that didn't come from somewhere else. So, I sympathize with them, especially when they come here legally.

Here, again, White contractors continue to suggest that fair treatment and success come with hard work, regardless of race or ethnicity. In addition, as Bonilla-Silva (2001) suggests, most Whites view success as a result of strict adherences to cherished values, such as individualism and self-reliance, which he identifies as "abstract liberalism." In fact, as suggested in the above comments, White contractors value and respect Latinos as long as they continue to "earn" their place. Many of the White contractors also devalue Latino disparities by suggesting that Whites and Latinos have a common immigrant history in which both have struggled and have had to earn their place in America. As suggested above in comments concerning Blacks, Whites diminish any kind of racialized context or struggle by suggesting that everyone, including Whites, face these problems, which allows them to suggest that race does not matter. As

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<sup>46</sup> Interestingly, when Whites discussed anything about Latinos they usually called them "Mexicans," Hispanics, or immigrants, which becomes more apparent in the Latino discussions of race relations as an overgeneralization and stigmatized identity for many Latino contractors.

Gallagher (2003a:26) states, "Colorblindness allows whites to define themselves as politically progressive and racially tolerant as they proclaim their adherence to a belief system that does not see or judge individuals by the 'color of their skin.'" Color-blindness also allows Whites to continue to hold top positions because of their skin color, even though they suggest that their work ethic and dedication is the key.

Some White contractors, however, suggested that racism did exist or was a problem today because of reverse racism or discrimination. Some researchers find that many Whites claim that they have experienced reverse discrimination, even though there has been little documentation or legal action to match the amount of complaints (see Bonilla-Silva 2001; Gallagher 2003b; Royster 2003). However, none of my White respondents had personally experienced this phenomenon, but they did know of other people, family and friends that had. For instance, Josephs, who is an electrician and local to Atlanta, related this story to me about how his white friend, who is a plumber, lost a job.

I think racism is alive and well, but it is not a black problem anymore. Let me tell you this story, my friend, he has been a plumber for 15 years, tries to get this nice subdivision job. Well, he makes a bid and gives the contractor a seriously low price to do like 20 houses. While little did he know that the contractor, who was Black, happened to see his truck that had a vehicle tag with the Sons of Confederate insignia on it (describes the insignia to me). Long story short, my buddy, who is an expert plumber and works for hardly nothing, got turned away because of his personal views. That's racism my friend, that's how it works now.

Ernest, originally from Texas and a developer in Southwest Atlanta, suggested this about reverse discrimination:

I never had to deal with it myself, but there are plenty of Blacks and Hispanics being choosy about who they hire. My friend for twenty years, he lost his job to a Black guy because they needed to fill a quota or something. In fact, plenty of my White and Black subcontractors suggest that Hispanics get preference over them, putting them into the red quick.

In these comments, Whites continue to minimize the significance of racism and suggest equality by proposing that everyone faces discrimination by including Whites as victims of racism too. In addition, as Feagin (2001) points out, racialized fears and reverse discrimination

becomes more prominent in White rhetoric when there are issues of competition. These quotes above also point out that Whites may have some resentment toward Blacks that they view as receiving special treatment, as suggested by Kinder and Sanders (1996). As Ernest stated, after I asked him to clarify what he meant by "quota": "Well, you know, affirmative action. Blacks get some privileged in-roads to jobs because they are Black. You don't see Whites getting jobs because they are White. We need to be a little more equal across the board, don't you think?" This quote, as well as some of the others above, points out that Whites use to not support programs that provide special treatment for others since we are all supposedly on a level playing field (see Bonilla-Silva 2001; Gallagher 2003a). Moreover, that the only way to achieve equality, as hinted at in Ernest's comments, is by making sure race and ethnicity is not used for any reason, even supporting affirmative action plans that would increase minority equality with Whites.

Overall, all of these comments suggest, as many researchers have found, that Whites tend to hide their opinions about race behind more socially desirable comments but still view minorities in a more negative light, suggesting that minorities' problems rest in their inability to be self-reliant or equalize the conversation by suggesting that they are affected by discrimination too or their families come from an immigrant lineage. In short, all of these discussions down play the significance of racism and making it, as Bonilla-Silva (2001) suggests, a problem due to the lack of individual effort and not because of systematic discrimination. Moreover, Whites' use of a color-blind ideology weakens any ties between race and success, pointing out that the real struggle is whether minorities have the work ethic and skills necessary to compete. However, most Whites view Blacks and Latinos as deficient in these assets because of cultural and individual shortcomings, which becomes more apparent in the discussions below. Thus, the

color-blind ideology becomes a tool to secure White positions without being racist because they can justify excluding minorities because they do not have the same values and work ethic.

### *Black Racial Attitudes*

Like most research on Black racial attitudes, I find that the Black contractors in this study view race and racism as salient issues. Unlike White contractors, many of the Black contractors suggested that they dealt and saw racism every day. However, they did recognize that racism had changed and become more subtle. For example, Walters, a 21-year veteran of residential construction and who was planning to retire soon when I spoke with him, suggested this about race relations in the U.S.:

Well, you got to remember now that I got out of the military in 1960. 1960 was when they were boycotting and riding the buses in downtown Atlanta to desegregate the restaurants and transit system, etcetera. So, I've seen it go from hardcore racism, what we have now is subtle racism. Yeah, so, they both have the same impact. People are smarter and more subtle now, what I call, institution racism. It's kind of built into the system so the system can shelter itself from it. Let me give you an example, I was a tank commander in the Army and I was passed over promotion every time because the commanding officer blatantly suggested to all his subordinates that no blacks were going to ruin his division. On the other hand, they're more sly about it now. I have this building here that has failed inspection twice, even though I have met all the requirements. I have a white inspector, and I don't think he agrees with a black person building in this area of Atlanta. Don't know if that is true, but I can tell because he just doesn't want to answer any of my questions and never will meet with me. It's just sneakier, I would rather he go ahead and call it what it really is, 'I'm black.'

Another Black contractor, Jaeger, who just got into the business because, as he stated, "I couldn't believe all the money that could be made," suggested that racism has definitely changed. He stated: "We get along because whites aren't allowed to publicly shun you or spit on you. Let's face it, I haven't been called the n-word (making quote with his fingers above his head) in a while but that don't mean they not thinking it." Richards, the oldest Black contractor and most successful I interviewed, also suggested that racism is different appearance and "job to do," as he put it. He stated:

You know, I started my business here in Atlanta when things were real bad. I could only work on the Southside [of Atlanta] and had to only hire black folks to work with me. You know the story, it was bad in the South then. Now, my kids and grandkids all go to college anywhere they want,

and my neighbors are White and all different nationalities. I warn my kids though not to let down their guard because it's not completely changed, you know? I know there is a reason why I still get the looks and the stares when I walk into a restaurant or go to a big meeting. There's something still there, and it is still hurting a lot of folks.

Wilson, a seasoned and well-respected contractor in Atlanta, said that he faced racism all the time: "If I don't dress to the nines every time I go to some meeting, the Whites just look at me as some field hand or something. It's hard to work on a site in suit, they know that." Another Black contractor, Edwards, who is a residential contractor, stated this about racism, which includes Latinos in his interpretation:

Edwards: Whites are friendly, cordial, and all that because they have to in order to do business, but some of them won't look you in the eye or won't shake your hand.

Interviewer: What about Hispanics, do they treat you the same way?

Edwards: No, not necessarily, because they know they will lose their jobs if they – but some of them, yeah, some of them think they're better than us because they have whiter skin and more white contacts.

Similar to other research findings about Black racial attitudes, I find that Blacks still view racism as alive and well. Moreover, while Blacks may agree that it has changed, they view the change as really a shift from more overt to covert form, which Whites do not necessarily support. As Feagin (2001) points out, Blacks continue to face racism in really subtle ways, such as Richards suggests, when he walks into a restaurant or meeting he still gets the "looks" from Whites. Also, as Feagin and Vera (1995) suggests, Whites attempt to be nice in public and do not openly do things to minorities, such as spit on them, ask them to leave, or call Blacks abrasive names anymore. As James, a plumber, stated about racism today: "You can't go around screaming, 'Hey, boy! Get me some water, or screaming, All niggers should be sent back to Africa, but you can put a rebel flag on your truck or just not hire me because (in a sarcastic tone) 'I'm not qualified enough to plumb your \$300,000 house.' Come on, its because I'm black you dumb cracker (we laugh)."

As suggested in Edwards' comments above, many of the Black contractors I interviewed also viewed racism as more of a multidimensional problem now than it was in the past. Today, as some Black contractors suggested, racism exists on two fronts in Atlanta; they face it with Whites and Latinos. Farrell, an electrician for eight years and life-time resident of Atlanta, stated this about race relations today:

Farrell: I know I'm younger than most people I work with and I haven't really had to deal with racism like they have in the past but, I think its getting to be more complex.

Interviewer: What do you mean by complex?

Farrell: Well, man, it's just not that Whites be hatin' on Blacks anymore, but everyone hates Blacks. The Asians, the Mexicans, the Koreans, I mean, nobody's willing to move into my neighborhood or feel comfortable walking past me.

Interviewer: Can you give me an example of what you're talking about?

Farrell: Okay, okay. Listen, I was walking down to a Marta station last week to go see a Braves game with my family. I was getting on the train and I bumped into a Mexican, and he turned around and said, 'Watch it, nigga!' See, they all got something against us.

Randolph, a new contractor and past lawyer, also suggests that racism comes from different sources now. After discussing what he thought of the growth of immigration to Atlanta, he stated this:

I don't know what Black folks are going to do nowadays with everyone putting them down. No one, including blacks and immigrants, will hire you or marry you because you're seen, you know, tainted in some way. I can't believe the fact that when I walk on a jobsite the Hispanic workers are disrespectful sometimes, act like they don't hear me, or ignore me all together. I got that enough working with Whites in law firms, I don't need [it] from some Mexican who's probably not even a citizen.

While eating lunch with me, Persons, a part-time general contractor and full-time employee for another construction company, said this about how Whites like Latinos better:

I can tell Whites like Mexicans better than Blacks...Whites always hiring more Mexicans and they will eat lunch with them but don't even invite Blacks on the crew to eat. They all mutually don't like us, so I bet they sit around talking about all the shitty Black workers or something. They also seem to call on Mexicans first to give them a job or let them work some extra hours. I just think both groups possibly get along because they mutually think Blacks are, I don't know, stupid or ignorant or something.

Overall, Black contractors view racism as a constant issue in their lives. They also suggest that racism has changed somewhat because it has now become more subtle and hidden. In addition, Blacks view Whites and Latinos as the most likely to be racist toward them. As suggested earlier, many researchers have found that Latinos and Asians have similar negative racial attitudes toward Blacks as Whites do (see Bobo and Hutchings 1996; Bobo and Smith 1998; Yancey 2003). Gans (1999) suggests that some pairing of Whites with Asians and Latinos and the further residential and economic segregation of Blacks from all other groups has produced a black/ non-black racial hierarchy in which Blacks are continually pushed to the bottom of the pecking order. Gallagher (2004:60) suggests that Latinos and Asians become closer to Whites because these groups "define themselves, their interests, and are viewed by others as being like whites." For example, in 2004, over 58% of Latinos identified themselves as White<sup>47</sup>, and Yancey (2003) suggests that more and more alliances are being built between Whites and Latinos and Asians than with Blacks. Interestingly, Persons' comment suggests that he possibly thought that Latinos and Blacks would align or that Whites should respect Blacks before Latino immigrants because of the history or black-white racial strife. As Bonilla-Silva (2003) and Gans (1999) suggest, those that are seen as "honorary whites" receive more of the privileges associated with whiteness. Thus, as Bobo and Hutchings (1996) find, Blacks become more competitive as their perceived social position or hierarchical place in America becomes more threatened. In the construction industry, Blacks suggest that they are being pushed down the ladder, while Latinos pass them up.

Like Bonilla-Silva (2001), I also find some of my Black respondents' comments about race relations to reflect some of the same color-blind ideologies that Whites use. Moreover, they

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<sup>47</sup> The statistic comes for the U.S. Census' American Community Survey, 2004, Table B03002, Hispanic or Latino by Origin by Race (<http://americanfactfinder.com>).

played down the significance of racism and how race can be used to discriminate against them. Almost all of my Black respondents (eleven out of fourteen) prefaced many of their discussions about race relations within the construction industry and in discussing their hiring practices with similar color-blind storylines. In fact, like Whites, they used it as a way to suggest that all racial and ethnic groups were equal. While discussing hiring practices, Walters said this before giving his opinions about Latino and Black workers: "I don't put [employees] in race categories. I don't look at them based on color. There are some black guys that fit the category [of employment], there are some white guys that fit the category." As we discussed issues concerning how people are treated in the construction industry, Rogers, a general contractor and real estate developer, said this as he described his own philosophies about how to treat people: "I don't see color...you know, because people is people. Seeing color is only for knowing the right paint scheme in this business, not about making someone else's life miserable." Finally, Marcus, who has done a lot of construction for public schools and churches in the area, said this about race relations:

When you are a minority, I don't see how you could ever judge anybody on color...because that's what we've always been measured on anyway. So, hopefully, you will not turn around and do something you don't like being done to you.

The Black contractors also used the "friend" storyline as well to divert attention away from their more prejudiced comments. For example, Randolph stated this after pointing out how he prefers working with Latinos over Blacks as workers because Blacks are "unreliable": "You know, I'm Black, my wife's Black, my whole world is Black but I don't want to work with other Blacks because they are not as reliable as some other groups. Latinos, you can trust that they don't want to rip you off." In fact, eight of the Black contractors prefaced their description of hiring practices or their business networks, by suggesting that some of their best workers or friends were White, Black, or Latino but would go on to describe them in stereotypical ways and pick

one group over the other for prejudice reasons. Another example is Rogers' comments about Latinos:

(Laughing) You know, some of my best workers and project managers have been Mexicans but damn, sometimes, I don't know, they stupid and stubborn, like an old field-hand, you know? They just as stubborn as Black folks sometimes and that makes me laugh when I see it, but they are the best in the business right now.

These business owners also used the "work ethic" storyline just like Whites did to explain how race does not matter in many instances for them. For example, when explaining to me about the vast opportunities in the construction industry, Edwards, a person who enjoys rebuilding old neighborhoods, stated this: "You know, I think anyone can overcome problems today because a good mind and a good work ethic can make the difference." When discussing differences between groups in the industry, Randolph, one of the younger contractors, suggested that everyone is the same. This is what he said, after taking a swig of beer:

Everybody's got rotten eggs. I don't really care what color you are. Shit, I seen lazy workers in Whites, Hispanics, and African Americans. No one really impresses me, but there are ways around it. You got to work it and show that you are valuable to the project. People need to learn this and, I hate to say it, but Blacks need to learn it as well because nothing's for free in this industry. You got to bust your ass and then you get invited to the big table to eat, you know what I mean?

As Randolph suggests, a work ethic, or "busting your ass," is the way to overcome problems and is an equalizer for most circumstances. This is obvious in Clearwater's statement, who is a commercial contractor struggling to make ends meet recently:

I haven't faced racism because I do my job well. I don't think people realize that people are discriminatory or don't want them around because they think they are lazy or worthless or something. Well, I don't let people think that of me because I work hard to make sure I do a good job and project a real hard-worker attitude. Plenty of my friends lost their job not because they are Black but because they stopped working. You have to stop and think about it that way, maybe everyone's just trying to make a buck and lazy people get in the way of that.

The work ethic storyline is also clear in Jaeger's discussion of how he and other Blacks have done well in construction:

That's how you make it in any business venture. You have to have intelligence, ah, ah, stamina, and you need to want to work. You can't sit on your ass and hope someone's going to do

something for you or you'll get a free handout, that's what my mother always instilled in me and my brothers. You have to work hard and that will overcome any White guys problems with you. They will let you into the circle quick if you know what you are doing and do it well.

These comments suggest that these Black business owners have bought into the American achievement ideology in which working hard and even education, as suggested by Jaeger's comment, could increase equality and reduce racism. In addition, as Randolph's comment suggests, these Black businessmen may view the work ethic as something individuals have to learn, which may lead to suggesting that a group's culture is also key to success and escaping racism. As Mitchell stated to me about his philosophies of business:

My mother raised me right and showed me that color doesn't matter. It doesn't, because you can always work harder and succeed faster than most people. If it wasn't for her, I wouldn't have made it because my black neighborhood was brutal and stupid at the same time. Messed up a lot of my friends, if they had just gotten out of that shit hole and had good parents, there wouldn't be a problem.

It is important, however, to point out that the Black contractors I interviewed discussed the continuing significance of racism more than these color-blind ideologies. But, these work ethic storylines did surface more often when explaining how they had become successful or to justify why they thought Latinos or other minority groups did not do so well, which is something that Whites do as well. For example, Marcus said, after I asked him how he became successful: "It's because I bust my ass and don't let things like racism slow me down. I'm who I am because I work and that's what everyone else has to do." In short, while these contractors feel that racism is alive and well, they often accept and use the same American achievement ideologies that make up much of the explanations of Whites' subtle racism. As suggested by Mitchell and Randolph's comments, it also may explain a shift in how Blacks view other Blacks in which they use social class, cultural, biological, and environmental arguments to explain continuing issues for Blacks that have not done their part to succeed, which is a growing argument within the Black middle

class, as recently commented on by Bill Cosby (Dyson 2005). In addition, several scholars have made the same claims (D'Souza 1995; Herrnstein and Murray 1994; Wilson 1978, 1987).

### *Latino Racial Attitudes*

For Latino contractors, race relations and racism seems to be, at first, really something they did not worry about. After spending two hours interviewing Diego, a flooring subcontractor, I found that he never once mentioned anything about discrimination. So, I blatantly asked him, "Do you think racism is a problem for you or anyone you know?" Diego replied with his thick accent:

"No, racism? I don't even know what that is really. I hear about it all time on TV but I don't see it or experience it." This was true with Sosa, when I had to ask him blatantly whether he ever dealt with racism or sees it often:

I don't think I have to deal with it [racism] because I'm too busy working and not paying attention to what others think. It is really a Black problem more so than a Latino or Hispanic problem. All of my White employees, business associates, and friends treat me with respect, no problems.

Or, as Mendez, a native of Colombia, stated about his understanding of racism:

I think we are all equal, that is the way God made us. I'm proud to be Colombian, but I do not see that as a disadvantage or something that people use to hold me back. I don't even think I really know what it is because I never saw it. I have seen money differences between people and that is clear in Colombia, but we are all pretty much the same color so you can't make out that difference to cause issues.

Finally, Ortega, a second generation builder and American citizen, stated this about race relations in America:

I believe that we all have to work hard to achieve what we want. I know people suffer, even the Latinos, but it is because of a lack of education about issues or it is because they have not put their full faith in God to help them. I really don't see how people can say there are problems [concerning racism] when so many Latinos and Blacks now do great things. Those that do aspire and don't their part are the one's that end up poor. Poverty is like a disease you have to kick it by taking the right medicines and (a long pause) self-sufficiency is the cure.

In general, each of these Latino contractors saw race relations and the issue of racism like Whites, as not really a problem or something that they have had to deal with in their lives. These individuals also use some of the same types of color-blind storylines and rhetoric, such as

Ortega's suggestion that a work ethic is necessary to overcome poverty or that poverty is a disease that can be cured by an individual being self-reliant, which is one key phrase many Whites use to explain continuing strife for Blacks (see Bonilla-Silva 2001; Kinder and Sanders 1996; Schuman et al. 1997). Or, as Mendez suggested, God made everyone equal, so inequality comes from a lack of effort.

However, the sentiment that race does not matter changes for these Latino contractors when they are misidentified or labeled as "immigrants," "Mexicans," "illegals," or a "minority." In fact, much of their discussions about how they were stigmatized and situated as minorities reflected more blatant racist stereotypes and assumptions, which are typically reported in research about White attitudes toward Blacks. It also shows the perplexities of Latinos believing and feeling that they are Whites but, for most Americans, they are immigrants first and Mexicans second but never really White (see Jacoby 2004; Rodriguez 2004; Yancey 2003). For example, Diego, who is originally from Brazil but has lived in the U.S. for over twenty years, said this about people assuming that he was an immigrant:

People always think I am a new immigrant that wants to talk. [I] have people all the time trying to speak to me in Spanish, and they don't have any idea what they are saying. They always assume I'm a laborer too and tell me to do something or ask me what is best for their lawn care. In fact, I had a guy, I was in a business suit, ask me what I would recommend for his lawn that was covered in weeds. People, mostly Americans, mostly assume I'm from Mexico, but I'm from Brazil. I'm a Brazilian American to tell the truth!<sup>48</sup>

Martin, who arrived to Atlanta and the U.S. in 2000, stated that his transition from Argentina to the U.S. was somewhat of a culture shock because people identified him as a minority. Speaking through one of my undergraduate translators, this is what he stated:

I know Blacks faced it but I never thought I would. I mean, look at me, I'm white (pointing at his forearm)! I'm from Argentina, but I might as well be black because I speak only Spanish. I had this one black guy ask me one time how did I make it across the Rio Grande? I told him I took an airplane but you would know about that since most of you can't afford to feed your families, let alone an airplane ticket, right? I mean, this guy was calling me a Mexican and telling me I was poor

<sup>48</sup> Several times, many of my Latino respondents referred to Whites as Americans and only Whites fit this category. If they were talking about African Americans, they would always say "Black" and not Americans.

in the same breath. How can he when he is pretty much in the same boat in America, a minority.

Quinones, who has been in the U.S. for about eight years, had a similar experience. In very broken English, Quinones told his story of being labeled all kinds of things even though he is, as he stated, "a White Salvadoran American":

I get beaner, wetback, greaser, and Mexican all the time. These are all, ah, ah, insults to me as a Salvadoran. Most of them say we are great assets to construction but they no want us running certain parts of it like being foreman or GC [general contractor] on the project. No way, that is above what we are to do. Our job is to haul concrete, sheetrock, and stone where ever they want.

As suggested in Quinones' comment, some of the Latino contractors are misidentified and treated as laborers and not businessmen. The comments above, specifically Martin's, suggest that most Blacks and Whites view them only in lower social positions and occupations. More striking is that many of these stories reflect blatant assumptions and openly prejudicial comments that would not necessarily be tolerated by domestic minorities. In other words, there seems to be no color-blind filter to keep individuals from making openly racist statements. For instance, Lopez, a skilled carpenter and native to Mexico, stated this about how blatant Whites are about saying negative things about Mexicans: "All they do is complain about how Mexicans need to speak English, and they need to quit bringing every friend and cousin they have to America. And, they always say this in front of me like I have some control over the entire Mexican population." Also, as seen in the White and Black comments above and the stories from Latinos, the term "Mexican" is used in a derogatory way to denote a lower social status. It also speaks to the overall American views of immigration and their ignorance concerning the different ethnicities that make up the Latino population. As Lorenz stated to me when we were discussing this stigma of being a "Mexican":

You know, I'm a Mexican American, and everyone always puts Mexicans down it seems. One way, they say we are great workers and another, they say we're nasty and spreading roaches. It is so bad that even Mexicans don't want to be called Mexicans because it carries a bad position, you know, no one wants to be a dirty Mexican, and Americans don't understand that we all didn't come through Texas. The only ways that we are the same is that we are all human, just like Blacks

and Whites. If they don't want us to call them names, then they shouldn't either.

On the other hand, there were some Latino contractors that viewed racism as vibrant and more than just name-calling. Some of these contractors reported physical threats and being treated differently because individuals saw them as immigrants or Mexicans. For example, Ramirez, who was born in California and is a fourth-generation Mexican American, said this about being treated differently:

Ramirez: I don't know if you would call this racism, but there have been a few times when some White guys did things.

Interviewer: What things are you talking about?

Ramirez: Well, one time, I went on a jobsite and they had a Port-a-John with the words, "For Mexicans" written on it and it was full of shit and hadn't been cleaned in weeks I think. Also, one time, I had this guy tell me, 'all the Mexicans are a real pain in the ass,' you know. I said, 'well, man, I don't even know what you are talking about, I'm from California.'

Ortiz, a drywall subcontractor that has worked all over Georgia, said this about his brush with some Blacks in South Atlanta:

I was at this site one time that was right in the middle of the ghetto, you know. I had these three thug-like Black guys come up to a bunch of us eating lunch and start cussing us out. They told us we needed to leave and that all of us was killing the black community by taking their jobs. One of the guys picked up a 2X4 and started beating it in his hands like this (shows me the jester with his pen). While this went on for about ten minutes until the contractor for the house, a Black guy, pulls up and they leave. I don't know what would have happened if they would have stayed much longer. I hate that shit, and it happens more than you think.

While sitting at a restaurant and staring across the street at a gas station, Rodriguez pointed out that he faced racism every morning at that gas station (pointing out the window):

Every morning I go to that gas station to get coffee and many mornings the, ah, ah, clerk looks at me and rolls her eyes when I pay with pennies and nickels. She also speaks louder because she thinks that I can understand her English better if it is louder. Also, they send a clerk outside about every five minutes with a broom to tell the Latinos standing around the store to leave. I get caught up in

this, even though I'm getting in my truck. One guy always says to those standing around, 'can't you'll find a real job?' See, here they come (he points again to a clerk emerging from the store).

I saw a clerk walk out with a broom and tell all the Latinos to leave, but the clerk did not bother the African American standing there. Lopez, a native-born from Texas, told one of the more dramatic stories of discrimination:

One of my best friends worked for a contractor doing roofing for different types of businesses. He was good at it but he wasn't very careful, would always forget to tie off or put his safety harness on so that if he slipped he would not fall off these high roofs. Well, it caught up with him, he fell two stories to a concrete driveway. I don't think they knew right then because he went to the clinic contractors send all Hispanics to avoid issues with immigration and it is cheaper. But, it cracked his skull, broke his ribs, and flattened a lung. While he died later that week, and the contractor said that it was all his fault and he wasn't going to help him or his family because he made a mistake. He also told a lot of the workers the day it happened that that is what happens to Mexican illegals who are too stupid to follow the rules. I don't know if that is racism like Blacks face but its something isn't it? That contractor should have helped his family at least.

Here, these Latino contractors' experiences suggest the same caliber of racism that some of the Black contractors reported. However, in the above quotes and the comments about being misidentified, Latinos are blatantly called out or physically threatened, which may reflect more of the old-fashioned form of racism; physical segregation and open acts of hatred. In other words, maybe prejudice, discrimination, and racism have a new target in the South; Latinos. On the contrary, the events above may also suggest that there has been a shift in attitudes in which increased competition has created fears and anxieties toward the newly-arriving Latino population; equaling a lashing out at Latinos by Whites and Blacks.

However, several Latino contractors suggest that their relationships with White contractors are relatively good and productive in comparison to their relationship with Black contractors. In fact, many of them expressed more negative attitudes toward Blacks than Whites, almost paralleling White attitudes toward Blacks. For example, Munoz, a painting subcontractor, stated this about the difference between Whites and Blacks:

You know, I try not to consider race as an issue, but there is a difference between Americans and Blacks....Blacks are more likely to complain and not work and give you shit because you're taking all the jobs or something. Americans...they want to work with you and try to find you work and things like that. I don't think blacks want us around too much, you know?

Diego said similar things about Blacks and Whites. After I had ended the interview and turned off the tape-recorder, Diego suggested that Whites were friendly and Blacks were just lazy "S.O.B's, who wanted something for nothing." Ortiz stated this after talking about access to certain markets and areas in Atlanta: "Blacks don't want you building or doing work in their

neighborhoods. Whites, man, they practically beg us to come and work for them, and we do a good job. Blacks don't want to be business partners or anything else, you know, they just want to bitch and moan about not getting a fair chance. Well, you have to be a, a, team-player, you know? I scratch your back, you scratch mine kind of thing." These sentiments closely align with White attitudes that reflect complaints about the special treatment of Blacks and their unwillingness to help themselves and work with others (see Kinder and Sanders 1996; Lopez and Pantoja 2004; Schuman et al. 1997). In addition, this negativity intensifies with increased awareness of the American stratification system and social position (see Bobo 2000). Moreover, they use more of the work ethic storyline to explain why they do not associate with Blacks as much as Whites. This is evident in Sosa's comments about accessing more lucrative contracts for minorities. He stated:

Sosa: It's all about persistence. There are plenty of possibilities and job opportunities in this industry because it is booming. If any contractor complains, then they aren't working hard enough.

Interviewer: Do you hear a lot of complaints and if yes, who's doing the complaining you think the most?

Sosa: No, not from Hispanics or Whites but from Black contractors. They always complaining about how they never get a chance and get shafted on certain things, I say, 'work hard and maybe you'll get included more often. That's what they say to me, so they have to follow the rules too. You know I'm not going to work with you if you don't want to work, that's a good rule to live by in this market.

Lopez, one of the youngest Latino contractors, summed up the problem between Latinos and Blacks:

Hispanics, they want to work and be proud of their accomplishments, what they do. Blacks, I don't see this because they are okay with getting handouts and assistance. I believe that Hispanics really don't want help, you know? They want to be proud that they provide for their families and make a good living, it's in our blood. That's, that's, why I don't associate with them, they don't see the value in working.

In Lopez's comments, there are, again, strong color-blind storylines of blaming Black problems on lack of a work ethic, drive, and self-reliance. He also suggests, as some of the Latino

contractors have, that Blacks are naturally unable to achieve and do well, which is another color-blind ideology that shows some of the old racist traditions of suggesting that Blacks are biologically inferior. Therefore, some Latinos think about Blacks like Whites. Overall, though, there seems to be a serious rift between Blacks and Latinos and it becomes clearer as a competition issue below.

Finally, Latino contractors suggested that race and ethnicity matter, not only because of inter-group hostility but also because of intra-group hostility. When discussing their views of solidarity of the Latino community, many of the Latino contractors suggested that there were problems with Americans, as well as Latinos, assuming that the different Latino ethnic groups are cohesive and from one homogeneous racial category. This has been seen in research concerning U.S. Census reports in 2000 that found that very few Latinos wanted to be classified as "Hispanic" or "Latino" because it would lump them with other ethnic groups that they did not necessarily view as similar (see Yancey 2003). For example, some of the Latino contractors in this study expressed that they did not like some other Latino contractors for very stereotypical reasons. Gutierrez, who identifies as a Mexican, said this about the "Hispanic" designation used to describe him as well as other Hispanic groups:

We really don't get along. The Mexicans, Colombians, Puerto Ricans, and Cubans all don't want to be associated with each other, and I really don't like the fact that most Americans suggest we are the same by calling us Hispanics. I'm from Mexico and I surely don't think we have anything in common with Brazilians or Cubans.

Martin, an Argentinean, expressed this about Mexicans when telling me why the Latino community is not united in Atlanta:

Everyone thinks Mexicans are great workers, but I think they are terrible. They stink, never take showers, and they won't even try to learn English or get out of the situations they live. They all have forty in a house and have tons of kids, that doesn't work in America or any other country if you want respect and want to move up the ladder. Let's put it this way, do you want to associate with people that will make you look bad because they don't have any respect for themselves? No.

Interestingly, Martin's comments match an older, stereotypical explanation of Mexicans in Texas. As suggested by Garcia (1987), from 1880 to 1930 employers in the Southwest considered Mexican workers in the railroad, mining, and manufacturing industries as lazy, less efficient, and overall, terrible employees. Snickering at the idea of the Latino community in Atlanta being united, Quinones stated this:

We get along only when we need to, you know. If a bunch of Anglos want to deport us, yes we stand together but, the rest of time, we don't associate. It is like me saying that Anglos and Blacks are the same because they are Americans. You guys don't want to even hang out with each other. We are different. We have different ways to eat, marry, go to church, and talk to one another. I don't think any Cubans want to be lumped with Mexicans, and I surely don't want them in my group either because they stuck on themselves.

Finally, Diego, a Brazilian, said this about other Latinos:

I think people think we speak a common language but not in Brazil, it is Portuguese, you know. And, there are some Latinos or Hispanics that are worthless in many people's eyes. Yes, Mexicans work hard but they are different kinds of Mexicans that are not that great. Same for Colombians, you know, Colombians are all drug dealers or something right? You have to watch them (laughs). Colombians won't do this kind of work because they too educated and will get dirty.

In the quotes above, one can see that these Latinos do not really consider themselves as a unified group. Also, they use stereotypes to discriminate based on ethnicity or nationality. In fact, throughout these discussions about race relations, Mexicans are even seen by some of these contractors in the same way as Whites and Blacks view them. Clearly, based on the comments about being mislabeled as Mexicans and the above comments, Latinos view the Mexican identity as stigmatizing and a lower status in the Latino community, especially those Latinos not from Mexico.

Overall, these Latino contractors express some mixed views on the significance of race and racism. Although many of my contractors view racism as not a factor in their lives, some of them did find that being stigmatized as an immigrant or a Mexican led to more discriminatory practices that were, as Ramirez stated, "old school like separate water fountains and blacks-only restaurants." However, these contractors suggest that much of their problems with discrimination

come from Blacks instead of Whites. In fact, Latinos, like Whites, use individualism and self-reliance to explain how Blacks are disadvantaged. Finally, like Blacks, Latinos view discrimination and racism as having multiple fronts. However, the fronts include not only Whites and Blacks but also Latinos.

### **Competition Brings out the Beast**

While many of the comments above are clouded with color-blind storylines in an attempt to downplay the significance of race and racism, when I asked about competition in the industry, the views of each group intensified and became less concealed. In fact, as suggested by some of the literature above, racial resentment and concerns over special treatment became the main issues for Whites, Blacks, and Latinos in regard to one another. Moreover, each of these groups of contractors inadvertently suggested that their social position in the construction industry is threatened by other groups, especially true when Blacks and Whites talk about Latinos. In addition, more discussions about immigration emerge as contractors emphasize their concerns about the presence of Latinos in the construction industry and around Atlanta. However, like Bobo and Hutchings (1996) suggest, some groups feel less threatened by others based on their understanding of how close one group is to them in the social hierarchy. For instance, Whites may feel less threatened by Blacks because Whites believe they hold a social position that is further away, and thus, harder to reach for Blacks. Also, as Blumer's theory of prejudice suggests, any challenge to this perception of another group infringing on a group's perceived social position leads to increased fears and outward expressions of prejudice and discrimination.

#### *Whites' Fears of Competition*

In discussions of competition between racial and ethnic groups, many of my White contractors abandoned the rules of suggesting socially desirable attitudes. However, they also characterized

Blacks' and Latinos' problems based on their own shortcomings, such as skill levels and education, or that they had no talents or could not inherently do the work well in the construction industry, which is a popular argument within the color-blind ideology (see Bonilla-Silva 2001).

For example, Ferry stated this about competition today in Atlanta:

I think competition is stiff. But the competition has grown because, anybody and everybody can be a contractor and the customers don't know the difference. For example, they will get a brand new Black contractor to come and do the work and totally screw it up. Black contractors and some White contractors, aren't craftsman and don't take any pride in their work. Let me give you an example. I had to completely rebuild this section of a house for a customer because their Black contractor was cheap and didn't know what he was doing. These guys think they can come in and just build, it takes experience, which they don't have.

MacGyver, a home builder, stated this about Blacks in construction as laborers and as owners in his niche of remodeling homes:

MacGyver: I never felt like we [blacks and whites] are even in the same boat when it comes to this industry. I can't stand working with these guys in construction because they're slow and they don't get the business. They also have little knowledge of the ways of doing the business, such as knowing how to get permits and who to hire to do the foundation on a house or annex. They just go with the cheapest and that doesn't work over here [pointing to a nice neighborhood of \$200,000 homes]. They have their side of the city to build and we have ours because (pause) I never see them in my areas of work because customers wouldn't hire them because they're scared of blacks.

Interviewer: Why are they scared you think?

MacGyver: Well, it's because of stereotypes that get reinforced from neighbor to neighbor that said they got screwed or something was stolen when such-an-such Black contractor did this on my house.

Interviewer: Really!

MacGyver: Frankly, they [the customers] should be scared their quality sucks! But that's true for most all the contractors out there.

Patterson also stated some of the same things as MacGyver and Ferry. While discussing race relations issues and whether this determines who does well in the industry, Patterson stated this about Blacks in construction:

Well, I hate to say this and I don't think all Blacks are this way but I think, in this business, they just don't fit very well. Really, this about a 80 or 100-a-week business that takes time, effort, and little swindling. You can't be hustling in this business. Black contractors, I've mentored, have a hard time realizing that construction is an investment and takes culturing like a pearl. They really do well in other industries like restaurants, sales, car dealerships, things like that. Now, mind you, there are several successful Black contractors, but there are fewer of them because of the reasons I suggested.

Josephs, an electrician, vented to me about the number of Blacks in the electrician business:

Well, I know it is not nice to say, but Blacks don't do as good a job of wiring a house because they don't take pride in it. I have rewired plenty of houses and air-conditioning units because they did a piss-poor job. They either don't care or didn't get a good training or something. Really, it helps me out I guess. Their mistakes means more people call me but, you know, people don't trust all electricians because a few make us look bad.

Again, there are some clear uses of color-blind arguments. White contractors suggest that Black contractors are more likely to be unskilled, undereducated, and unable to produce a quality product. As Josephs suggests, Black contractors also make Whites "look bad" because they are undereducated and less skilled. Or, as Blythe stated to me when I asked why Black contractors are not competition for him, he suggested it was a problem with Blacks not having enough financial capital and that they are "not cut out for the work and too worried about making a quick buck. Or, as Mackey stated, with a laugh and drag of his cigarette: "Well, they're all screw-ups and drug users right? I really don't know, maybe they don't like getting dirty."

However, the above comments also suggest that White contractors do not view Black contractors as really a threat to them. Bobo and Hutchings (1996) research on competition suggests that very few Whites view Blacks as competition because both groups rest on opposite ends of the socioeconomic spectrum, and the most unlikely to challenge them. Lee (2002a) also found that Korean and Jewish business owner rarely view Blacks a threat because they assume they their businesses will fail because they incapable of running a successful business. As suggested by MacGyver, Black contractors are less of a threat to his business because customers will not hire them. Matthews, a subcontractor, also found this to be true when I asked him if he knew of any Black or Latinos that did the same thing he did: "I never see Blacks in this line of work as businessmen. I see as laborers from time-to-time but not much. I think customers don't want a Black person working in their home because they don't trust strangers in their house." It sounds more possible, however, that these contractors do not view Blacks as a threat to their

social position because, as Charles stated when I asked him about Black participation in the construction industry: "There are really just not a lot of Blacks in the construction industry. So, you can't compete against someone that's not there." They also do not view Black contractors as a threat because, based on their color-blind explanations, Blacks do not have the right work ethic or dedication needed to make it in this industry.

The strongest comments that Whites expressed about another racial group concerning competition was directed toward Latino laborers and business owners. This discussion also turned rapidly into a conversation about immigration, in which all Latinos in construction were immigrants and most were undocumented immigrants. In addition, at least nine of my White respondents used words and phrases like, "locust," "plague," "scourge," "illegals," and "problem children" to describe their worries about Latinos entering the industry. Mackey, a subcontractor who frames houses, said this about "Mexicans" in the industry:

I know that this country is built on the backs of immigrants, but this latest wave of Mexicans is a little out of control....Man, they're like locusts when it comes to jobs and work. I used to have to turn away clients because I had too many, but now I really have to work to advertise or hand out business cards to get work. I go to even general contractors and they turn me away because they can buy a Hispanic framer for two times less. I can't compete with that, I need to feed my kids.

In a second interview to clarify some of his comments, Matthews stated this about Latinos as competitors in the construction industry, in general:

Well, I tell you what Cameron, I think Hispanics are doing their jobs right now because they are just learning how to do ours. You already see them as business owners as painters, dry-wallers, masons, and such, how long will it be before they become general contractors or take my job as a specialist? It won't be long because it was like five years ago when Latinos weren't project managers and subcontractors, and now they are. Watch out, they are scourge in this industry, you know, a kick in the gut to those already struggling to make ends meet.

Fredrick, a home builder for thirteen years viewed the presence of Latinos as a threat to his business in the future.

Fredrick: Well, I think they [Latinos] are okay right now because they're new and don't know English well enough to strike out on their own, but they will become more competitive as time goes by. I already see some of it happening already because I do some home repairs and small things on the side as well and all that is going to, you know, Hispanics....Well, it's because they

do it for less and that's taking money from me. These little jobs add up, you know, and I need the money to pay the mortgage on this castle you're sitting in (laughs and takes a drink of his Coke). They're getting smarter and even I've had some working for me that broke off and now drives by me with their pick-up trucks loaded down with construction materials. I always think to myself, 'damn it, there goes another job.' Or I say, 'shit, they're taking over,' which is something you read in the paper all the time. But I'm not worried about it too much because I know they're messing it up too because I get calls all the time to fix mistakes.

Jack, a 16-year veteran and lifetime resident of the Atlanta area, stated that the real problem with Latinos was not that they directly competed with him but that they were economically ruining the entire industry:

Jack: They [Latinos] don't compete with me because I'm a real estate developer and custom home Builder. They're not there yet, well, maybe, maybe, as laborers or subcontractors. The real problem, however, and I tell you what gets my goat is that profits that I would get for a house has gone down because Mexicans drive them down with their cheap prices. While I believe they are important in making the Atlanta construction market vibrant, and, and, keep us up with demand, but their very presence has made profits stagnate.

Interviewer: How do they drive down the prices?

Jack: Well, I'm sure you've heard that bids are cheaper because the subcontractors have cheaper labor. So, with that, I can't really charge, with a clear conscience, \$400,000 dollars for a house that I only paid \$175,000 to build. So, I got to drop my prices. Another thing is that Mexican work isn't that great. They work hard, that's for sure, but they have no clue what they are doing and I have to have my project managers watch them to make sure they do it right. You know, most of them don't have a high school education so anything could happen. Really, the quality of the building has gone down too. I don't think it would have been that way if there were a mix of people working on the house instead of all-Mexican, and I might add, illegal crew working on very project. We really need to reconsider this cheap labor thing, especially since these people leave when they hear of a better opportunity or go home to live rich off the thousand dollars they made here. You mark my words, it is going to be a serious problem, and no one right now cares what these people are doing to the economy.

These contractors clearly view Latinos as an economic threat, not only for their jobs, but as Jack suggests, for the entire economic state of the Atlanta construction industry. Clearly, this is something that these contractors are concerned with when Latinos becoming contractors. These contractors also demonstrate a connection between racial attitudes and attitudes toward immigrants in which their discussions about Latinos focus on the most common anti-immigrant argument; immigrants are economic threats. And, as suggested in the discussion of Latinos being labeled as immigrants and Mexicans, many of these contractors obviously perceive Latino competition as an immigrant problem.

For instance, Patterson stated this to me when talking about Latinos as workers: "They're here to do work and put many good, decent Americans out of a job, and it happens, unfortunately, because I can't afford to pay an American to do the job." In this statement, Latinos are not American, which is clear in Jack's comments above as well. This is also true in Josephs' comment about Latinos in the construction industry: "Latinos are taking jobs, maybe not all of them, but I know plenty of guys that have lost their jobs to a Mexican that can do it faster and cheaper. But, it's really not their fault because subcontractors hire them because they are cheaper and faster than the rest of us." Moreover, Whites perpetuate the infusion of Latinos into the work force because they are unwilling to pay higher wages for American workers, which is part of a critique many social researchers examining the economic effects of immigration make (e.g., Borjas 2003; Steinberg 1989; Lieberman 1980; Waldinger 1997; Waldinger and Lichter 2003). In fact, I asked a couple of the White contractors what they thought about paying fair wages to Americans to reduce the economic threat of Latinos. This is what Ernest answered to this question:

What's a fair wage, really? I could pay Whites and Blacks more money but that doesn't change their work ethic because we have to understand that money doesn't give people incentive to work. They get more money, they want more time off to enjoy. However, Hispanics are different they want more money and they work for it. A fair wage for them is any amount, for Americans, it is endless amounts, (pause to take a sip of water) they want too much for nothing.

MacGyver also answered this question:

Whites and Blacks already get fair wages, \$15 to \$20 an hour is well over the minimum wage. The real problem and I will tell you the truth here, is that they don't earn it and I'm not about to, and neither is any other smart businessman, going to pay for work that isn't done. Hispanics work hard for their pay and many Whites, Blacks, Americans don't. So, they lose their jobs because they're not quitting because the pay isn't good – they're being fired!

What emerges in this discussion, as well as in the hiring practices discussion later, is a business tactic of using a cost-benefit analysis in order to separate quality workers from lazy workers. In addition, more comparisons between Americans (Whites and Blacks) and Latinos becomes the

way to justify business practices and identifying Latinos as more "hungry" than native-born citizens.

These White contractors' comments also point out an issue of competition concerning group positioning in the construction industry. As Matthews' and Fredrick's statements suggest, Latinos are becoming a threat to them because they are becoming subcontractors and general contractors, which puts Latinos in the same position. Thus, these individuals' increased hostility and anger is due to their perception that their social positions, at least as a business owner, may be threatened. They also use more blatant and derogatory language to describe Latinos, as well as become more aggressive and blunt about their views of Latinos because these Latinos do represent a threat to their perceived position in the construction industry. As Blumer (1958) suggests, most groups' prejudice grows with the threat of competition or take over. In this instance, increases in proximity provoke more frustration and fear of how Latinos will compare to Whites possibly. However, some White contractors denied that there was really any competition between them and Latinos. MacGyver stated that Latinos are a mixed blessing to the industry. He also very much views them as immigrants. This is what he said as he leaned in so others around us would not hear:

MacGyver: They are a mixed blessing. Don't get me wrong, they're great. They do shit work for almost no pay and if they complain, it doesn't matter 'cause I tell them, '(with an accent) you complain, I call INS [Immigration and Naturalization Services].'

Interviewer: But do you view Hispanics as competition in this business?

MacGyver: No, not really because they haven't earned the right to be at the general contractor level yet because that takes time. You start as a laborer, work to foreman, become a subcontractor, and then you get to be a GC. But again, they're not a threat to me or my business because they all work for me, or they don't have the knowledge of English to work with customers over here. Besides, the ones that are subcontractors, or whatever, don't do a good job because they don't know what they're doing, you know?

Jacobs, one of the younger and more recent to join this construction industry as a business owner, also felt that Latinos were not ready to be competition because of the language barrier.

Clients don't want Hispanics working in their home because, first they can't communicate with them effectively and second, I believe, you know, that they view them as similar to Blacks – they may steal something from them while they are in their homes. While Hispanics are becoming, moving into contracting, I don't see them as a threat because of the clients I work with and because of the scared factor. No one wants someone that you can't tell them what you want or trust them around your daughter.

While the language barrier and their lack of skills may prevent them now, it obviously has not prevented Latinos from becoming competitors. In addition, as MacGyver suggests, there are other ways, such as reporting Latinos to the Immigration and Naturalization Service, to reduce competition. But, as a warning, Charles stated this: "We need to consider who will have the upper-hand in this industry in the end and don't think that any consumer will want illegal immigrants building their houses who can't be legally held accountable for poor craftsmanship."

Although it seems that White contractors are worried about the economic threat of Latinos, they also discuss how, more broadly, Latinos, as immigrants, are a cultural threat to America, in general; compounding their negative perception of Latinos. For example, not only did Mackey view Latinos as economic threats, he also saw this group as instrumental in change America.

It's not just that they are taking jobs, they're changing the very notion of what it means to live in America. I mean, here's a perfect example even though I guess it is kind of simple but it does show what I mean. When you go into a *QuickTrip* to get a hot dog or something to munch on, all they got now is these taquito things that I wouldn't touch. Yeah, another thing is every time you call the bank or some service they ask if you want it to be spoken in Spanish. That's what I'm talking about they're changing even the small things to one day all you have to eat is salsa, some burnt up taco thing, and you're having to speak Spanish to get your check cashed.

While the language barrier and their lack of skills may prevent them now, it obviously has not prevented Latinos from becoming competitors. Dmitry also agreed that Latinos would change the U.S. but not economically.

What America really needs to worry about is how the Latinos will shape America. I know that Germany and other European countries face a dilemma with the impact of Turkish and Eastern European immigrants staying in their countries. They will, over time, change the very fabric of this country, for good or worse because we are not, like many social commentators suggest, a melting pot. Everyone carves out their niche and forces people to be a part of it.

Blythe also expressed concerns over the influences that Latinos have on the construction industry and America:

You really can't go onto a construction site and expect not to speak Spanish or Spanglish in some way. I mean look at us, we're sitting here in a pretty good restaurant and the only thing on the menu frijoles, fish tacos, and salsa and chips. What happened to hamburgers and fries, okay, okay, they're bad for you but tacos, is that really where America is going?

Like Jaret (1999) suggests, one of the major fears of native-born groups in America is an upheaval of American customs and its language. Once again, this is not a new argument because even Benjamin Franklin suggested that the Germans would destroy what it was to be American and change the colony's English to German. However, different from past comments about immigration's impact is the White contractors' discussion of how most Latinos in Atlanta and the U.S. are illegal or undocumented workers. Also, their discussion of undocumented immigrants always came up when discussing competition with Latinos and focused on immigration policy reform in some way. In addition, White contractors usually first suggested a color-blind phrase or storyline before giving their opinions. Ferry stated this about Latinos and illegal immigration after I asked him about what he thought about Latinos in construction:

You know, if you're willing to work, then that's great, and I'm as liberal as the next guy but we have to be realistic – illegal immigrants take their toll. Now, I'm not saying that all illegal aliens are Latino but, realistically, again, almost all of them are immigrants and most of them are probably illegal because its damn easy to get into the country. But it is definitely taking its toll on America and that's clear in the problems with overcrowding schools and health clinics.

Fredrick commented about undocumented immigrants as well. He stated this after discussing how helpful Latinos are, in most instances, to the industry:

Hispanics do their job and they are great but we really need to take charge of the illegal issue. I think that most of them out there in the construction business are illegal or came to the country legal and didn't leave when they said they would. But that doesn't mean we have to keep them here, and we need to take charge of this situation before it gets out of hand. We did when we worried about the Germans and Italians. Besides, we don't need to support them because isn't their main goal to go back home and build a nice hacienda?

Mackey also suggested that something should be done about the, as he stated, "Mexican alien" issue. He suggested active racial profiling to make sure Latinos were legal:

Mackey: Mexicans need to be checked at every point to make sure they are legal and not here under false pretenses. Check them when they're driving, buying groceries, or working on the job. They have random drug tests, they can have random citizen tests."

Interviewer: So, who do you think would do these random citizen tests, the employers or what?

Mackey: Yeah, the employers are the first line of defense but the grocery stores, cops, and any one else that provides a service for them should check. It's everybody's responsible if they want to change what is happening.

Finally, Brooks, the oldest contractor, ties the illegal issue to the economic threat concerns:

Latinos are a concern because many of them are illegal immigrants and that has a negative impact on any economy. If you have people here that will work for any wage and don't care about the overall welfare of the country because they can always leave, then it's going to have a big impact on the citizens who live here. Illegal immigrants make pay drop and going to affect the entire market.

Overall, these comments presented above express some deep concerns about the economic impact of immigrants, which for these White contractors are usually Latinos.<sup>49</sup>

Clearly, many of the White contractors view the increases in Latino participation as a "mixed blessing" in which they provide cheap labor, but Latinos also become an economic concern because they possibly drive down prices and profits. It should be noted, however, that White contractors, as well as others in this study, are very contradictory about their views of Latinos. On one hand, they see Latinos as good workers and instrumental to the industry and, on the other, they are threats to the very foundations of the industry and America.

In addition, they may be right in assuming that Latinos are taking some of the jobs within the construction industry. There is quantitative research that suggests that foreign-born groups can be threats to some native-born groups; however, it usually happens when native- and foreign-born education and skills match (see Borjas 2003; Rosenfeld and Tienda 1999). Possibly, the Latinos many of my contractors mention do not match, but I am not suggesting that is not possible when there is a comparison of Black, Latino, and White entrepreneurs. However, none

<sup>49</sup> Three of the fourteen White contractors did suggest that Romanian and African immigrants were present as laborers in the construction industry, but none of these contractors said anything more about these two groups.

of my White contractors reported that they had lost their businesses because Latino contractors had pushed them out. On the contrary, though, White contractors do perceive Latinos as moving up in the pecking order of construction; once they were laborers and foremen, and now they are business owners and contractors. Also, it may be possible the Latinos have surpassed Blacks even though they have been in the Atlanta construction industry for a shorter time. I further explain this in later chapters.

### *Blacks' Views of Competition*

In conjunction with their views on racism, Black contractors also viewed their competition as having two fronts: White and Latino competition. However, their discussions about competition tended to focus more on Latinos, like Whites, than Whites but suggested that Whites actually worked to not interact with Black contractors or work with them. Moreover, the Black contractors in this study viewed competition with Whites as minimal because they worked in different geographic areas and really participated in a, as Walters called it, "segregated industry...we do our job, they do theirs." Waldinger (1996) and Lee (2002a) find that Black business owners often find themselves owning businesses that are not linked to other racial and ethnic businesses, and they seldom have businesses that serve anyone other than African American clients. This is what Persons had to say about competition with Whites in construction:

They [Whites] really just don't want us around, is how I feel. I feel like they treat me like a stepchild or something. I mean I think they think Blacks can't handle the work or going to take over the industry because we have a connection to a lot of clients they don't have. Hell, we're Black and Blacks like to talk to Blacks.

Wilson also felt the same way as Persons but suggested that Whites really do not interact with Blacks because they expect Black contractors to work twice as hard to prove themselves. This is what Wilson stated:

I face it in every job I've ever had. Whites see me work hard, I really do and, you know, my dad always said, 'Wilson, you've got to work twice as hard to get anything because you Black,' and he was right. No promotions unless I'm spinning plates, typing, calling, and saving the world in the

same breath. It's the same in construction. Ain't no White contractor going to give a Black man a break. We are the last ones to be called, you know?

Jaeger, a newcomer to the construction industry at the time of our interview, found that he never really competed with Whites building houses. Here is how he saw competition with Whites and how he thought it would be if Blacks actually did compete with Whites:

We don't compete with whites because they won't let us. I bet they're scared we might out do them or something. But, they usually don't ask us to do too much with them, and I know that the Black contractors out there work just as hard and do a great job as any one else. They just don't want to give us a chance. But I'm sure they don't want to because we would go head-to-head with them on pricing and quality of service and we do too!

These three contractors have seen very little competition with Whites but they suggest that this lack of rivalry is really due to the industry being blocked by Whites. In other words, as Bentil (1989) and Waldinger (1996) suggest in their examination of Black business owners in construction, Black contractors do not have access to the niches that Whites have in the industry. These comments above, and some of the ones below, suggest that race does play a factor concerning access issues for Black business owners, which becomes more apparent in later chapters.

However, there are some of the Black contractors that suggested that they did compete indirectly with Whites on some projects and directly with them on others. Baker, a seasoned commercial builder located in South Atlanta, said this about competition with Whites:

I do compete sometimes with Whites on bids for big government and commercial projects but usually they don't want some of the ones I want, like building some schools or something like that because there is a lot of red tape. I don't see us even competing, really in residential construction because we build in different locations and for different clients. I'm really not even concerned that they would come and try this side of town because they have plenty to do. But when it comes to big money projects, that's where we really compete, like a prison, and they usually win.

Richards, who owns one of the largest Black construction companies in the U.S., stated that Whites are competition in several markets but not all of them:

White and Black contractors and real estate developers all bid for those large contracts, like building an office building or a ball park, but it varies based on what state you're in and what type of market you're in. I don't see a lot of Whites wanting to build subdivisions in south Atlanta for middle class Black folks or in some other state. We get along and work together, you know.

Farrell also found that he worked in different "circles" than most White electricians and rarely got calls from White general contractors. James suggests that Whites and Blacks do not really compete because of networking and contractors using their buddies or subcontractors they've always used, which is a factor I further discuss in Chapter 5. James stated:

White plumbers get a lot of the good contracts because they know 'Bubba Smith' who does all the housing or something, you know? We compete, but I don't think Whites are worried about us taking over, I think it is pretty hospitable. We live in a city were everybody gets a chance to unstop a toilet. Be, ah, ah, what is it, give you a pun here but there's a lot of shit out there to do so we don't need to worry about competing against one another.

James also suggested that while he does more "handyman" work, he also rarely gets called by White contractors to do entire bathrooms in a new or remodeled home.

On the outset, the Black contractors in this study do view Whites as not their strongest competitors because of various reasons, including closed niches or markets in the construction industry. More important, though, is the suggestion that the closure of these networks and niches is due to discrimination or racism. However, some of the Black contractors suggest that when they do compete with Whites, as Marcus stated, "They raise all hell, as you've probably read in the papers, when we [Black contractors] get contracts through the affirmative action programs used by the city. That's when we really go head-to-head on contracts, when the playing field is leveled."

Beyond the black-white competition for Black contractors was the worry of competing with Latinos in the Atlanta construction industry. Like Whites, their concerns focus on the economic and cultural threats of Latinos, who were largely viewed as immigrants. However, some of the Black contractors suggested that this competition was because Latinos really did not like Blacks and were less likely to work with them. Also, Blacks expressed their overall concerns with the increasing numbers of Latinos and what that meant for the industry and America. For

example, James, the plumber said this about Latino competition: "Hispanics, boy, Hispanics can work and they are working most of us out of a job because they cheaper and faster but they screw things up a lot too." Edwards also agreed with James' comment that Latinos would possibly challenge his job:

Mexicans and other Hispanics are coming up the ladder quick, boy, I tell you. Ten years ago they were just doing the labor, now they are all the subcontractors and some building houses too. We have to watch or they are going to muscle us out of the industry.

During his interview, Mitchell brought two of his friends; a White and Latino. He also felt that Latinos posed a threat because they were moving up in the ranks by using other businesses as their way to learn the trade:

The, uh, Hispanics are becoming a pain in the ass. No offense there Carlos. (looking over to his Latino friend and laughs). I think they are going to push some of us Americans, especially Blacks, into another line of work, selling pizza or something, because they are taking over. They do it all and for cheaper too.

Randolph even suggested that Blacks could possibly learn something from the way in which Latinos moved so fast in the industry. He stated this as we sat in his pick-up in front of a site with several Latinos working:

You know, we really need to watch Mexicans and takes some lessons because if Blacks worked and plotted the way they do, we would have gotten rid of slavery quick [because] they're a conniving group. For instance, they come to work and learn everything they can and then start their own business two weeks later. They also act like they don't speak English but you catch them sometimes speaking English to someone and say things behind your back or mess up something they're doing to screw up your budget or timeline. They are working us all out of jobs because they're plotting their way to the top through messing us up and learning all the skills for free.

Overall, these contractors view Latinos as an economic burden to their businesses because Latinos are getting into owning businesses that directly compete with theirs, which is opposite of the perceptions of White contractors. Also, like White contractors, some Black contractors view Latinos as an economic threat to the entire industry and their livelihood. Here is what Wilson stated about Latino competition:

A Mexican will take your job, especially if he offers to do it for less money. They don't get upset over doing it either. Two guys, I know well and work in the construction business, shut their business down because they couldn't compete. They great as laborers but watch them, they want to be your boss too.

Like the white contractor, Jack, Rogers also saw Latinos dropping the overall profits he made selling homes:

Hispanics are ruthless sometimes because they take jobs away from some people because, I agree with this though, they work better and don't bitch like Americans, but I used to be able to get about \$200 a square foot for a house, finished. That means about \$400,000 for a 2,000 square foot home. Today, I can't get that because Hispanics have driven the price of things down to where it is more like \$150 a square foot. That's some loss there. In addition, they make it impossible for individuals to get their feet wet in construction anymore. I had a friend who had a drywall business two years ago to introduce him to the industry, and he went bankrupt because he couldn't compete with the Mexican drywall crews that were underbidding him by like half. When will it be my turn to quit? There has to be some regulation or we're all out of a job.

In Rogers' comments we also can see that Black contractors provide the comparison of Americans and Latinos to explain the differences in prices and the problems of hiring Americans over Latinos; it cuts into profits. However, some other Black contractors, like Whites, point out that the economic threat of Latinos is also affecting their friends and the black community. Here is what James stated about competition with Latinos:

Some of my friends lost their jobs recently because the contractor wanted the work done quickly and for less money, even though he got a crappy product, you know? So, the Mexicans take these jobs and push some of us out in the cold.

Clearwater and Randolph also saw Latinos as a threat because they knew at least five subcontractors who quit their jobs because they could not compete with the pricing. In addition, two of Clearwater's regular laborers decided to go to work in manufacturing to avoid the problem of eroding wages caused by Latinos providing cheap labor. This is what Randolph said about Latino competition after talking about his friend's plight: "We need to watch them [Latinos]. They will soon take everyone's job because, I know, as a business owner, we want the best for the least amount of money and Hispanics fit the bill pretty well. Who knows, clients might be asking for a Mexican before they ask for me in a few years around here." In the comments

above, there are serious concerns expressed about how Latinos are replacing and taking over the construction industry. Even Rogers' comments suggest that he truly feels that his turn to lose his job to Latinos is coming soon. In addition, unlike the White contractors, several of the Black contractors had personal encounters or knew other Black contractors that had shut down their businesses due to Latino competition. Overall, these comments suggest a clear possibility that Black and Latino contractors may compete more than Latinos and Whites.

Black contractors' biggest complaint about Latinos was their use of public amenities without paying taxes. Of course, as scholars suggest (see Espenshade 1995; Jaret 2006), Latinos pay payroll taxes and sales tax when buying food, gasoline, or any other merchandise, even if they are undocumented immigrants. In addition, all fourteen of the Latinos' in this study owned homes and paid property taxes. However, this is what Marcus said about Latinos misuse of public amenities:

They are great to have around in this industry because they work hard but you know what gets me is that they make some serious money and I don't think they pay a single cent to replenish the public things they use like healthcare, schools, and parks. I mean I pay all of mine through legit means but most guys pay them under the table and that money never gets taxed. I mean the school system is overrun with them and my kids are losing out on their education because the teacher has to pay special attention to them.

Rogers also suggested that Latinos or, as he suggested, immigrants, are using more than their fair share of public resources:

I work hard to pay my taxes and get my benefits down the road. My dad did the same thing and my grandfather too. Many of the immigrants out there don't and that's not really fair for the rest of us. Hell, I'd like to not pay taxes either but I don't get a choice, they do.

Mitchell also thought that Latinos used too much public resources:

You know they are competing with Blacks now to get public housing and any kind of public assistance. I've seen them before, in the grocery store, with loads and loads of meats and stuff, paying for all with food stamps. You know they didn't pay any taxes to get it because they get paid under the table most times and are illegal aliens anyway.

Edwards felt the same way even though he recognized that some Latinos pay food taxes.

Everyone who lives in this country and reaps the benefits of our public school systems and roads and such has to pay some taxes. It ain't enough to pay food taxes, that ain't even used for schools. We need to be more aggressive on this tax thing so we can keep the boat a-float, you know? What we going to do when Hispanics are old and they want some social security? I guess they don't get it because they don't have a card.

Like Edwards, Walters indicated that Latinos should not only pay taxes but be legal residents. He also pointed out that there is a history of struggle between immigrants and Blacks and that African Americans have to be careful in aligning interest with immigrants:

That in order to get the American services provided by welfare systems and schools, they got to be legal. You can't get it unless you legal and you pay for it. Black folks need to remember also that we've got a history struggling against immigrants replacing Blacks on the assembly lines in Chicago and other places and this time isn't any different. We need to be careful in siding with immigrants that includes Hispanics today.

Wilson also stated something about the issue of illegal immigrants and how they affected the construction industry and the country:

Clearly we need more restrictive policies because Latino immigration is out of hand. More and more are coming illegally and more coming means they will change our culture. I don't really want to go onto a job site and have to switch languages, eat their food, or listen to their music. And I should say this, I don't mind if Latinos come as long as they understand they have to come legally and they have to learn English.

While Latinos do receive food stamps, the state of Georgia attempts to not provide food stamps to any person unless the individual can furnish a social security card or legal status papers for each of the individuals receiving assistance in the household.<sup>50</sup> In addition, the Welfare Reform Act of 1996 significantly cut any welfare to undocumented immigrants and left the states to choose whether undocumented individuals receive assistance (Rodriguez 1999). In Georgia, the only assistance that the state formally provides is some assistance in getting housing, providing free food from a food bank, and it allows undocumented children to attend public schools.<sup>51</sup>

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<sup>50</sup> The Georgia Department of Human Resources post information on the requirements of receiving food stamps (<http://dfcs.dhr.georgia.gov>).

<sup>51</sup> Information on benefits comes from the Georgia Department of Human resources (<http://dfcs.dhr.georgia.gov>) and the school information comes from a report published by the Center for Immigrant Studies (<http://www.cis.org/articles/1995/georgia.html>).

Overall, Blacks face competition on two sides. First, they face some competition with Whites. However, most of the Black contractors in this study suggest that they rarely cross paths or work in the same circles as White contractors. As a few suggest, they believe that Whites have a few protected niches in the construction industry in which they do not have access to most of the time. This would match some of the White contractors' previous comments that they also rarely see or work with other Black contractors in their service areas. This may suggest that Whites have protected niches in the Atlanta construction industry; which becomes more apparent as I discuss networks in Chapter 5.

Second and most important, Blacks compete with Latino sub- and general contractors. As suggested in the comments above, several Black contractors worry about Latinos taking their jobs or reducing their profits to where they will have to close their businesses. In fact, unlike the White contractors who suggested Latino are beginning to pose an economic threat to them, several Blacks had personal stories or knew several Black contractors that had been effected by the recent influx of Latinos into the Atlanta construction industry. They also worried that Latinos use up public resources without earning them, which is a color-blind ideology that Whites use to explain Blacks' misuse of public resources (see Bonilla-Silva 2001; Schuman et al. 1997; Kinder and Sanders 1996). In addition, this competition between Blacks and Latinos may stretch into concerns about limiting Blacks' access to other resources outside of jobs, which would challenge their perceived social position in Atlanta. For instance, Chapter 1 suggests that many African Americans have obtained better jobs and higher wages in the last twenty-five years. In addition, Bayor (1996, 2000) suggests that Blacks have also gained some important political positions in Atlanta, and some have been able to obtain better housing and public service since the 1950s. But, as these respondents suggest, Latinos are beginning to challenge the jobs and resources that

Blacks have obtained in Atlanta. Thus, as Blumer (1958) and Espenshade (1995) suggests, prejudice and anti-immigrant sentiments become bitter as resources are challenged. In fact, Diamond (1998) suggests that, as Walter and Wilson's comments indicate, Blacks are more likely to support stronger immigration laws when they felt that their jobs or resources were threatened. There is also a clear history, as suggested by Wilson, in which Blacks and Latinos have struggled over jobs and other resources in the past. As Frederick Douglas once stated: "Every hour sees the black man elbowed out of employment by some newly arrived emigrant, whose hunger and whose color are thought to give him a better title to the place; and so we believe it will continue to be until the last prop is leveled beneath us ..." (Fuchs 1990:295). This rings true in what Richards suggests in the following answer after I asked as to whether Blacks and Latinos will form any alliances in the future:

Blacks have worked hard in Atlanta to get it to the point that it is, where we are respected and I don't think we won't to let go of that. I'm sure that we have problems still with racism in this city, but there shouldn't be a divvying up of things to hand them over to another group. We need to talk about this first because Blacks are important to this city.

However, as Rogers suggests, there are not clear reasons for Blacks to align with Latinos:

You know, I know they don't like us and they know we don't necessarily like them, you know? Because I, whether they know this or not, I can speak a little Spanish and they are always back-talking and saying rude shit to me and other Black contractors. We don't have to get along, but you're damn straight, I'm going to use them and I ain't going to pay them more.

### *Latino Views of Competition*

In many ways, I felt as though my Latino contractors did not want to discuss the competition they had in the construction industry. As suggested earlier, in my discussion of Latino views of race relations, most of the contractors viewed their relationships with Whites as pretty good and very few of them actually suggested some sort of problem. For example, Ortega, one of the more successful Latino contractors I met, had this to say about his view of the relationships between Latinos and Whites:

White contractors don't see us as a threat, they see us as a blessing and so do we. Whites are the ones that provide us connections to bigger and better projects. In turn, we provide the best laborers, carpenters, and technicians. That's the deal we have, and I think we are fine in this way. I also know that there is a lot of people out there saying that Whites and Latinos can't get along. Come look at one of my construction sites, there's no one fighting, they're working because the job has to be done.

Sosa, another very successful commercial contractor, also suggested some of the same things about the relationship between Latinos and Whites:

As Latinos, we work hard and do a good job regardless of who we are working for, and that includes Whites. In fact, Whites are my number one customers in most instances because we understand each other and understand that it is about business. You can't bring your personal feelings to the job, that's how you lose money. We have, what is it called, a symbiotic (stumbles over the word) relationship. I help them, they help us.

Obviously, it seems that these two contractors view their relationships with Whites as reciprocal and, as Sosa suggests, not clouded by competition or notions of challenging each other's social position, which may suggest that Latinos have been accepted as model minorities for White contractors (see Bonilla-Silva 2003). However, like Blacks, some of the other Latino contractors, whose companies are not as large as Ortega and Sosa's, find that they too do not compete with Whites but it is because they have not participated in the same niches, as the Black contractors suggested earlier. They do, however, believe that when they do compete with White contractors that it will be met with some complaints. Gutierrez stated this when telling me about how he compares to White contractors:

You know, I don't think we compete with Whites because we, as Latinos, haven't really made it into their realm of work. Most of us are subcontractors, like me, I'm a mason, even though I just started building houses. Whites have not had to deal with us yet because we haven't got involved. I'm sure though they will all scream when we do because they already complain about us on the subcontracting side, saying, 'the Mexicans are going to take our jobs away and all of our profits.' They cry wolf a lot, you know?

After being in construction as a home builder for two years, Martin stated this about White competition:

We, as Latinos, are very strong and good at business, but we have not worked our way into the upper echelons of construction because I don't think many Americans want us there because we will work better than them. In fact, I have heard Whites tell me, as a home builder, that they are

afraid of what is coming with all us Latinos learning the trade. They say they are going to lose their shirts and they are probably right.

Ramirez also felt that White contractors were probably afraid of Latino competition but that it has not happened yet.

Ramirez: Yeah, I compete with some White builders but not too many. We work on different things, like to do some remodeling of condos, like this one (pointing to a condominium complex). I haven't really gotten into the houses yet.

Interviewer: Do you think you will meet some resistance once you go into home building?

Ramirez: No, not too much because by then there will be more Hispanics in that area, but I'm sure it's going to turn some of the other contractors' heads and they will probably get upset, (stating with a high-pitched voice) 'Oh No! Look out, here come the Mexicans!!'

However, again like Blacks, there are some Latino contractors that suggest that there is little competition with Whites because White contractors withhold, or are less likely to share, contracts and opportunities. Lopez, a general contractor for four years, stated this about White competition:

Finding contracts and building houses is tough sometimes, you know? Especially when you have connections to some important White contractors and they give you some leads, but usually they give you leads to only small jobs or you have to work as a subcontractor. They don't necessarily want Hispanics doing similar jobs to them or want to see us do it better.

Diego, who has been in construction most of his life in various roles, also found that Whites were less likely to give him better contracts because they only see him as a mason and not anything else.

Sometimes I feel like I am passed over for a job, not because I am a bad worker or my company is no good. It is because Americans don't want us to do any jobs that they think it is above us. 'Sure, Diego is good brick, stone mason but I don't think he can handle the concrete job for a subdivision or do a basement.' They don't want us doing things that they can do and make some money.

Finally, Castillo has had the same experience with White contractors: "We get jobs plenty but I do believe that some contractors that are established like (he names a white contracting company) don't want us in certain markets because that's their territory." Overall, this becomes a prominent theme throughout my research in which Latinos, as well as Blacks, find that larger White contractors are less likely to include or subcontract with them.

On the other hand, though, Lorenz, Gutierrez, Munoz, and Ortiz, who are all Latino subcontractors, suggest that they face serious competition with Whites. Moreover, that this competition sometimes leads to hostile confrontations. Laughing and puffing up his chest, Munoz, a painting subcontractor, said this about his experiences with Whites:

Whites are fierce competitors in the painting business. Latinos have pretty much pushed them all out of this particular field, but some are still hanging in there. But, you know, they can't compare to the quality and performance of my company, and we are all about service, fast, friendly service. I've even had white painting companies try to steal my employees and I think, I think, one time a company vandalized this buildings I had painted by throwing red paint on it, and it was white.

Ortiz, a drywall subcontractor stated that he knows that Whites and Blacks hate that he is so successful.

The drywall business has a mix of Blacks, Hispanics, and Whites, and we are all trying to out do each other. Whites try to say they're better because they are from here and speak English, and Blacks try to say that they will do it cheaper than us but they end up taking longer. So, people come to us because they don't care if we speak English, they just want the work done. Just last week, I even had some White bastard yelling at me and my crew one day, 'You guys suck and you're taking all my jobs away, you illegal fucks!', or something like that. Well, of course, we all replied to him with a finger in the air, but that's the kind of shit you deal with in this side of the industry. We are competitive.

Lorenz, a mason for almost twenty years in Atlanta, indicated that his brush with White is usually pleasant, and they have a good business relationship. However, there are those that do not want to see Latinos doing a skilled trade like masonry. Here is what he said about one incident that happened to him when he first moved to Atlanta in 1988.

You know, at first, getting into the mason business was pretty easy because I had done it before and knew how to get it done, but I had to go around and talk to contractors building houses to get started. Well, I found some that wanted me and some that didn't. [Because], first of all, I wasn't the right price for them for some reason and sometimes, not all the time, some White contractors said to me that they did not want to hire Hispanics because, I don't know, they did not trust us and felt we were going to be a problem. Even one guy said, and this always sticks with me since I've been in business since then, 'You never make it here bud, you might as well go back to Mexico.' (We both laugh).

Within the subcontractors' comments, we can see that competition can exist and lead to more aggressive attitudes between Whites and Latinos. Thus, this indicates what Latinos might face as they enter general contracting. It also suggests that, for the most part, Latinos do not suggest, unless inadvertently, that they feel that they are competing with Whites for business. In fact, the

only negative views of Whites in this way were expressed by the Latino subcontractors. In short, these two groups may at this time, in the Latino contractors' perceptions, not share a close proximity in the stratification hierarchy within the construction industry. However, based on the White contractor accounts above of Latino-White competition, it seems that it is really fierce, which presents a contradiction.

Latino contractors do, however, view Blacks more like adversaries in this industry than Whites. But, still they do not view Blacks as strong competitors and only twice did any of my Latino contractors suggest that Blacks were causing them economic hardships by beating them out of a job. Of course, as Sosa stated, "Blacks are hardly in this industry at all. They are sometimes the electricians and plumbers, but I never really see them building houses or doing commercial jobs. Very few." In a way, Sosa is right because there are only 4,171 Black-owned, 5,461 Latino-owned, and over 45,000 White-owned construction-oriented businesses in Atlanta, as of 2002 (US Economic Census 2006a, 2006b). However, some Latino contractors do view Blacks as competition. Rodriguez, a part-time general contractor, who continues to be a laborer most of the time, stated this about Blacks and competition:

We compete for jobs and contracts, especially when it is small houses and remodeling projects. But I don't think we are on the same level because Blacks don't like to get dirty or do this kind of work. They also are more likely to say, 'I don't want hire any Spics,' than we are to say, 'we won't hire Blacks,' you know? They don't want to work with us and that is fine.

Lopez and Ramirez felt the same ways about Blacks and competition, which actually ties back to comments made by Black and Latino contractors, suggesting that relationships between these two groups are strained and unlikely to form alliances. However, only a few of the Black and Latino contractors had any clear reasons or experiences that emphasized these growing tensions. As Quinones stated to me when talking about how he relates to Blacks, which is something similar that Black contractors suggested about White contractors:

Blacks are okay and think we would get along, but we don't trust each other. Let's face it, too, we run in different circles and when we are working together, we separate ourselves so we don't have to interact or get into it. I believe that we compete overall as business owners in the industry, but I never hardly ever see a Black working the same site or bidding for a job that I am doing.

Quinones' comment concurs with the White contractors' suggestion that Blacks are not involved in certain parts of the industry and here, possibly, these Latino contractors demonstrate that the industry is segregated by occupations and business ownership, as suggested by the Black contractors. This becomes even clearer when I discuss self-employment and hiring practices. Although there is little perceived competition, the feelings expressed by Blacks earlier about competition with Latinos still exists, and this suggests that the perception of a threat may come from one direction in this relationship. This is clear in some of the comments I point out that Latinos view Blacks in a negative way, which possibly indicates, as Bobo (2000) suggests, that Blacks are in a social position that is less threatening to Latinos because Blacks are marginalized by all groups. However, Blacks feel threatened by Latinos because they are supposedly immigrants, which have endangered them economically in the past. But, as Lopez and Pantoja (2004) suggests, it may be that Latinos are in the middle of two polar opposites when expressing negative racial attitudes and conflict with other groups.

Finally, Latino contractors suggest that their strongest competition is Latinos and newly-arriving Latino immigrants. In addition, discussions about how Latinos are in competition with themselves brought out discussions about immigration. As suggested, when discussing intra-group hostility among Latinos, some of the Latino contractors viewed different ethnic groups within the Latino community negatively, based on their relationships outside of the context of America. Moreover, as Binder et al. (1997) and de la Garza et al. (1993) suggest in their studies of Mexican American attitudes toward immigration, many Latinos' support of immigration can

shift to more restrictive opinions after they have lived in the U.S. longer or no longer feel any cultural connection with new arrivals of coethnic immigrants.

Both Ortiz and Gutierrez suggested that Latinos are their real competition because they all work in the same professions, with the same builders, and in the same area of South Atlanta.

Gutierrez stated:

All this talk about Whites and Blacks as competition really doesn't characterize what I see. For me, you know, I compete with Hispanics for contracts. We have to try to out bid each other and it can get crazy because we don't want to work for nothing (Laughs), because we do it for cheaper right?

Ortega suggested the same thing but emphasized that Latinos have to be careful in not bidding too low because the rest of the industry will begin to expect the lowest price always comes from

Latinos. He stated:

I think we compete with everyone, as I have told you, but we do compete most often with Latinos because of the type of businesses we are in. But, I tell all of my Latino competitors that we need to be cautious of our bidding wars, I like to call it. While the best man should get the project, we don't want to set up a hurdle for us to trip over later where we can't earn any money because everyone

wants the lowest Latino price. That's why we have to come together as a business community, to make sure, excuse me, don't screw each other because it is already happening.

Castillo also suggested that Latinos fight for the same contracts and have to be cautious because it will hurt everyone's business in the end.

We have to consider that I am not just competing against Whites, or Blacks, or Asians, or something, I'm also competing against a Hispanic contractor that does it as well as and as reasonably priced as we are doing it. And if you don't know anything about Hispanic culture, we want to make money and we will do what it takes to get it. It is a dog-eat-dog world and this industry both dogs are Hispanics, so we need to be careful and make sure that we are keeping our prices fair.

Here, even these Latino contractors are concerned about the impact of Latinos on the construction industry. However, there is a clear call for cooperation between Latinos to deal with this possible intra-group threat that is not really suggested in any of the Black and White contractors' comments. Like White and Black contractors, some Latino contractors also suggested that the continued arrival of new immigrants could have an impact on them. For

example, Martin, who came to the U.S. five years ago on a work visa, stated this about his concerns of recent immigrants:

Martin: If they are as half as hungry for work and new experiences, then I am afraid of what is to come because I don't know if there is enough to go around.

Interviewer: What resources do you think will dry up if more immigrants come?

Martin: Ah, ah, jobs, housing, anything that isn't nailed down, especially Mexicans because they come here and see all the wealth and what they can have and they forget about home and just absorb what's around them.

Lopez, a Mexican American, stated something similar to Martin's comment about increases in immigration:

As you know, Mexicans come here because they know somebody. They come, their mothers, fathers, sisters, and brothers and everyone else in the town comes here to make it big. It is never-ending and that could become a problem because, one, there will be no one left in Mexico and two, they will suck up all the jobs and make me enter another profession.

Another Mexican American, Ramirez stated that there should be concern about the levels of immigration, but he did not want to suggest that people cannot come to the U.S. to make a better life for themselves. He stated, "Don't get me wrong, I'm a Mexican American and everyone should have the right to come here but we have to be careful in how many, there is only so many jobs and opportunities, there will be over-saturation."

In general, these comments suggest that those Latinos who have come here recently and those Latinos who are native-born citizens have some concern with immigration levels because they view it, as Whites and Blacks do, as a possible threat to the economic stability of the industry and America. Possibly, new immigrant arrivals could decrease wages and become the business owners of tomorrow, threatening those Latino contractors today. However, this was not, by no means, how the majority of the Latino contractors discussed immigration or how they viewed Latinos. All of my Latino contractors were in more support of immigration than against; even those individuals that I cited above. As Ortega, a self-proclaimed "Texan," stated: "We

have to support one another, legal or illegal, because that's our people," which suggests an affinity for those that have a similar background, even though it may be generations apart. However, it does show that there could be some perception of competition because Latino immigrants and Latino Americans share a similar social position in America today, which is where most White and Black contractors place them in their comments. Overall, though, Latino contractors' views of competition are less aggressive than White and Black contractors.

## **CONCLUSIONS**

Whether they openly did it or shrouded it with color-blind phrases, race and ethnicity matters for the contractors in this study. In this chapter, each group of contractors confirmed much of the findings reported by researchers on racial attitudes and attitudes toward immigration. First, White contractors continue to view Blacks and Latinos in negative ways, suggesting that much of the disparities and issues Blacks and Latinos face are due to their work ethic, culture, or the power of competition. More importantly, this color-blind discourse hides the fact that Whites have power and privilege in the construction industry. This discourse also attempts to suggest that everyone has an equal chance of succeeding in construction business ownership if they try hard enough. However, as Whites usually point out, not very many Blacks or Latinos have what it takes to succeed in this industry, which is more apparent when they discuss issues of competition. Their discussions of competition also point out that there are some concerns of Latinos challenging their positions, which increases, as Blumer (1958) proposed, prejudice and discrimination toward Latinos.

Second, Black contractors continue to suggest that racism is still a salient issue and that Whites continue to be the culprit of why they face discrimination. However, they also now face racism from Latinos, which, as some contractors suggest, characterize a Black versus everyone

else situation. In fact, Black contractors suggested the most instances of competition with Latinos and felt that they personally challenged every facet of their livelihoods. Some scholars, such as Gans (1999), suggest that this black versus non-black dichotomy will be the new order of the American racial hierarchy. However, as Bonilla-Silva (2003) and Gallagher (2004) point out, this dichotomous hierarchy is not as new as we think; Whites have long included and excluded groups into honorary white status. I contend, though, that this relationship between Whites and Latinos may be an exploitative relationship that is more about an economic opportunity for Whites to tap into a source of cheap labor. This is obvious in how Whites view Latinos as economic and social threats. Moreover, while Whites consider the Latino work ethic as wonderful, they view them as incapable of running a successful business like Blacks. Thus, as Gans (1999) suggests, this relationship may not last and Latinos may find themselves in the "Blacks only" category again. For me, this seems to be coming true because many of the White contractors viewed them as an economic challenge to their livelihood; thus, placing their relationship with Latinos as strictly in an employer-employee relationship mode. We also have to add on the growing tensions about unauthorized immigration in the U.S. and in Georgia, which could send those Latinos accepted as White, literally, packing back to their previous minority and "undesirable" statuses. Especially, since there is a history of White rejection of Latinos in the U.S., such as the repatriation of thousands of Mexican immigrant and Mexican American families during the 1930s and the Proposition considered in California in the 1980s through the 1990s (see Balderrama and Rodriguez 1995; Guerin-Gonzalez 1994). In short, very few White contractors in this study have strong ties to either Blacks or Latinos and if they do, then it is marginal at best.

Third, Latino contractors tend to view racism and competition differently, based on their perceived relationships with Whites and Blacks. In this chapter, Latinos view their relationship with Whites as symbiotic and beneficial; thus, reducing any possibilities that Whites are racist toward them. However, this relationship, again, seems to be one-sided as the White contractors' comments suggest. The Latino contractors' relationships with Blacks are very negative and competitive. Clearly, Latinos' attitudes about Blacks match White attitudes. For instance, many of the Latino contractors suggested that Blacks were incapable of doing well in this industry, which is something the White contractors said as well. In addition, Latinos felt that racism and competition was something they had to deal with on three fronts. Other newly-arriving Latinos represented the greatest threat to most of my Latino contractors' positions in the construction industry because, as one contractor suggested, Latino immigrants could work for cheaper and could ruin their image and status in Atlanta. Overall, this competition with other Latinos also pushed some of the Latino contractors to express some of the same resentments that Whites and Blacks suggested about immigrants.

One of the more important findings to take away from this chapter is the power of color-blind ideology. All three groups in this study used color-blind ideologies to downplay the significance of race and racism in almost every instance. While all three groups suggested that a good work ethic, dedication, and commitment were the keys to success, only a couple of Black and Latino contractors mentioned that their skin color stacked the odds against them. Moreover, each of the groups accepted and reinforced this color-blind ideology by explaining the differences between each group. However, in the end, this ideology hides the fact that Whites continue to be at the top of the pecking order in this industry. Gallagher (2003a) suggests that the power of color-blind ideology is that race is still important in the conversations but the racial

hierarchy it creates disappears. In this chapter, Whites, Blacks, and Latinos never overtly mention that there is a hierarchy. They all truly believe that they can achieve anything, regardless of skin color. Even though some Latinos and Blacks mentioned that they felt that Whites excluded them, none of them suggested that the hierarchy was the issue, but they just did not work in the same circles or niches. In fact, White contractors suggested that they never really competed with Blacks or Latinos; however, there was a clear concern of competition between Blacks and Latinos. Here, we see the product of color-blind ideology; Whites continue to be at the top of the Atlanta construction industry, which is veiled with fervent support of individualism and self-reliance by all groups and the squabbling between minorities.

As I pull back from this narrative and relate back to my first paragraphs of this chapter, it is clear that race, ethnicity, and nativity matter in the city too busy to hate. While the blatant distaste and hatred that existed in Atlanta and the South in the 1950s and 60s has dissipated, the racist sentiments, stereotypes, and most importantly, the racial hierarchy the past created is still very much present today. Feelings of fear and animosity between groups have continued to control and shape these contractors' racial attitudes because of the persistence of competition between racial and ethnic groups, reinforcing the racial hierarchy that privileges Whites. Whites still view Blacks in very stereotypical ways, even though it is cloaked in color-blind language. Also, with the addition of another significant ethnic group, Latinos, the increase in competition has brought about more prejudicial and racist attitudes. The task at hand now is to show how these racial ideologies presented become a part of the social structures of the construction industry. From here, I turn my attentions to showing how race, ethnicity, nativity, and racism matter for the business owners in this industry. I also show how the color-blind attitudes

continually preface each of the contractors' inclusion in the construction industry and their own actions, represented through their hiring practices.

## Chapter 4

### ENTREPRENEURIAL CAPITAL: HUMAN, CULTURAL, AND FINANCIAL RESOURCES

Entrepreneurship or self-employment represents an important avenue of social mobility for most racial and ethnic groups. Not only does it provide the means to be economically prosperous, it symbolizes the ultimate objective in fulfilling the American Dream for Americans and immigrants alike (see Bates 1997; Butler 2005; Light and Rosenstein 1995; Light and Gold 2000; Steinberg 1989; Waldinger, Aldrich, and Ward 1990; Waldinger 1996). Blackford (2003) points out that most of America views self-employment and small businesses as part of the American Dream. He states:

...the love affair of most Americans with business has focused especially upon small business. From the time of Thomas Jefferson to the present, many Americans [and immigrants] have seen the owners of small business as epitomizing all that is best about the American way of life (Blackford 2003-4).

Oliver and Shapiro (1997:45) also state that self-employment "both in reality and in myth" is the most "celebrated path to economic self-sufficiency" because it produces wealth that usually surpasses regular-wage occupations.<sup>52</sup> Entrepreneurship, more importantly, is the catalyst of rags-to-riches stories of American successes (see Light and Gold 2000; Steinberg 1989). From the tale of the poor immigrant, Horatio Alger, to the dynamic accomplishments of Bill Gates, the

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<sup>52</sup> Oliver and Shapiro (1997) suggest that while entrepreneurs, in comparison to people in the labor market, do not have dramatic increases in income, they do accumulate more wealth. Wealth "signifies the command over financial resources that a family has accumulated over its lifetime along with those resources that have been inherited across generations" (Oliver and Shapiro 1997:2). On average, the wealth accumulation of entrepreneurs is usually two to three times higher than a regular wage earner's wealth. Although this wealth does not always directly benefit the entrepreneur, it does provide the next generation with more opportunities for better life chances such as obtaining a better education or a better career than past generations. In short, unlike income, wealth creates opportunities that secure a desired stature and standard of living. However, this is not necessarily true for all racial and ethnic groups. For example, Butler (2005) suggests that while Blacks have had strong histories in self-employment since the American colonial period, their relative accumulation of wealth has been thwarted by racial discrimination that has trapped Black business ownership in service-oriented businesses that only serve the Black population and not a broader, mixed population; thus, decreasing overall opportunities and increased profits.

success of entrepreneurship for individuals and groups has reinforced important American achievement ideologies of a strong work ethic and self-reliance, suggesting that "individuals do not inherit their social status, they attain it on their own" (MacLeod 1995:3). In fact, many view self-employment as the way to overcome economic disparities and adversity they face because of their gender, social class, or race/ethnicity. As Light and Gold (2000:4) state, even the most "despised and disadvantaged" minorities are able to use entrepreneurship as a way to circumvent discrimination to rise toward the top of the American hierarchy.

Entrepreneurship has also been one of the major factors in shaping cities. Some researchers suggest that cities, historically, have heavily relied on entrepreneurship to create and sustain it (see Blackford 2003; Chudacoff and Smith 2000; Light and Bonacich 1988; Light and Rosenstein 1995; Waldinger et al. 1990; Waldinger 1996). As Light and Bonacich (1988:8) state, entrepreneurship, especially immigrant entrepreneurship, is "a potent economic force in big cities because it increases commerce, creates jobs, and encourages more people to move to the areas." Atlanta is a city that has had substantial increases in self-employment over the last twenty-five years. In the 1980s, Atlanta's number of self-employed individuals has increased from little over 150,000 to about 327,000; a 118% change (US Economic Census 1997). By 2004, *Inc. Magazine* identified Atlanta as the best place for entrepreneurs to succeed in comparison to other large metropolitan areas such as Las Vegas, Jacksonville, and Ft. Lauderdale (MACOC 2005a). In addition, since the 1980s, the Atlanta metro area has successfully developed ways, such as the minority set-aside program for Atlanta city construction, to make self-employment for Blacks and other minorities possible.

From 1997 to 2002, the percent change in Black self-employment in the Atlanta metro area was about 62% (64,875 businesses in 2002) (US Economic Census 1997, 2006a, 2006b).

Also, Latino self-employment saw a percent change of 56% from 1997 to 2002 (18,310 businesses in 2002) (US Economic Census 2006b). However, White businesses account for over 90% of all businesses in 1987, 85% of all businesses in 1992 and 1997 (US Economic Census 2000a). As of 2000, Whites continued to be more likely to be self-employed than all other major racial and ethnic groups.

Based on a 5% sample of the 2000 U.S. Census of the Atlanta metropolitan area,<sup>53</sup> Table 4.1 presents the percentages of self-employed and not self-employed in Atlanta by racial and ethnic group. In these results, Whites in Atlanta have the highest percentage of self-employed (7.0%), and Asians are a very close second (6.9%). Latinos have the third highest rate (4.7%) and Blacks the lowest at 3.2%. This matches the findings suggested by the U.S. Economic Census since the 1980s for all four groups in the Atlanta area. Table 4.2 presents a percentage of self-employed by racial and ethnic groups and industries in the Atlanta metro area in 2000. For Whites, the highest percentages of self-employed are in professional and managerial (23.7%), construction (22.3%), and service (13.3%) industries. Whites also represent about 60 to 80% of all individuals self-employed in every Atlanta industry. Latinos have an overwhelming presence in construction (38.3%), and Asians have the highest percentage of self-employed in service industries (40.2%). Blacks, on the other hand, are high percentages in services (22.1%), professional and managerial (19.7%), and construction (17.6%) industries. Although there is a clear presence of each group in each industry as entrepreneurs, there are also clear differences in which industries they participate in as business owners; however, as several researchers suggest and I find as well, these differences are due to several reasons; one of the most important being that business ownership is encased in a racialized U.S. economy.

In this chapter, I begin to answer my second research question which asked whether Black, Latino, and White business owners were similar or different in their access to self-employment. Moreover, is their overall entrepreneurial success determined by their individual efforts and could their race or ethnicity affect their chances of inclusion in the right networks? I split the answer to this question into two chapters. This chapter assesses whether three types of resources that are identified by scholars, and my respondents, are similar or different across the three groups in this study. They include human, cultural, and financial capital, which I identify as "entrepreneurial capital." Light and Gold (2000:84) identify these resources as "class resources," which are "vocationally relevant cultural and material endowment" that enable them to run their businesses in a formal industry sector. They also suggest that these resources are usually considered as capital that business owners have to personally acquire, provide, or have the right connections to obtain. Waldinger et al. (1990:22) identify these resources as one of five major elements in determining the overall success of business ownership in the U.S. and western Europe (i.e., "resource mobilization"). My respondents viewed these three forms of capital or resources as the most important elements in making or breaking an entrepreneur. I argue that they do matter in differentiating which racial and ethnic group becomes able to better access self-employment. However, I also suggest that, in many ways, these three forms of capital are secondary in comparison to social capital, which I discuss in the next chapter.

### **THE PROBLEMS WITH SELF-EMPLOYMENT**

The relative success of self-employment is different across racial and ethnic groups. Bates (1997) suggests that self-employment is deceptive in its ability to create a direct path to obtaining the American Dream. Overall, Whites tend to be more likely to be self-employed. Based on rates of entrepreneurship in 2002, 13% of all Whites in the civilian labor force were self-employed but

only 5% of Blacks and 6.1% of Latinos were self-employed, even though they are the largest minority groups. However, Asians, in 2002, had 12.4% of its civilian labor force self-employed, almost matching the rate among Whites.<sup>54</sup> Some Asians groups, such as Koreans, have far surpassed self-employment rates of Whites with almost 30% of Koreans owning a business (see Bates 1997; Light and Bonacich 1988; Fairlie 1996, 2004; Lee 2002a; Min 1988, 1996; Yoon 1997). Fairlie (1999, 2001) also suggests that Blacks and Latinos are two and three times more likely to fail or leave self-employment than Whites. Even with the significant increases of minority self-employment since the 1970s (at least a 2% to 3% increase each year),<sup>55</sup> Black and Latino business ownership still does not surpass the percentage of White entrepreneurs in any industry.

Minority self-employment does not produce the same amounts of economic prosperity as Whites. For example, Fairlie (2001:ii) finds that Black and Latino business owners earn 35.5% and 18.9% less than White business owners, respectively. In addition, Black and Latino profits are almost 54% and 52% less than Whites, respectively. Lee (2002a) also found that Korean business owners' profits in New York City and Philadelphia were less than what they expected and barely pay for the various bills entailed with owning a business (i.e., employee wages, rent on property, supplies/merchandise). In fact, in Bates' (1997) study of Asian business profits, he found that White-owned businesses cleared almost \$80,000 more a year in profits in comparison to most Asian companies. In fact, Fairlie (2004) suggests that the earnings of many self-

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<sup>54</sup> These statistics come from a comparison of 2002 American Community Survey estimates of the civilian labor force (2002 ACS, Summary Tables, Detailed Tables, PCT 048B,D, J, K) and the U.S. Economic Census' report of 2002 self-employed by race and ethnicity (<http://www.census.gov/econ/census02/>).

<sup>55</sup> Like Fairlie (2004) finds and is further collaborated by new Economic Census data on business ownership, minority business ownership has steadily increased since the 1970s. In 2002, Blacks owned 1.2 million businesses out of 23 million (5% of all businesses), ranking them third in the number of businesses. Also, Blacks rank second in Georgia and Atlanta to Whites in owning the most businesses (90,480 businesses in Georgia and 64,875 businesses in Atlanta) (US Economic Census 2006a). Latinos and Asians owned 1.6 and 1.1million businesses, respectively, but Whites still own the most with 19.9 million businesses (86% of the total 23 million businesses) in 2002 (<http://www.census.econ/census02/>).

employed individuals are less than their wage-earning counterparts, except for Whites, where self-employment earnings are higher.

Finally, minority ownership rates are also lower in every industry sector in comparison to Whites. For example, as of 2002, Whites own 2.6 million, or about 90% of all construction industry businesses in the U.S.<sup>56</sup> The closest group in ownership to Whites in this industry in the U.S. is Latinos with 212,221 businesses, which represents about 7.6% of all construction businesses. Based on Table 4.2, Blacks are second and Latinos are third in owning the most construction businesses but are little less than a quarter of the total (23%), whereas Whites are over 77% of the total. However, there are industries in which minority groups have a stronger presence. For example, the U.S. Economic Census (2006c) suggests that Asians have the largest number of retail businesses in comparison to their overall population in the U.S. In addition, Latinos have the largest concentration of business owners in the construction industry across the U.S. and, more importantly, in Atlanta. (Kochhar 2004c).

Scholars suggest several factors that can explain the differences in access and success in business ownership. The most significant factor in determining these differences is the racialized structure of the American economy; decades of racial discrimination, segregation, and preferential treatment of social institutions (i.e., the educational system and banks) which have made White businesses sustainable and successful (e.g., Bates 1997; Butler 2005; Fairlie 1996; Hodge and Feagin 1995; Lee 2002b; Light and Gold 2000; Light and Rosenstein 1995; Omi and Winant 1994; Waldinger 1996). For instance, Butler (2005) suggests that Blacks have been very successful in owning businesses, but much of their success has been crippled by outright hostile and racist attacks by Whites (e.g., Tulsa riot of 1921) and enforced segregation (i.e., limiting

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<sup>56</sup> As of 2002, the majority of all businesses in every sector are owned by Whites and minorities still follow far behind (<http://www.census.gov/econ/census02/>).

access to white customers). In addition, many Black and Latino business owners have reported that they have faced discrimination when attempting to get loans from banks, buy supplies from warehouses, or attempt to process necessary paperwork through municipalities (see Bates 1997; Bentil 1989; Boston 1999; Hodge and Feagin 1995; Kijakazi 1997; Light and Gold 2000; Spener and Bean 1999; Squires 1994; Waldinger 1996). Waldinger et al. (1990:22) identifies the structural elements that restrict access and success in self-employment as "predisposing factors," which can be overt laws developed to impede minority business ownership or the entire stratification system supported by a society that favors one group over another.

Some researchers suggest that location, type of clientele, and the type of business an individual owns also determines overall self-employment entrance and sustainability. For instance, researchers have found that Asian businesses that have located in areas that have co-ethnic protection and support, as well as a customer base that needs services that are hard to access, (because of prices or physical locations), have helped make self-employment a viable option (see Alba and McNulty 1994; Lee 2000; Light and Gold 2000; Logan, Alba, and Dill 2000; Waldinger 1996; Yoon 1997). In addition, access to a racially diverse and affluent clientele or being "middleman" entrepreneurs has helped some groups become successful in self-employment, such as the Koreans in Los Angeles, New York City, and Atlanta (see Bonacich 1972; Lee 2002a; Light and Bonacich 1988; Min 1988; Yoon 1997). In fact, some researchers suggest that Blacks have not had as much success as business owners because they have been restricted to only serving a Black clientele that has lower incomes than most racial and ethnic groups (i.e., wig and beauty shops, soul food restaurants) (e.g., Butler 2005; Hewitt 2000; Lee 2000; Light 1998; Spener and Bean 1999). Therefore, the type of business an individual or group collectively owns determines overall success. This is also true for many Asian business owners

that own grocery stores, laundries, or restaurants; they can only bring in so much profit and find themselves barely getting by.

Scholars have also suggested that the reason why many immigrant minority groups have significant numbers of self-employment and have done better than Blacks in self-employment is due to the development of sheltering ethnic economies<sup>57</sup> (e.g., see Alba and Nee 2003; Bonacich 1972; Lee 2002b, 2000; Light 1998; Light and Bonacich 1988; Light and Gold 2000; Light and Rosenstein 1995; Logan and Alba 1999; Min 1988, 1996; Waldinger et al. 1990; Waldinger 1996; Yoon 1997; Zhou 2004). In fact, many minorities, including Blacks, have attempted to use self-employment and the development of niches and enclaves to circumvent discrimination they have faced in the mainstream economy (see Light and Rosenstein 1995; Logan et al. 2000; Zhou 2004). For instance, Chinese business owners and their co-ethnic employees and customers have set up several "Chinatowns" across the U.S., which have thrived for several decades. Kochhar (2006a) and Spener and Bean (1999) suggest that Latinos have developed strong niches in the specialty trades of the construction industry such as masonry and drywall installation. Bates (1997) and Butler (2005) find that many African Americans have created strong niches in the insurance and retail industries across the South and the U.S.

Some minorities groups have also filled an important role in becoming the "middleman" in business transactions between Black clients and White companies (see Bonacich 1972; Lee 2002b; Light 1998; Light and Bonacich 1988; Min 1996; Yoon 1997). For instance, Lee (2002a, 2000b) and Min (1988, 1996) found that Koreans provide much of the food and clothing that

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<sup>57</sup> The term "ethnic economy" is used to describe an ethnic group's ability to maintain business ownership that uses a co-ethnic labor force or an ethnic group's control over employee recruitment for certain industries in the mainstream economy (Light and Gold 2000; Waldinger 1996; Zhou 2004). For example, industries and job sectors for which Blacks and Mexicans control the recruitment processes represent an ethnic economy (Zhou 2004; Waldinger 1996). An ethnic economy can also include "ethnic niches" (a job or industry in which a substantial number of its members share a common culture) and "ethnic enclaves" (a group of niches that are in the same town or city such as the Chinatowns in most major cities) (Logan et al. 2000; Logan et al. 1994; Waldinger 1996; Wilson 1999; Zhou 2004).

they buy from White companies to the African Americans living in neighborhoods of New York City and Philadelphia. However, Butler (2005) suggests that Blacks have not been able to enter into these middleman roles because of discrimination and racism that has economically detoured them into niches and enclaves that only serve African Americans. Also, many White and immigrant minority businesses that neighbor Black and Latino businesses tend to exclude Blacks from partnering with them, which would increase the possibilities of success (see Butler 2005; Lee 2000; Spener and Bean 1999). Overall, this "economic detour" leads certain groups to only serve their own groups which leads to less chances to be included in the mainstream economy and reap mainstream profits.

A final explanation that has been heavily investigated, and is one that I focus on in this chapter, is how different groups have problems in obtaining the necessary resources to make self-employment economically worthwhile. For example, many of my respondents suggested that education and experience was the key to doing well in the construction industry as a business owner. These resources can also include money, education, experience, supplies, employees, social networks, and open access to any industry or clientele. Light and Gold (2000:83) identify these resources as an individual's "entrepreneurial capacity" to open and operate a business and includes whatever it takes to make a business prosper. In many cases, however, researchers have found that minorities, and especially Blacks, have had problems with mobilizing resources. Moreover, some researchers suggest that the success of many Asian business owners have been due to their abilities to obtain a wealth of economic and social support from other co-ethnic owners (i.e., ethnic resources) (see Light and Gold 2000). In addition, researchers find that racism and discrimination against certain groups shape a group's

abilities to mobilize these resources to effectively make self-employment possible and profitable, economically and socially.

While these resources are not the only necessary elements in creating flourishing business ventures, they are the most important in the rags-to-riches tales of explaining entrepreneurial success. As found by many researchers and recently explained by Light and Gold (2000), a delicate mix of each form of capital is necessary; however, social capital, the resource I discuss in the next chapter is responsible for creating and maintaining most of the three resources I discuss in this chapter. Finally, this chapter continues to show how the racial attitudes, presented earlier, get infused into my respondents' discussion of resource mobilization and why other groups succeed and fail.

## **HUMAN CAPITAL**

Bates (1997:14) states that: "The bedrock of small-firm creation is the owner's human capital, that is, the founder's education, training, work experience, and skills." As suggested by the human capital theory, if an individual or group has the right proportions of skills, education, and experience desired by an employer, or more broadly, society, then they are more likely to get a job and be more socially mobile (e.g., Bates 1997; Conley 1999; Jennings 1994; MacLeod 1995; Oliver and Shapiro 1997; Shapiro 2004). Light and Gold (2000:87) defines human capital as "an individual's investment in personal productivity. Productivity is a person's ability to add value by doing work." They also identify education and work experience as the basic forms of human capital for entrepreneurs. Human capital can also include language skills (see Lee 2002b; Min 1988, 1996; Moss and Tilly 2001a; Waldinger et al. 1990) and does not have to necessarily be education and skills particular to a job or business (Bates 1997; Balkin 1989; Jennings 1994; Light and Gold 2000). Overall, many scholars view human capital as how an individual can

personally improve their chances of accessing and succeeding in self-employment. Finally, whether or not it has the power that many Americans suggest, human capital represents what many people consider as the most important element to obtaining the American Dream and doing well in entrepreneurship (see MacLeod 1995; Steinberg 1989).

### **Formal Education**

When discussing what made my respondents successful business owners thus far, almost every contractor suggested that their human capital was one of the more important factors that helped their entry and shaped their success. In fact, many of them suggested that one's education, skills, and experience is the first item shaping any person's success in the industry. Charles, a white contractor with several years of experience, said this about the necessity of education and experience:

Education and experience in this line of business is essential. You can't come in here with a high school degree and compete against individuals with a Masters degree in business and several years of experience. That's not how it works anymore. Maybe my father was able to do that but not now. You need some essential knowledge to know how to keep books and manage money. You also have to have some experience in running a business, you know, not a lot but something that you can grasp what's going to happen in a bustling economy like Atlanta's.

Richards, the oldest Black contractor I interviewed, said that education was essential in being a business owner and a productive citizen: "Education is the necessary item to make you understand the world around you and to be able to run a successful business, you got to have some sense about you and it comes with some schooling and experience." Also, Ortega, one of the more experienced Latino contractors, agreed that education was essential for business ownership:

If the young Latinos or Hispanics want to be successful you have to be educated. Not just a college degree in business but know about the ins and outs of construction, of the business, of how to do things the right way. We do some of that, teaching contractors and workers about safety and what their rights are. These are all things you need to know in order to be a good contractor or businessman.

Castillo, a new Latino contractor who worked in finance before entering the construction industry, agreed that formal education mattered:

Oh, yeah, absolutely, absolutely. You know, with a degree in engineering that my partners have, the sophistication of finance that I have and the background in marketing my other partner has, we can take on any project intellectually. My partners and me have at least a PhD and a number of undergraduate degrees and specialty, so I think you have to have this general type of education to be ready to do business, you know? You need to know how to add, subtract, do simple geometry, stuff like that (takes a drink of tea) education this is the start.

Baker, a black commercial contractor with an MBA in finance, said this about formal education:

"Education is to make your mind grow and know different possibilities. Even after getting my degrees, I still read books like, *Financial Genesis*, to keep on top of how to do certain things."

But, like Castillo, Fredrick, a white contractor, saw his formal education as a starter: "You need a knowledge-base to do anything, and today, you need a college degree or something above high school to get by as a business owner. I think my degree was a starter kit for me giving me just enough know-how to be dangerous (laughs)!" Also, Lorenz, a full-time Latino mason and part-time homebuilder, said this about education: "I don't have much other than a high school diploma and my training as a mason. Any business owner who wants to be successful has to obtain more education." Finally, Jacobs best explained the overall significance of having a formal education and how it helped people as a business owner:

Most of the these higher-end people [pointing to the homes in an affluent East Atlanta neighborhood] love the fact that I have a college degree, that I do communicate clearly, and that I understand their vision and what they want. They ask me, 'where'd you go to school?', because a lot of these guys, they don't have college degrees and they don't have that background ....this client that I'm going to work on in Jasper Park [another affluent area], loved the fact that I was an IT and knew that I could do programming and stuff for whatever reason. I guess it's just organization and logical spiels and things like that. I guess they take that into consideration because these people are not getting any other bids, they're not interviewing any other people; they've basically said 'We talked to you enough. We know you and we trust you and you got the job.'

Here, these contractors view education as a way to have some general knowledge that will help one be a business owner. More importantly, as Jacobs' comments suggest, clients knowing a contractor is educated or has some training vouches for the contractor's abilities up front. Wilson

also stated this about the value of formal education: "My college degrees and experience make people feel better about buying a home from me or taking me on as their builder. I don't know why; it's just comforting to them." This suggests that formal education can act as a way to increase opportunities, which plays into the American achievement ideologies that more education equals better pay, skills, and integrity (see Royster 2003). Adversely, a business owner without a formal education could represent a restriction to entering this industry but, as I suggest later, this may not be true.

Research on human capital in the forms of higher education, skill, and experience levels suggests that these elements do matter significantly in defining the success of entrepreneurship for certain groups. Some researchers have found that higher levels of education increases rates of entrepreneurship for each group (see Balkin 1989; Bates 1997; Fairlie 1996, 1999, 2001; Light and Gold 2000). For instance, Light and Gold (2000) find that Hispanics are tremendously more likely to be self-employed if they have a college degree. Higher levels of educational attainment were also found among White, Asian, and Black entrepreneurs, in which most had at least some years in college or a college degree and were a significant factor in determining success differences between groups and within racial groups (see Butler 2005; Bates 1997; Fairlie 1996, 2001; Light and Gold 2000; Min 1996; Yoon 1997; Waldinger 1996). Scholars speculate that human capital is powerful because it, first and foremost, introduces the possibilities of entrepreneurship as a viable form of wage-employment (see Bates 1997; Blackford 2003). In addition, human capital makes "more effective entrepreneurs" because by obtaining basic knowledge and skills that are applicable to business ownership, such as bookkeeping, increases profits, productivity, and efficiency (Light and Gold 2000:87).

Table 4.3 presents my respondents' levels of educational attainment and years of experience. Although this is not a representative sample, it does confirm other findings that suggest that entrepreneurs tend to be more educated than the general public. In this small sample, 57% (24 out of 42) of my respondents had a college degree or higher; as of 2004, the estimated national average is that about 26% of individuals have a college degree or higher in the U.S.<sup>58</sup> In addition, 26% of the contractors had an advanced degree, but the national average is about 10%. Also, about 26% had technical training after high school, 11% had just a high school diploma, and only one contractor had only some high school.

Overall, though, the majority of the business owners in this sample have high levels of education, which confirms with Bates (1997) and Fairlie's (2001) findings that show college and professional degrees are common among business owners. In addition, White and Black contractors have almost equal amounts of education, which does not match U.S. totals. For example, about 19% of Whites had a college degree in 2004, whereas, only about 12% of Blacks did. Latino contractors, however, lag behind White and Black educational attainment levels, with only four individuals having education above technical training. Fairlie (2001), as well as Light and Gold (2000) suggest that Latinos, traditionally, have had less education than most groups; however, this has not completely slowed down their entrepreneurial endeavors. Overall, these contractors have similar educational backgrounds and cannot totally explain the disparities I report in this chapter and the next.

Researchers also suggest that high levels of educational attainment can increase overall earnings and accomplishments in self-employment as well. For instance, Fairlie (1996, 2001) finds that less-educated entrepreneurs have lower earnings than most business owners, and lower

<sup>58</sup> I retrieved the 2004 estimates on educational attainment from the American Community Survey data set, Summary Tables, Detailed Tables (B15002, B15002B,D,H, and I). ([http://factfinder.census.gov/servlet/DatasetMainPageServlet?\\_program=ACS&\\_submenuId=datasets\\_2&\\_lang=en](http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=ACS&_submenuId=datasets_2&_lang=en)).

than their wage-earning counterparts. Bates (1997) suggests that human capital is an essential part to becoming a business owner but the returns of this investment are significantly lower for Black and Asian entrepreneurs in comparison to their wage-earning counterparts. Day and Newburger (2002:7) state the following about the differences in wages for all workers: "White non-Hispanics earn more than Blacks or Hispanics at almost every level of educational attainment," including advanced degrees. As of 2004, Blacks with a college degree have a mean income of about \$43,000, but Whites earned about \$53,000.<sup>59</sup> As for Latinos, their mean income was around \$45,000, which is \$2,000 higher than Blacks.

In Table 4.3, you can see that it is possible that these contractors' education levels and years of experience have some relationship to their average profits per contract.<sup>60</sup> The White contractors have higher levels of education and higher profits; Blacks and Latinos are second and third in educational attainment and profits. Moreover, the years of experience only represent the years the contractors have been in business and are not a measure of how long they have participated in the construction industry. Whites have the most years of experience running their business, with an average of 21.1 years. The Black and Latino contractors had 15.9 and 8.7 years of experience, respectively. However, many of the Latino contractors (10 out of 14) served as laborers before becoming business owners, thus increasing their overall experience within the industry. Based on previous research (see Bates 1997), this experience should help to catapult

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<sup>59</sup> I retrieved the 2004 estimates of earnings by educational attainment from the Current Population Survey, Annual Social and Economic Supplement, Income 2004, (Tables PINC-04, Parts 4,6,8, and 9) (<http://pubdb3.census.gov/macro/032005/perinc/toc.htm>).

<sup>60</sup> I did a bivariate correlation analysis on the level of education to profits per contract and years of experience using the data provided to me by my contractors. Both correlations were statistically significant ( $p < .001$ ) and suggested a positive association in which increases in educational attainment (.656) and years of experience (.602) results in increases of profits. However, I believe that the rough estimations of profit are not sufficient in making any conclusions about these correlations because many of my respondents really seemed to be guessing at this number. While the correlations do support past findings about the positive effects of human capital on financial gains, they are erroneous. In addition, I do not have any way to determine whether other variables would produce more significant findings such as amounts of connections or whether the type of construction business a person owns affects the overall profit margin.

Latinos more into self-employment but other factors come into play which decreases the positive effects of experience on the overall success for Latinos contractors.

### **English Language Proficiency**

Another human capital element important to these contractors, which is a product of Latino inclusion in the construction industry, was having a grasp of the English language. Several of the Latino contractors suggested that their English proficiency hindered their overall ability to be more marketable to a wide array of clients. Moreover, some suggested that because they knew English better than some Latinos, they were definitely at an advantage. Both Mendez and Martin, who both only spoke a little broken English, suggested through a translator that not knowing English slowed them down in their businesses. Martin, a young general contractor, stated this to me about language barriers:

Language is a very, very important factor. You have to speak English and it's been very difficult for me because I don't speak English and therefore, I don't have the access to lot of things that other companies would. I feel that is the reason why my company is small right now.

Lopez, a first generation Mexican American, said that he never really used English that much in Texas and found it a hurdle living in Atlanta as a business owner. He stated:

Lopez: You got to know a little English to be able to order supplies and call the plumbers and electricians but that is about it. All of the other subcontractors are Latino here, so it is not a problem.

Interviewer: What about contacting clients? Does not knowing English cause problems with that?

Lopez: Sometimes. Most people ask for a price and when I can start and that is about it.

As Ortega, who is a Mexican American, suggested; Latinos do have less opportunities because of language barriers. Even Jacobs, a white contractor, stated that Latinos are at a disadvantage if they do not speak English because customers need to communicate with the contractor. This is what he suggested:

I don't think there's anything blocking me or blocking a Black person or a Latino person from coming in and doing a good job. But, I can't stress it enough, you have to be able to communicate.

That to me is the biggest thing because I hear that from clients....I hear clients say all the time, I'm glad you speak English well' or 'You can speak English.' Because some of them [Latinos] don't. That language barrier makes access difficult for some people. And then some people are, whether they're prejudice against a certain ethnic group or race,...the simple fact is they want to be able to communicate with somebody and understand them, and that's a big thing.

Of course, Jacobs' comment also points out some of the discrimination Latino contractors face in Atlanta, even though many of the contractors believe it to be a wide-open market of opportunity. Moreover, this particular barrier is unique to discussions about immigrants who own businesses. As some scholars have noted (e.g., Lee 2002; Min 1988; Spener and Bean 1999; and Waldinger et al. 1990), language barriers have reduced access to clients and other forms of financial capital (i.e., bank loans).

On the other hand, some White and Black contractors suggest that they are at a disadvantage now if they cannot speak Spanish. For example, Mackey, a white framing subcontractor, said this about working with Latinos:

They are hard workers, but I don't understand what the hell they are saying half of the time. Sometimes I find it hard to work with them and know what their plans are for the day since I speak only a small bit of Spanish. I sometimes have to break out my English-Spanish construction dictionary I got from some guy to get my point across.

Fredrick, a white contractor, also stated that he believed it was necessary to know some Spanish: "If you want to get them basically doing something, or if you want to negotiate prices with them, then I think you need some knowledge of the language to get your point across." Richards and Marcus, who both have owned their businesses the longest among the Black contractors I interviewed, agreed that Spanish is becoming more of a necessary tool to work in this industry. As Farrell, a black subcontractor stated about the need for education and skills develop: "The new skill is not knowing how to do your job but working with other people, which means to me, we got to learn some Spanish!"

However, there were some White and Black contractors that felt that using Spanish was not a necessary part of being a successful business owner. Mitchell, a black part-time contractor,

said this about the value of knowing Spanish: "Spanish, we don't need because those people need to learn English. You know, I never have to talk to these guys in Spanish because they always have one guy that knows it and takes care of it." Ferry, a white contractor, also stated that Spanish is not a necessary skill. He stated: "They always have an interpreter, usually the crew boss, that can talk to me, and I really don't need to talk with the laborers because of him." Charles and Matthews suggested the same thing. These comments point out some resistance to learning Spanish because it is not a necessity to run a business and because, as suggested in the last chapter's racial attitudes discussion, many of the contractors are resistant to a bilingual industry. For example, even though Matthews knows there are Latino crew chiefs or foremen that know English, he stated this: "If you are in America, then you need to speak English. This is the same thing in construction. You have to know English and they do because they get paid and they are quick to understand English then. They know it, they just pretend they're deaf." Again, Matthews brings out some of the anti-immigrant sentiment in which Latinos are resistant to speaking English and should if they want to be in the U.S.

While there seems to be a link between human capital and self-employment, this resource by itself cannot explain the variations in racial and ethnic group success in business ownership. Also, as Bates (1997) suggests, human capital is not very powerful unless it is matched with financial capital investments. Fairlie (1996) also finds that when controlling for more individualistic characteristics, such as years of education, the vast differences in success between racial and ethnic groups does not melt away. Human capital also loses its power when its value fluctuates between groups and within industries (see Light and Gold 2000). As a new white contractor, Jacobs' computer science degree may not be as beneficial or respected by the construction industry as a degree in architecture and design. In fact, about half of all the

contractors I interviewed who had college or advanced degrees were not really business-related such as three law degrees, a computer science degree, and a history degree. As Waldinger (1996) found in his examination of business owners in the New York City construction industry, human capital really does not matter much if it is not valued by the business owners or has not been vouched for by a more prominent figure in the industry. Moreover, human capital, as Balkin (1989) suggests, may act as a resource that allows access but loses its value once in self-employment.

Clearly, there is some value of having a formal education or having a grasp of the English language because, as some contractors pointed out, clients use it as a way to measure a contractor's abilities and integrity. In addition, it allows these contractors, especially those that can speak English, to sell their services better. Thus, the only real differences between the White, Black, and Latino contractors in this study was really the issue of knowing English, which only affected Latinos. In conjunction with Bates' (1997) results, formal education had no significant affect on an individual's ability to start a construction business. In other words, having any form of higher education did not increase the likelihood of individuals owning construction businesses.

I contend, as Waldinger (1996) suggests, that my respondents viewed a formal education as less important than other forms of capital in the construction industry. Even some of my respondents suggested this as well. Wilson, a black contractor, stated: "There are a lot of growing pains in construction. Unless you grow up with, unless you see it, and somebody teaches it to you, you don't know it. And, so much doesn't rely on book sense. Education can only go so far, and it really doesn't have to be construction-related. If you have a degree in Sociology, then who cares, you have a degree, right?" Or, as MacGyver stated: "The only

education you need is to know how this industry works." It also includes knowledge of how to run a business well, without any mistakes, and to have knowledge of the construction industry and how one fits into it. For instance, Mitchell, a Black, part-time contractor, said this about owning a construction business: "You have to have a good understanding of how the business works and how it should go when you're doing it right." Jacobs also describes this phenomenon: " You've got have the know-how, not just an education. Who cares about that? You have to be able to roll with the punches and be able to separate fact from fiction in this business pretty quickly. If you can't, then you're sunk." Thus, what really mattered to these contractors was not a formal education but whether a business owner had experience and knowledge of the construction industry.

Moreover, a business owner had to have the right business "sense" or attitude that projected confidence, a work ethic, and integrity to do well in this industry. For example, Clearwater suggested that to make it in the construction business, a person has to be committed, as he stated, "ya' do what ya' got to do. You run, run, run until the work is done!" It also includes working long hours, giving "110%," and being honest. As Randolph, an ambitious new contractor, states, "If by hook or by crook, you got to have the desire and fortitude to make it."

### **CULTURAL CAPITAL**

Knowledge, experience, and attitude specific to the construction industry represent more than just human capital. As suggested by Light and Gold (2000), any set of knowledge, skills, or attitudes that is specific to giving a person an advantage, a positive reputation, and makes someone more socially mobile is "cultural capital." Unlike human capital, cultural capital comes from and is learned in a certain environment and culture, which makes it more specific than formal education or language proficiency. However, a formal education can become cultural

capital if it is of value in a particular setting. For these construction business owners, formal education means very little and has no value in changing a contractor's reputation or position in this industry.

MacLeod (1995:13) defines cultural capital as "the general cultural background, knowledge, disposition, and skills that are passed from one generation to the next." Bourdieu (1977a) suggests that when an individual or group has cultural capital, they are more likely to be socially mobile and less likely to be affected by societal barriers such as discrimination. More importantly, if an individual or group is able to obtain the right cultural qualities desired by American society, then a person or group can obtain better jobs, better pay, and more social acceptance; thus, leading to more social mobility. As for business owners, without cultural capital, they cannot access the necessary knowledge to know how to run a construction firm and have an inability to access financial resources created through social networks (see Light and Gold 2000). Or as Jacobs suggested above in his comments about formal education, some clients see some value in his formal education, giving him access to more contracts. Here, Jacobs' formal education becomes more than a representation of his own abilities but a tool to possibly increase his chances for social mobility.

Therefore, the elements of cultural capital for the construction industry consist of a specific set of knowledge and traits that increase one's prestige and reputation, leading to more recognition by others; thus, making an individual socially mobile. Human capital does not do this unless it is cherished within the industry. Moreover, human capital in the construction industry does not tell others in this business that a contractor is valuable or worthy of attention or inclusion. Finally, for entrepreneurs, cultural capital represents specific knowledge and traits associated with doing business in the construction industry that are not taught in the classroom.

For instance, this knowledge has to include how to negotiate pricing for contracts (i.e., bids) and how to hire subcontractors, staff, and laborers, which is not a part of formal school training. For these contractors, their specific knowledge about the construction industry is their number one key to success. More importantly, they view others' potential success in this industry as hinging on experience and the right attitude, which leads to some discriminatory remarks about certain groups.

### **Construction-Specific Knowledge**

The essential element of cultural capital for these contractors is the construction-specific knowledge that comes with experience. For example, Wilson, a black general contractor, stated this about what construction business owners had to know to make it in this business:

You just have to know the different aspects, all the aspects of what you're doing. So you can know whether you are getting a fair price or not. A lot of it is determined by your budget. If doing any hiring for the work, you need a higher quality subcontractor. You need to know who to call and whether they do the work right or not. You also got to, for example, to know how much you need to spend on supplies, you got to know how to get permits, you got to know people to call to get inspections and fill paperwork, just mountains and mountains of stuff you can't learn by sitting in a classroom.

Brooks, a white residential contractor, also pointed out the importance of construction-specific knowledge:

You know, there are a lot of pieces to the puzzle of being a good businessman in construction. The first item I think is important to have is knowledge about the industry. I mean you can't go into any industry unless you know exactly how it works and that takes a lot of time to learn. I started in this industry and I knew very little but after a few years I had learned how to hire sub[contractors], place bids, how to buy properties, a list of things.

Finally, Rodriguez, a Latino contractor just getting into building homes, said this about developing construction knowledge:

You have to learn how to do a little bit of everything so you know what you are talking about and how to sell your homes or buildings. I've done a little bit of painting, drywall, I did a little bit of everything so I know what is what. You got to also learn how to keep your records straight, keep records, learn how to work with other contractors, and figure out how to juggle all these things at one time.

Overall, many of the contractors suggested that this construction-specific knowledge includes several different elements such as knowing how to bid for jobs, how to hire trustworthy subcontractors and employees, as well as knowing how to maneuver through bureaucratic systems in the construction industry. For instance, Edwards, a black residential contractor, said this about knowing how to do "the paperwork": "Really, there's no one out there to teach you how to get permits or pass inspections of your homes, you got to experience that and learn about that kind of stuff. Hopefully, you know someone that can show you the ropes." Matthews, a white subcontractor who is beginning to go back into general contracting, also said that the paperwork is a hurdle:

Matthews: The construction industry is a place that is O.J.T.

Interviewer: What does that mean?

Matthews: O.J.T.? It means on-the-job-training. Everything you really need to know about the construction industry you have to learn on the job. Sure, you can have some education through an apprenticeship or something, but the rest you learn through trial and error.

Interviewer: What is some of the things you have to learn on-the-job?

Matthews: Well, I already know a lot but my partner that is helping start up this home-building thing, she has to learn how to work with the permitting offices and home inspectors. I mean, they have all kinds of hoops and rules for filing for permits to build and stuff like that. You also got to know those guys up at these offices because they will give you a hard time.

Several Latino contractors, especially Ortega, Martin, and Gutierrez, felt the same way about learning the ins and outs of working with local municipalities. For instance, Gutierrez, a seasoned veteran in masonry, said this about becoming a general contractor building homes:

You know, I know enough about every little piece of construction but you have to know other things. So, you got to know how to do the bidding and working with local governments. That's a big deal because they got all these things for you to apply for, and you have to do it or they will shut you down. That has been hard for me because I think they see me, this Mexican,

who comes in and wants permits, they don't like it. But, once you learn how to do and who is the right one to talk to then you got no problems, you know? You don't know any of this until you in the thick of it.

Obviously, having some knowledge of how to do construction and, more specifically, how to apply for permits and deal with local government agencies that regulate construction, represents a specific knowledge for this industry. Moreover, it represents one way in which, as alluded to by Matthews and Gutierrez's comments, there can be issues of discrimination against certain builders who do not know the procedures or know the right people to talk to in this process. As suggested by studies examining the construction industry (see Bentil 1989; Feagin and Imani 1994; Waldinger 1996), many minority contractors, especially Blacks, find that they face discrimination when dealing with local organizations, municipalities, and government officials.

This particular subject came up with six Black contractors and five Latino contractors. For instance, in the previous chapter, Walters, a very experienced home builder who went into commercial building, related a story of how he faced institutional racism because of a building inspector who repeatedly did not pass his recent build. As Walter suggested, the inspector was White and Walter was Black. Jaeger, a new Black home builder in the Atlanta area, said this about getting permits: "Boy, it is some bureaucratic system. It's like signing your name in blood and in triplicate form, you know? It's tough and I think that's how they weed out some of the contractors. You got to know what you are doing." Sosa, an experienced Latino commercial contractor, suggested the same thing about applying for the federal minority status program that helps minorities get large government contracts such as building an Air Force base or prison. He stated: "It's about jumping through some hoops in order to be included. I think I will get included but man, it is hard. I think you get taken out of the running because of just the amount of paperwork you have to do. You need a staff and some knowledge to be able to apply." However, this discrimination is not really due to Jaeger, Walter, or Sosa's lack of cultural capital, knowing

how the construction industry works, but it is because they did not have any connections, which I discuss in the next chapter as the linchpin to the differences between groups in this study. In other words, as Feagin and Imani (1994) and Omi and Winant (1994) suggest, institutions today are not blatantly racist but many of their policies and individuals working for these institutions can be; thus, perpetuating white dominance in an otherwise and seemingly color-blind American industry.

Besides having problems with local officials, many of the contractors suggested that several problems face contractors who lack the construction-specific knowledge. Josephs, a white plumber, stated that his business would have fallen a part if he did not know how to work in the industry. He stated: "If you don't know what you're doing, know who's going to give you the right prices on supplies, and know how to work with people, then you will lose your business. It's not science, but it takes some concentration." Ferry also agreed that there can be problems without construction-specific knowledge:

People need to realize that this business isn't as easy as some of my clients always suggest. One guy told me, 'You must just drink coffee and point people in the right direction all day.' No, it's more than that. We have to know how to schedule the right subcontractors at the right time, know what's a good job when we see it, and figure out the bills and pay everyone. Hell, I didn't know what a balance sheet was until I got into this business, and I lost a lot of money until I figured it out.

Randolph, an experienced black contractor, stated this about his "growing pains," and not knowing what to do in this business hurt him:

You know, you just going through the motion, sort of faking it at first. But so much of it I had to learn quickly or I would have lost everything and you just sort of go through growing pains, I guess. One of things for me was you don't realize the level of paperwork which is sort of as equally as important as the actual getting the buildings up. You know, so many businesses, small businesses die on not paying their taxes. You know, things like that which are critically important. But you just don't really know...nobody's every sat down with me and said okay, did you pay your taxes? Screw that up and Uncle Sam will take everything. There's just a lot of risk.

Fredrick, Ernest, and Brooks felt that they had some problems at the beginning of their entrepreneurships. Ernest, a white contractor who has been in the business for several years laughed as he recalled his past.

I never thought I would really make it at first because I knew nothing about this industry. I knew nothing about buying property, building a house, hiring the right subcontractors, all of that. I got burned a couple of times, thought I was going to have to sell everything I had to pay my bills but I picked it [construction knowledge] up in a couple of years and I've done well since then.

Brooks, one of the more experienced White contractors, suggested that he picked bad suppliers of construction materials, as well as bad subcontractors until he learned what was appropriate for this industry. Finally, a few Latino contractors also found it difficult without knowing how the construction industry worked, especially in Atlanta. Ortega, who has been here since the 1996 Summer Olympics, stated this:

Getting into construction was easy here in Atlanta because they needed anyone they could find to build up for the Olympics, but it wasn't that easy of a transition. You know, I had to figure out how it worked here in Atlanta. How they did things such as the pace of work, who to call when, and where to get permits and stuff. It was all new to me and it cost me some money to figure it all out. But once I got it, no problems really.

After moving from Colorado to be a brick mason in Atlanta, Lorenz felt the same way as Ortega. He stated: "You have to learn the rules here and know what the different codes are for building walls and such here. It is almost the same, but I thought I would lose some business because I could not learn fast enough."

The overall thread that streams through all of these comments about knowing enough about the construction industry is that these contractors would lose money, their businesses, and access to other opportunities. Some contractors also viewed this lack of construction-specific knowledge as a way to explain why so many people fail as construction business owners.

MacGyver, a white contractor who had strong opinions about who should be a construction business owner, stated: "Everyone who comes into this business thinks it is a piece of cake, but

I've also seen those same people start and lose their shirts because they couldn't get it together." Also, many contractors used this form of cultural capital to explain how specific groups fail. As suggested in the last chapter, Ferry, Mackey, and some of the other White contractors suggested that many Black contractors did not know what they were doing in construction, which has led to their demise as business owners. As Fredrick stated, when I asked him why he did not see more Black contractors working in his area of Atlanta: "In my opinion, Black contractors, and for that matter, Hispanics, fall a part because they don't pick up what they need to know and how to do this business quick enough. You have to be on your toes here, sometimes, I'm not either but I'm lazy." Latino contractors, in the last chapter, said the same things about Black contractors. Clearly, this ties into my previous discussions of how White and Latino contractors view Black contractors as incompetent and unable to perform in construction, which smacks of their negative racial attitudes toward and devaluation of Blacks, in general.

Another distinctive characteristic of these entrepreneurs' discussion of the construction-specific knowledge was that it varied concerning how they learned it and how much experience they actually had. As suggested by Bourdieu (1977a), cultural capital is usually transmitted from generation-to-generation and is a parental gift to their children within a social class. Scholars studying self-employment also theorize and have found that most individuals that do well in self-employment also learned how to run a business either watching or participating in their parents' businesses. Moreover, in attempting to explain the overwhelming success of self-employed immigrants, some scholars have suggested that these groups had a cultural tradition that afforded them the knowledge and experience of running a business (see Butler 2005; Light and Gold 2000; Light and Rosenstein 1995; Steinberg 1989; Waldinger et al. 1990; Waldinger 1996; Yoon 1997). For example, some scholars suggest that one of the major reasons why European Jews

and Koreans have been so successful at entrepreneurship was because of several generations of experience in business ownership before entering the U.S. (see Boyd 1991; Light and Gold 2000; Light and Rosenstein 1995; Steinberg 1989; Waldinger et al. 1990; Yoon 1997).

This "cultural theory" also suggests that there is a set of cultural values that help them become more successful in self-employment (Bogan and Darity 2006; Light and Rosenstein 1995). As Min (1984) points out, when a group's values, motivations, and skills encourage business enterprise, these groups produce socialized adults who prosper in business. Boyd (1991:449) suggests that popular opinion implies that the Chinese are successful because their value systems and religion (Confucianism) emphasize industry, thrift, and sacrifice. In addition, a large amount of research on Korean entrepreneurs suggests that their success is due to their ability to work hard, be thrifty, and their ability to haggle with suppliers and clientele (Lee 2002; Light and Bonacich 1988; Min 1984; Yoon 1997). Conversely, Frazier (1949:410-411) suggests that African Americans tend to lack a cultural orientation and "traditions in the field of business enterprise," which encourage entrepreneurship. Although not really recognized by this theory, cumulative disadvantages caused by slavery, racial discrimination, and forced participation in menial occupations have shaped the cultural lag of entrepreneurship for African Americans (see Butler 2005). Put simply, if a business owner has a history of entrepreneurship in their family, during their life, or, more broadly, their race, ethnicity, or social class, then they will be more successful.

However, I find that was not usually how everyone in construction gains their construction-specific knowledge; in fact, some contractors gained their knowledge through raw experience; that is, by becoming a business owner without any prior experience. A "trial-by-fire," as Ferry called it. Only five Black and four White contractors had a family history of

owning a business, especially within the construction industry. Charles, one of the more experienced White home builders, pointed out that he had grown up working with his father, who owned a construction business in Atlanta for several decades. In fact, Charles inherited much of his knowledge of construction and the business from his father. Same thing happened for Richards, who worked with his father in construction before going off to college but came back to start his own construction business in Atlanta in the 1950s. This also happened for Clearwater, who stated this about working with his father: "My dad had a hammer and saw in my hand by the time I was six years old. I knew some things about construction, but I kind of promised myself that I wouldn't go into this business but here I am."

A few of the White and Black contractors also had some prior work experience in construction. For example, five of the Black contractors: Clearwater, Mitchell, Richards, Wilson, and Rogers had worked in construction prior to starting their business. Also, five of the White contractors had spent some time in construction as project managers, foremen, and real estate brokers. However, most of the White and Black contractors started in this business with no prior experience or generational history in construction or business ownership. In fact, most of them learned the business by stumbling into it. Fredrick, who has been a general contractor and subcontractor for a little over thirteen years, stated this about getting into the construction industry:

I really didn't have any idea what I was going to be doing once I moved back to Atlanta but I had bought a house in Kansas and tore it apart and rebuilt it and made some money that way and I figured that I could do the same thing here. So I was looking for run-down properties that I could get for next to nothing and live in and fix-up at the same time. So I was looking around the ghetto East Atlanta, really, East Atlanta and went to a real estate office – Capital Realty Company – and making a ridiculous offer for a really run-down house and the real estate agent there laughed at me and said that 'You do remodeling work, we need a maintenance person to do stuff for our rental houses, because they have a lot of rental houses.' And I said, 'Well, that sounds like a good deal to me' and so I started doing maintenance work for them and acquired houses at various stages of repair and struggled to make a living and just gradually built up my skills that way and just doing maintenance work on old houses, I learned a lot about old houses and buying old houses and remodeling them without doing that type of work, and over the last 10 or 12 years I've learned what is a good thing to do to make money and what isn't a good

thing to do to make money. And lots and lots of money and made some money and basically, I'm just hustling – just taking jobs. I just bought a big house around the corner that I completely redone. I bought it for 200 [\$200,00] and I put about 300 [\$300,000] into it and trying to sell it for 550 [\$550,000].

Fredrick's story of going into the construction business blind was told over and over again by several of the White contractors. In fact, most of the White contractors usually had jobs prior to their construction business that had little application to the industry. Dmitry exported fruit in Europe, Ernest was a minister, and Jacobs worked for an IT company. Here is Jacobs' discussion of how he got started and learned the industry:

I guess it really first started as a hobby and I did things at my house. I bought an older home in Chamblee and it needed a lot of work to it, so I thought it was something that I could take on as a project and just do at my leisure and do it on the weekends and stuff like that. It was an older home. It was going to be a challenge I know, because there was some issues that I probably didn't know how to fix or didn't understand what needed to be done to them because I was pretty much a novice and didn't know all the details of structural issues and things like that, plumbing, electrical. So I had a regular full-time job. I had the time to actually do that, so I started out working on my house and started out doing small projects like working on the floors and doing cosmetic things and then it started getting bigger as I started developing my skills, I started taking on bigger things. Had I learned most of what I know from just reading. Basically, just picked up a book and started reading how to do things and subscribed to a couple of trade magazines and just kind of and was doing it just for the fun of it. You know, it was interesting to me. And about a year and a half ago, I got laid off from my job of 10 years – I worked in this IT field. And I said, I'm not going to go back and I had the tools because I've been collecting tools over the years and also doing some part time work as well. And I had all the tools to get started, so I didn't have this big start up cost, like a lot of people do and I felt that my skill level was a point where I could do small projects – kind of like handyman things. Then as I got more jobs, I started learning more and really started developing my skills much quicker because I had that exposure, I had to take on more and just learned faster by doing, basically. Then I started getting bigger jobs and then started taking on bigger projects and bigger tasks and that's where I am today.

In short, Jacobs, as well as many of the other White contractors, had no prior experience or construction-specific knowledge. In fact, Jacobs just picked up the trade through reading construction books and do-it-yourself manuals. Brooks, who worked as a real estate broker, which gave him some exposure to construction, thought that he would be able to do the construction better than the ones he saw doing it. Moreover, he suggested that he had to "fake it" a little before really learning what to do. After thirty years, Brooks sold his multi-million dollar, national homebuilding company which has built several of the subdivisions in the Atlanta metro

area. Also, Jacobs, Ernest, and Dmitry's businesses are all doing well and they all suggested that their profits far exceeded their old job salaries.

Many of the Black contractors had similar stories of entering construction without any prior experience or history of ownership. Jaeger, Randolph, and Rogers were all lawyers before going into the construction industry. Randolph said this about going into the construction industry after practicing law:

The money kind of dried up in doing personal injury cases and it was taking a lot of effort, and my student loans weren't being covered and I really needed to find something else that would save my lifestyle, give me some flexibility. So, I saw my friend Rogers, who I worked with, making all this dough and I asked him what he was doing and he said construction. So, I went after it not knowing a damn thing...I learned it all bit-by-bit and nail-by-nail.

Edwards, who builds larger \$300,000 homes in the city of Atlanta, also started his business with no experience or knowledge of construction. Here is how he got started in the business:

Well, what happened is in the beginning, you know, I started going to Georgia, I mean Valdosta State and um, I kind of looked around and said, 'You know, I really would like to work for myself.' I always kind of aspired to work for myself. Well, when I got back here I actually started a business, a little car washing business, part time, did the business. And um, the business kind of evolved into several different things and eventually we got to the point where we couldn't do that anymore. So, we kind of went into the janitorial. From the janitorial, we went into a turn-key business where people move out of apartments, you paint the apartments, a sub, get them ready. So that kind of gave me a limited exposure to kind of like a pseudo, what I would call pseudo-construction.

If cultural theory was correct, then the Black and White contractors above should have had problems sustaining their businesses. However, despite the theory's predictions, they have all been successful based on the number of years they have had their business and the relative size of their profits (see Tables 1.2 and 4.3). The theory also does not account for the other resources these two groups are able to obtain, such as good financial resources and connections.

Also, if cultural theory is correct, then the Latino contractors should be the most successful out of all three of the groups in this study. Eleven of the fourteen Latino contractors had a generational history of construction business ownership prior to starting their own businesses. Twelve of the fourteen Latinos also had prior experience in the construction industry

as a laborer, foreman, or subcontractor. For example, Sosa, who has a large commercial contracting company, has worked in construction with his father and had a construction business for almost six years in Colombia before coming to the U.S. Lopez, Ortiz, Lorenz, and Gutierrez learned how to work with the different aspects of construction with their fathers and grandfathers by their side. Diego started learning how to do construction-type work in his father's woodworking, cabinetry shop back home. Also, many of the Latino contractors' entire families were in construction in Atlanta, in their home countries, or scattered across the U.S. Lorenz, who has had his own masonry business for over 20 years, stated this about his experience and how he learned about construction:

I learned how to use stone and brick first through my father, who worked with it in Mexico and my two older brothers, they helped me learn. We are all in masonry now. I worked in Texas and Colorado and then came here. My two brothers work in North Atlanta and work here in this area. Everybody in my family learn from each other.

Quinones, who is the youngest Latino contractor I interviewed, stated this about how he learned construction.

In Mexico, most everyone has to learn construction to come here to the U.S and I learned it from working with my father and uncle and neighbors, but the materials are different here. We use brick and stone, they use stucco and other things. We also have more metals involved and there, there is more wood and stone. You know, my training was back home and that is what made me want to come here to Atlanta where they need good-trained individuals.

Based on Quinones' comment and something that Ortega also suggested, one of the attractions of many Latinos to the U.S. is the fact that the construction industry needs laborers. Moreover, many Latinos found that their construction training and skills were valued commodities in the U.S., especially since the labor market back home was oversaturated and the construction industry is not booming. As suggested in previous chapters, this may explain why 30% of Latino businesses are in construction and over 20% of laborers across the U.S. are Latinos. However, it may be that Latinos fit well, not because of their training, but because they are the cheap labor source and offer the lowest bids as business owners, which is clear when I discuss the business

owners' hiring practices in this study. Overall, though, cultural capital only matters unless the industry or a group emphasizes its importance, which many of the contractors in this study have. However, as I discuss in Chapter 5, reputations are built on contractors' and clients' assessments of these business owners' cultural capital, which I find is often used as a way to include or exclude certain racial and ethnic groups.

### **Entrepreneurial Work Ethic**

The contractors also suggested that there were certain attitudes and behaviors that contractors have to project while being construction business owners that will give them access to other contacts and more lucrative markets. In fact, many contractors suggested that if a business owner had the right "mind-set" or attitudes, then they were more likely to be successful. As Light and Gold (2000) describe, an entrepreneur has to present themselves as competent to other business owners to prove themselves so that they can be included in lucrative ventures. If they do not demonstrate the appropriate attitudes, then they may lose their connections that can vouch for a business owner's quality of service and goods. In short, as Mackey stated about owning a business, "If you walk-the-walk and talk-the-talk, then you get to play with the big boys but if act like a dumb bunny, then you're out."

The most significant element of the attitudes that these contractors' suggested had to be projected by all business owners was having an "entrepreneurial work ethic." This work ethic included the notion that every business owner has to "work hard for their money," as Clearwater suggested. They also had to be dedicated to their work, produce a quality product, and have integrity. Or, as Farrell, a Black electrician suggested, "Most contractors need the right attitude to get their business out there and make sure people respect them. You can't be an asshole and know-it-all or you'll be, you'll be ousted out, excommunicated."

The idea of integrity, which included being trustworthy, honest, reliable, and a "straight shooter," as Josephs suggested, is so important among contractors that it is one of the main criteria of getting a Georgia general contractor's license besides showing competence (i.e., construction-specific knowledge) (Georgia Code 43-41-1:9). Out of the 42 contractors I interviewed, 36 discussed the importance of integrity when I asked them what was important in being a successful business owner. Wilson suggested that integrity is something anyone should have, that is, within his social network of contractors and subcontractors:

Because part of this group and part of being able to be part of it, is that you must operate with honor and integrity. There is no way you can be a part of this group and operate any kind of way. I started dealing with M Bank, who is our primary lender, and I would not hesitate to call them if somebody doesn't do that and try to persuade them not to do business with anybody that screws over anybody in this group, whether it be a sub or a contractor or whatever. We are very very big ...well, we're just big on honor and integrity, which something that we lack in America period. So we, we push that tremendously. For me, if I can't, if I don't have a good understanding, or I have a problem with a sub, I will just ask them how much I owe them, pay them, and just send them on their way. And just never do business with them again. And the group, doesn't do business with them, you know, that's how we sort of learn to eliminate a lot of the bad subs and people that don't do the things that they are supposed to do.

Fredrick felt the same way. He stated that in order for any business owner to make it in this industry and to get more customers they had to be "reliable, honest, and responsible for their work." Charles stated that many businesses fail because they do not have integrity. He stated, "I think the pitfalls as people grow their business are forgetting what your strengths are and losing sight of that and letting their quality and integrity slip." Rodriguez also stated that integrity was important: "You have to earn trust and people have to trust you. If they don't, then you get less business and people start talking shit about you...there goes your business." As Marcus stated, "honesty and being a hard-worker is what gets you in good with other business owners and the community-at-large. If you lie, cheat, and steal, then nobody wants you around." Charles gave this example of integrity:

The integrity of our company is important to us and trying to do the right thing is important to us, and I think the longevity of our company being here 57, 58 years later is really a product of offering a quality product at a fair price and doing the right thing. Standing behind it. We're

not perfect and we make mistakes and we stub our toe along occasionally, but we try to fix it when we can and able to. My dad's stow[?] homes back in the '40s and '50s, and we had a call the other day from a widow lady who he went down and looked at her house. She'd been in there for 35, 40 years and needed a new roof. Her husband's passed away and she trusts him and she says, 'well, what should I do?' And he helped her get a roofer and get it all going for her and kind of look after her. You know, we try to take care of our customers for a long time. We really build our business on that quality and integrity aspect. Even sometimes when you don't really make any money at it, as long as you did the right thing, you're hopeful that homebuyer or that builder or that lender, or that realtor will refer to somebody else that you could make a little margin on.

Overall, integrity, in many ways, gives you access to social networks and to future contracts, as suggested by Charles. However, the contractors also suggested that a business owner has to be dedicated to their work and produce a quality product.

For instance, Castillo stated the following about how quality was important: "We have to do whatever it takes to get the job done and if that means working late hours or driving across Atlanta for a job, then that's what you have to do." Sosa stated this about dedication: "You got to be very persistent, you have to....Don't be discouraged...you set your goals and go after it and if you don't, you no chance in this business." Mitchell and Clearwater suggested that dedication is about finishing the job even if it is late and sacrificing your free time. Mitchell told me this story about his dedication:

Ah, me and my wife had just got married and we moved down here. 14 years ago. I had to be at work on my regular job at 7, so I would have to leave the house about at a quarter to 6 or 6:30. Wasn't getting home until about 11:30 at night. Neighbors came down, because they came to the wedding and they said you can be honest with us, did he leave you? Because they never saw my vehicle. Because, I left before they woke up and I didn't get home 'til they went to sleep. So, you know, so that's what they thought, did he leave you or what?....Ahh, A lot of times I didn't know if my grass was rooting or not. I used to have to drive over it with my headlights and shine into the yard to see if what I planted was growing in the yard. You know?

Brooks also suggested that dedication was a necessary element for running a successful business. He stated, "You got to do what it takes. If you want to finish a house, then you got to stay up late and work til' the sun goes down or call your wife to tell her you're be home late."

Quality was another trait contractors suggested a business owner has to have. Lorenz said this about subcontractors that do not produce a quality product: "They should be concerned with

their quality because it makes the rest of us look bad. You have to produce a good stone wall or brick front or customers will complain and want their money back. Everyone should worry about the quality of any job. I tell my guys if they don't like what they're doing, then do something else because quality matters to most construction businesses." Edward also saw quality as a necessary component. He stated, "Just kind of, you know, doing a good job. Building every house as though you're going to live in it. I tell my subs, 'if you don't think you are going to live in this house and you can't look somebody in the eye and tell them that they can live in this,' you know, then it ain't good. It ain't a good house. So, I think putting quality into doing it makes a venture better." Finally, Ortega stated this about the necessity of quality: "We do try to offer a better product everyday. It's all in the product you send out there. That's what going to make the difference if they use you again or if they just turn around and use somebody else because your work sucks." Again, these comments suggest that the quality of work increases opportunities to get more contracts and respect in the industry.

While these attitudes may be cherished in the construction industry, they are also used as a way to judge the value of the different racial and ethnic groups working in the Atlanta construction industry. Many of the contractors suggested that the work ethic was almost natural or innate for those that did well. For instance, Ortega, a Latino contractor, suggested that he was born with the right spirit and attitudes to run a business. Jack, a white contractor, also stated that he had always had a strong entrepreneurial spirit that projected, as he stated, "confidence, dedication, and that I can be trusted." Richards, Wilson, Walters, and Randolph, four black contractors, also stated that their success rested on their positive attitudes about life and their drive to succeed against adversity. In fact, Wilson stated, "Even though I know Blacks have to do twice the work of any other type of contractor, I know I have the skills and the attitude to do

better than anyone out there." Even Dmitry and Brooks suggested that they were "naturals" in business ownership. However, this discussion of how innate this entrepreneurial work ethic is was used by many contractors, especially White contractors, to explain why Black and Latino contractors fail at business ownership. As suggested in the last chapter, this was usually how Black, Latino, and White contractors disguised their prejudice toward one another by suggesting that their failures had to be due to their inability to be good workers or smart business owners. As I pointed out earlier, Josephs suggested that the problems Black electricians face is because they do not have any pride in their work.

Ferry also viewed Black contractors as having a tough time in construction because they do not want to work as hard as they should. He stated, "There are probably a handful of African Americans in this business because you have to get up early, have to be able to multi-task, and not piss off the customers." Dmitry and MacGyver felt the same way. Dmitry stated this about Blacks and Latinos being poor business owners: "All they worry about is the making of the money, you know, what do they call it, bling? They want to make money fast so they don't worry about quality. Latinos are the same way because they need to send home as much money as possible." Lorenz, a Latino contractor, also saw other Latinos in the same way as Dmitry: "I tell other guys I work with, 'you need to think about the future and be sure you have your head on straight,' but they always choose the wrong path and don't keep their quality or their dedication up fully."

Some White contractors also hinted at the notion that Blacks and Latinos were sometimes hard to trust. Mackey, the house framer, said this about trusting anyone outside of his buddies:

Can't trust anyone unless you really know them. I know plenty of guys that I can trust, and I try to stay cautious about others. One time I had this crew of Black guys working for me, and they were always saying they finished something and I go and look and they had really screwed it up or didn't finish it. They lied a lot. The same for Hispanics, you have to watch everything they do because they will try to cheat you.

Jack and Blythe felt the same way about Blacks and Latinos. While discussing how Latinos have influenced the Atlanta construction industry, Jack stated this about their integrity and how it related to Blacks:

Jack: Hispanics have been instrumental in this business, and we wouldn't be able to keep up with the demand if they hadn't come. I am a little wary, though, of them business owners, just like Blacks, because I don't know if they have the drive and experience to do the work. You really have to know what you're doing here, and I'm worried that you can't really trust someone that has too much at stake to make their business work.

Interviewer: I don't understand, what will they lose?

Jack: Well, you know, their house, their car, all their savings if they don't make it work. I have some cushioning with savings and investments and such. You have to be careful in this business and I think some contractors have too much to risk so they will do anything and say whatever to get the job.

As Jack's comments suggest, some contractors view working with Latino and Black contractors as a risk because they may not be as honest because they need work. Jacobs and Josephs felt the same way in which any inability to be honest seems to be a characteristic which only Latino and Black contractors possess, thus reducing the likelihood of working with them. Again, this highlights the fact that these contractors' negative racial attitudes toward Blacks and Latinos determine their overall actions and views of who can be business owners in the construction industry.

## **FINANCIAL CAPITAL**

One of the most influential forms of capital, and the most investigated, is financial capital. Financial capital can be broadly defined as any money, assets, or wealth that can be used to start and sustain a business. Researchers suggest that financial capital represents the most obvious way of explaining differences between racial and ethnic group rates of self-employment (see Bates 1997; Fairlie 1996, 1999, 2001; Light and Gold 2000). Bates (1997) suggests that financial capital is also a tool that can help disadvantaged minorities overcome discrimination and any

other barriers preventing business entry. Most of the research on financial capital suggests that it comes from several different sources such as income; or taking on a second mortgage, inheritance, or through loans from family members, other co-ethnic business owners, or from lending agencies. In general, though, financial capital is an important determinant of who starts a business and who does well.

Many of my respondents explained the importance and perils of financial capital. For instance, Lorenz, who felt that he had become financially secure recently, stated this about financial capital:

If you just break even, you're doing well. It's just a rollercoaster. It's just business for me now and you have to take advantage when there is lots of work to build up your savings because sometimes, it is slow and you have to learn to save money and hope that nothing terrible happens.

Persons stated, "...cash flow's the name of the game. If you don't have a cash flow, you, I mean, you'd be in hot water, right?" Rogers affirmed this point.

I would say that, in this business, the biggest hurdle is finance, because you know, it's such an expensive deal. It's just like the oil business, you know, you spend nine hundred thousand to make a million, you know what I mean? And that's kind of how real estate and construction is, you know, you have to spend a lot more to make small amount you know, sometimes. You know, it's in terms of an entire project and what it takes to finish the project.

In this comment, Rogers points out that any construction contract needs plenty of funding in order to start and finish it: "permanent funding" is the key in this industry. As Clearwater states, "If I've got the backing, then I can do it." Baker agreed, "...it all boils down to an economic stream and whether or not you have the ability to support that." Martin, who had just gotten into construction, suggested that financial capital was a necessity for any business and more meant "freedom from banks and owing everyone money." Fredrick and Charles also agreed that access to unlimited sources of financial capital was "the name of the game."

Fredrick, who was one of the only White contractors struggling with having enough financial capital said this about the negative side of this form of capital:

I don't have very much room at all. I mean, I'm carrying the mortgage on that [a house he recently renovated]. I'm carrying all the bills, plus a \$300,000 mortgage on that house and you know, it's every time I have to pay that, that's like another big chunk of time that I have to work in order to meet my obligations and I don't like it. I'd rather be able to either not work or if I am working, be able to put the money away for another venture....It's really a zero-sum game.

Jaeger, a new Black contractor, suggested that worrying about financing really held him back from venturing into other areas of investment. Brooks also viewed accessing capital as "tough" and a weakness of this business because everything he made, half went to taxes and another quarter went to paying everyone else. Mitchell, who had been in and out as a full-time business owner, best summed up the risks of not having enough financial capital: "You know, you got to take chances and I would put money out there and I prayed to God that I was going to get paid, at least get the material money back, something, you know? I had to make it worthwhile."

These contractors also saw a pivotal link between one's cultural capital and the amount of financial capital a business owner is able to obtain and sustain. In other words, not only did a contractor need to know the ins and outs of construction, they also had to have a strong sense of finance and saving money, as already suggested by some of the comments above. Martin, a Latino contractor, said this about being smart with money: "You got to know when to spend money and not. I can't just, after getting \$10,000 from building a house, go and buy a boat or spend it on something stupid. You have to save it for the next job's materials or something." Randolph, a black contractor felt the same way about how contractors have to know how to finance their projects. He stated, "I think it takes a lot of commonsense, I think that we deal with a lot of money and because if you mismanage your money, it will come back to bite you." Finally, Matthews stated: "It's all about knowing how to save from money, knowing what to pay out, what you need to buy materials, all of that takes a level head and you can't just spend on whatever you want." As Lorenz stated, "I think that is why you see so many poor Mexicans, because they get these big pay checks and they really don't know what to do with it. So, they go

out and buy new cars, clothes, a pretty ring for their girl, you know? You have to learn how to save money."

Many business owners, however, start out with little to no financial capital at all and rarely have enough to keep the business afloat. Bates (1997) found that many businesses started by Asians, Blacks, and Latinos began with under \$5,000 in start-up capital and 47% of them started with no capital at all during the 1980s and 1990s. Bates also suggests that minority entrepreneurs, including African Americans and Asians, tend to have at least \$15,000 less in financial capital in comparison to White entrepreneurs. In fact, all research on comparing Whites and minorities find that White financial capital has always been larger than all minority groups, except for Koreans who have used co-ethnics to provide loans and economic support (i.e., credit systems, cheap labor, and clientele) (see Bates 1997; Butler 2005; Lee 2002a; Light 1998; Light and Gold 2000; Min 1988; Hodge and Feagin 1995; Oliver and Shapiro 1997).

Waldinger (1996) suggests that individuals starting businesses in the construction industry only needed a small amount of financial resources to initially start their business. In my study, not everyone had an idea of how much money they had when they started their businesses. Many suggested they started with a few thousand dollars, and at least twelve contractors had over \$100,000 in bank loans. However, Jacobs, a White contractor, said he had about \$3,000 in the bank to start his business and a lot of tools. Diego, a Latino contractor, started with about \$12,000 he had saved up two years before he quit his job to go into doing commercial flooring and tile. Clearwater and Persons, two Black contractors, stated they used some savings and credit cards to start their business. Marcus' business, which is one of the largest of the Black contractors I interviewed, began his business with "...a ten thousand-dollar loan and a prayer."

As Bates (1997) found, entrepreneurs that had large amounts of start-up financial capital were more likely to obtain more financial capital.

Overall, the access to and the amount of financial capital that business owners have vary dramatically and represent a clear barrier for different racial and ethnic groups. One reason cited for why certain groups have enough financial capital to start a business is due to the unequal distribution of wealth in America. As suggested in the first chapter, there are some large disparities between Black, Latino, and White income, unemployment, and poverty levels. Most studies on differences in financial capital suggest that any discrepancies between groups are due to the varying levels of income, wealth, and if a potential entrepreneur owns a home.

In a recent study of economic inequality between White, Black, and Latinos, Shapiro (2004) and Kochhar (2004c) point out that most minority families have significantly lower net worth and net financial assets<sup>61</sup> than White families. For example, Shapiro (2004:47) found that Blacks and Latinos earn 59 cents for every dollar earned by the typical White household. Kochhar (2004c) found that the median net worth of White families was around \$88,000 in 2002 in comparison to \$5,988 for Black families and around \$7,932 for Hispanic families. Shapiro (2004) suggests that White families' median net financial assets were around \$33,000 and Black and Latino assets were around \$3,000.

Some researchers also suggested that an inheritance may serve as financial capital for starting a business (see Bates 1997; Butler 2005; Fairlie 1996). However, only one of my respondents, Charles, was the only contractor that suggested that he had inherited his business

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<sup>61</sup> Shapiro (2004:43) defines net wealth as all assets (property values, stocks, bonds, savings) minus debt. Net financial assets are assets that can be immediately liquidated for money, excluding home and car equity minus debt. The latter represents what a family can use immediately versus the former, which is what is left for future generations to use.

and some capital to start his business. Based on Shapiro's (2004:71) research, the median amount of inheritance money for Whites is \$10,000 and \$798 for Blacks in 1999.

Finally, home ownership has been linked to the possibility of being able to start a business because it provides a source of equity that can be borrowed against to have some start-up capital (see Bates 1997; Oliver and Shapiro 1997). However, Whites are more likely to own homes and have higher amounts of equity than Blacks and Latinos (see Shapiro 2004). As I pointed out in the first chapter, 78% of Whites, 52% of Blacks, and 36% of Latinos owned homes in Atlanta in 2000. This somewhat matches national trends in 2002 of 74% of Whites, 47% of Blacks, and 48% of Latinos owning homes (Kochhar 2004c). Kochhar (2004c) also suggests that two-thirds of the wealth Blacks and Latinos have is their homes. As for whites, it is as little as a quarter to half of their net worth. All of my respondents owned at least one home and at least one other piece of property such as a lot of land, another home, or a rental property, suggesting possibly there was no differences on this front.

There were some respondents, two Black and two Latino contractors, that took out a second mortgage on their house to get a start-up loan for their businesses, which suggests that if you do not have other sources of capital, then your home can help. But, as Oliver and Shapiro (1997) and Light and Gold (2000) suggest, one can lose their home if the business goes bust.

Diego, a Latino contractor, stated this about using one's home equity as financial capital:

Yeah, some people take that chance. Me, I don't want to lose everything because I can't find any work. Banks do not care if you need a place to live, and if you tie up house in loan then you will be wishing you hadn't. I know plenty of guys out there that have lost everything because they were not smart and put their house, car, and even the tools they have on the line and lost it all.

Overall, some forms of capital, such as an equity line from one's home, are more dangerous than receiving a bank loan because one could lose everything if the business does not do well.

Interestingly, Butler (2005) finds that to be true with most African American business ventures.

A second reason for differences is due to the various sources groups tap to obtain financial capital. Researchers suggest that who or where an individual obtains their financial capital determines their overall success in starting a business. For instance, using a bank to obtain a loan, a business owner may receive more money but have more restrictions. However, using family and friends gives you more leniency but smaller amounts of money. One of the more powerful sources of financial capital for most entrepreneurs is their family, friends, or other co-ethnic business owners. For instance, many Asian entrepreneurs, especially Koreans, use a "rotating credit association" or *gae*<sup>62</sup> (see Lee 2002b; Light 1998; Light and Gold 2000; Yoon 1997). This credit system provides permanent funds to Koreans within the co-ethnic enclave to start and maintain businesses. It also rotates the responsibility between the businesses associated with the system and guarantees funding to all its members. In addition, these loans have very little interest and each member pays the loans back over longer periods of time. These systems have also been found among Cubans in Miami and Mexican Americans in the West (see Gutierrez 1996; Light and Gold 2000; Portes and Bach 1985; Sanders and Nee 1996; Spener and Bean 1999; Waldinger and Litcher 2003). All of these credit systems have helped to bolster entrepreneurship within certain racial and ethnic groups. Of course, there are other sources such as personal savings and assets, informal networking with families, as well as bank loans and credit, but these have not been as successful in helping various groups as the credit system.

While there were no clear co-ethnic credit systems among my respondents, there were plenty of contractors that used informal networks with co-ethnic family, friends, and neighbors to obtain financial support. The Latino contractors were the most likely to call on their co-ethnic family and friends as well as use their personal savings to start their businesses. Five of the

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<sup>62</sup> Light (1998) also calls this co-ethnic credit system a *kye*. Butler (2005) and Light and Gold (2000:116) also point out that European Jews, African Americans, and Mexicans have created "loan societies" that serve the same functions as Korean loan systems.

fourteen Latino contractors used family or friends to start their businesses, while almost all of them used their personal savings to supplement any loans they received. Sosa, who has now been in business for eight years, suggested that his source of financial capital was his friends and family who now provide loans too when necessary. He stated: "We called up a bunch of our friends, family to get some capital in order to get insured and ready to be commercial subcontractors." Two of the Latino subcontractors, Ortiz and Munoz, relied on a small loan from their family (about \$2,500) to start their business. Martin, who grew up in a middle-class Argentinean family, got his first funds from his father. Gutierrez used a combination of family funds and savings.

However, very few Latino contractors used banks to get loans to start or sustain their business because many of them suggested they did not trust or know how to work with banks. For example, Sosa, who has a large commercial business, said this about working with banks:

Sosa: We had to have almost \$90,000 in the bank to get bonding. Obviously, the bank isn't going to give you any money if you are just starting out. We tried the bank, and we are still waiting after eight years. We tried different options because the banks were taking too long, so we ended up with a second mortgage on the house. We end up with money from my mother-in-law and all relatives. And we get \$90,000 in the bank.

Interviewer: Do you feel like the banks discriminated against you because you were a Latino?

Sosa: Well, maybe. Honestly, my perception on the white banks is that they are hard to get into in comparison to other entities. We definitely don't feel like it, but when you talk to people, they say, 'yeah, I've been discriminated against.' And when you talk to the consultants at the bank and they ask you about being disadvantaged, you say, 'possibly.' When you go to the bank, nobody's going to tell you it's because you're Latino, but there is something there. So 40 years, I mean, it has something to do with it but you can't pinpoint it. It's almost like you have to accept it or find other entities to help you.

In Sosa's comments, there is a concern with banks being discriminatory. Much like what has been reported by Black business owners and seen as one of the number of reasons why Blacks do not fare well in self-employment (see Bates 1997; Bentil 1989; Butler 2005; Hodge and Feagin 1995; Feagin and Imani 1994; Light and Gold 2000; Oliver and Shapiro 1997; Omi and Winant 1994). Nixon (1998) suggests that there is a growing trend of banks requiring higher credit

scores and more savings for Latino applicants. After asking Diego whether he had ever used banks to get loans, he stated that he did not trust them because of the possibilities of discrimination:

Diego: I never did that, get a loan from a bank. I never did that because, you know, you working too hard for everything that you got, and it sounds good that you can go in and get a credit line but the problem is you don't know if you are going to be able to get enough work to cover the loan or the bank may not even give you loan because you have a funny accent or you come in with your work clothes on.

Interviewer: Do you think you wouldn't get a loan because you are Latino or because you are wearing just your work clothes?

Diego: Well, I tell you the truth, it is both, but you know, people are funny with Latinos. They want them to work for them, but they don't want them to get too, too, uppity. Giving us money leads to more chances we own a business and do it better than most. They don't want to give me a loan because they scared I can't read English and understand everything, you know?

Clearly, discrimination may play into making these Latino contractors stay away from using banks all-together. In fact, Gutierrez, who uses banks now, said that "At first, I didn't want to use a bank because I heard the horror stories of me to higher credit scores and more documentation than they require for most individuals. I wasn't going to deal with that until I had \$50,000 in the bank." In addition, as Lopez suggests, banks view Latinos differently than White applicants. He stated, "They are scared that if they give us a loan, we won't pay it back. You know, run across the border with and never see it again. Gringo banks don't like us because we are Latinos, plain and simple." Charles (2001) suggested that when considering loans for housing, Whites are 56% more likely to get a home loan than Blacks or Latinos. In addition, Bocian, Ernst, and Li (2006) found that many Latinos in several metro areas, including Atlanta, were asked to offer more financial proof (pre-qualification for a home loan) to be shown a home by real estate agents, and were asked to have a substantial down payment (over \$5,000) to get a home loan.

However, Martin and Mendez felt that they did not know enough about how banks work in the U.S. to risk applying for loans. As Mendez stated, "Back home, a bank can take everything and charge you a huge percentage rate. I don't know how it works here." Also, Lopez, Martin,

and Mendez felt like they could not access bank loans because they could not speak English very well; again, the language barrier is an issue. Castillo and Quinones pointed out, there are very few Latino-owned banks that can provide loans that are large enough or does not charge a higher interest rate than larger banks because of their size. As Quinones stated after I asked him about whether he had used banks to start his business: "I have not, but I would if they were more accessible. Some are starting to offer services to the Latino community, but it is usually only in the form of all their instructions in Spanish...no real commitment to reaching out." The NFHA (2006) also found that many banks were unable to offer lending agents that could speak Spanish.

Some of the Latino contractors suggested that the real problem Latinos faced concerning financial capital was because Latinos could not hold on to their money. For instance, Lorenz stated this about how Latinos treated money:

Many Hispanic guys, they send about half of their paychecks home to their families and use the rest to live off of until the next paycheck. See, Hispanics have a dedication to help our family and friends out. So, we don't have the abilities sometimes to hold back money and save it for the business we want to start.

Rodriguez stated this about Latinos and saving money: "We really don't make enough to save, and many of us send some home or try to buy, you know, the material things that we want. It's nice to have a new truck or cowboy hat." Ortega also saw Latinos' abilities to save money for a business venture as a problem. He stated, "See, we have some issues with finances. We like having money and being able to spend. We also need to feed our families and we all have bills just like you do. So, money is tight and it gets tighter the more stuff you buy. So, I hope that the Latino community will soon see that they need to build up their capital so that they can move on to the next level." In 2003, 13.2 billion dollars in money was sent by Mexican immigrants and Mexican Americans to Mexico (Orozco 2004). This amount had grown by 43% since 2001, and there were over 40 million transactions in 2004. However, the comments above suggest that

these Latino contractors view this as a problem for Latino immigrants and not necessarily Latino American citizens.

In stark contrast, a large majority (eleven) of the Black contractors obtained their financial capital to start and sustain their businesses solely through banks. The other three contractors used their credit cards or savings. Light and Gold (2000), as well as Butler (2005), suggest that banks represent the only source of start-up capital for most African Americans because their friends, family, and the black community, as a whole, have little money to invest in black-owned businesses. In fact, Light (1998) and Lee (2000, 2001) suggest that not having some support from co-ethnics represents why many Black businesses are not as profitable or work outside of ethnic-centered services such as retail stores and restaurants. In addition, as seen above, many African American families do not have the economic resources available in their incomes, savings, inheritances, or home equity to use it as start-up funds for a business venture.

With banks and lending agencies being the only source of funding, the requirements for receiving funds are difficult. On a larger social context, African Americans have historically faced problems obtaining financial assistance for housing and starting a business because of racial discrimination. In review of literature on racial residential segregation, Charles (2001) notes that African Americans lose out to funding for purchasing homes from banks due to racist lending policies that limit the opportunities of funding and decrease the chances of exposure to appropriate funding. In the event that an African American receives a loan, they are generally given less money than most other ethnicities and are asked to pay higher interest rates (see Conley 1999; Charles 2001; NFHA 2006; Oliver and Shapiro 1997; Squires 1994). More importantly, African Americans are 60% more likely to be rejected for a loan (including business loans) than whites with identical credit and debt histories, income, and other financial

characteristics (Squires 1994). As Myrdal suggested in 1944, African American entrepreneurs also face serious racial discrimination concerning the development of commercial credit and financing for their businesses (Green and Pryde 1990). Hodge and Feagin (1995) suggest that many African Americans face "unnecessary barriers" such as more paperwork, delays in processing, and providing more proof of liquidity up front than whites (p. 108). As Wilson points out, "I have to work twice as hard as whites to prove myself to get funding."

Specifically examining the loan processes for African American business owners in the construction industry, researchers suggest that the problem continues to persist (Bentil 1989; Feagin and Imani 1994). As suggested by Bentil's (1989) research on minority contractor funding during the 1980's, most African Americans and other minorities suggested that they had problems with getting permanent funding, or bonding. In addition, Feagin and Imani (1994) point out that, within their sample of African American contractors and sub-contractors, most suggested that when they finally received funding, it was due to "special criteria" that did not apply to all contractors, such as having twenty-five percent more liquidity than most whites to secure a loan. Feagin and Imani also point out that most of the barriers that African American construction business owners face concerning funding are within the lending policies such as stereotypes questioning an African American contractor's abilities. More importantly, racist attitudes are the main cause of lending discrimination. As Feagin and Imani (1994:579) conclude, "Without access to sufficient capital, a black business cannot grow and compete for lucrative contracts with white firms."

Rogers, a Black contractor that builds custom homes, said this about the amount of racism and discrimination he faced in this business:

It started they wouldn't fund me because I was black. My credit has always been impeccable, you know, and my financial statement was decent and I mean, I had some liquidity and had other hard assets I could apply, because my wife is a few years older than me so she had, you know, actually

more money and assets...For some reason, you know, I really just couldn't get into it, you know, it was just tough. And the reason why, I don't know. Being black sometimes you're hyper sensitive, but you know you can trace it back to maybe because I'm black.

In short, Rogers felt as though he had to prove himself twice as much as a white contractor does to get funding. Wilson also ran into similar problems with his first loans and trying to get funding. Here is what he dealt with early in his career:

I was trying to get the mortgage through. And um, at the time I had, I had a little cash, I had good credit and all the things that you needed. Um, the thing for me is that they were red-lining and I knew that they were red-lining...I had gone through all the process what they had me doing was they had me just jumping through hoop after hoop because they could not come up with a legitimate reason to turn me down. Because everything that they gave me, every requirement they gave me, I met. And so they...they keep going on for a year. Yeah, yeah I just, you know, like my mom used to say, you know, I was just too dumb to quit. You know, so just sort of stayed at it and every time and every week it was a different something um and I met every single requirement. And they would, you know, nothing kind of one of those things you just have to keep, keep going until you persevere. Well, I um I just ended up filing a suit against them going too and I ended up going to Star Trust. Um, and, and got a construction loan. And um, you know, nobody could ever convince me that it was anything other than racism and red-lining.

Randolph found that he also ran into similar difficulties dealing with a "majority" bank concerning funding:

I go to Southtrust, guy came out and told me all these stories about how he's going to take care of me and small business and this and that, and he stopped returning my phone calls after about a week. Sent me an e-mail called me the wrong the name, called me Mitch instead of Mike, I was like, 'Oh my God!' You know, I sent him back an e-mail and kind of corrected him and said, 'you know I feel as if all the concerns that I have are being justified by your actions.' The bank manager of our bank and he's the one that referred me to this guy, I talked to him and he said, 'let me look into it.' Well, he got back to me and said, 'well, based on your last e-mail he said that there wasn't much more to say and he didn't feel like he needed to call me back.' And you know, that just showed me that I'm not going to spend a bunch of money, not get a loan that I am qualified to get, and I don't even get the courtesy of a return phone call, you know what I am saying?

Like Lopez suggested about Latino contractors being seen as undesirable candidates for loans,

Marcus found that being Black meant something different to larger banks:

And something that's always going to be a hurdle, but I've never had to let it stop me is that, when people call you a minority contractor, minority means less than. So, you're always fighting this proving yourself to people. It's a constant battle. It doesn't matter how much work I've done, even to this day, I still have to prove myself. A good example, I won't tell you the name of the bank, but a major bank was trying to get my business a couple of years ago and they invited me to their suite at [unintelligible], and I went into the suite and there were a number of people there, only a couple of blacks, and this young banker there when he saw me, he shook my hand and I thought he was introducing himself, then he said, I'm glad you're here. We need some more wine

and chips. The only thing he thought I could be was a server. But, that's the kind of mindset you have to deal with.

Here, Marcus finds that he, as a Black contractor, faces the discriminatory views of Whites, which were apparent in the last chapter. However, problems in obtaining financing are not always due to white lenders. As some previous research points out, African American lenders also discriminate against African Americans for stereotypical reasons (Hodge and Feagin 1995; Kijakazi 1997; Feagin and Imani 1994; Oliver and Shapiro 1997). Some of my respondents found this to be true for them also – not because of their financial history but because of assumptions about their abilities as black business owners. Wilson states, "...what happens is when you're black, you get it from both sides, um, because you get just as much discrimination from whites as you do from blacks. You get jealousy and envy and all that kind of stuff that you also have to contend with being in business." Wilson's comment ties back to the other Black contractors' discussion of how most groups, even Blacks, tend to be more socially distant and prejudiced toward African Americans. Edwards states, "M-bank, yeah and I like them...Matter of fact, it's sad to say a lot of African American banks have been just hard as hell to work with, real hard. I have three banks and neither of the banks are African American." Jaeger expands on this problem:

Do I go out to C-town at M Bank and apply for a loan or do I go right down here to Piedmont, City Trust, which one of the nation's largest black-owned banks and get work, I mean get a loan. I mean you know from what I've heard from people who've tried to deal with City Trust it's much easier to go and deal with a white bank. But then you know you got me wondering, is that am I just buying into a stereotype too, you know. Should I, you know, should I go to them and see if they will do business too?

When asked to clarify this, Jaeger states:

Well I think it would be black banks dealing with a young black business man, yeah, they might look at me a little closer, you know. They might want to, instead of just looking at my financials, they might want to verify it line by line. And I think it goes back to this level of familiarity and this perception that blacks are dumb, stupid, lazy, you know, fill in the blank, whereas the white guys didn't deal with those, didn't deal with those stereotypes. And I say they don't deal with them, he may be dealing with them on a, in another way. He may think these guys "need" my help as opposed just letting be purely business decision. Um, so where the black guy says, 'he can't do it,'

the white guys says, 'I need to help him to do it.' Um, but yeah, as people have said it's just tougher getting money from the black bank.

Edwards suggests that African American customers also see African American general contractors as doing questionable work, or as a chance to get a discount because they are African Americans. In the following statement, Randolph speaks to the perception people have of African American contractors having questionable abilities and the fortitude to succeed:

You'd be surprised man, when I'm working on my job sites people, people who look like me are surprised that I'm the boss, I'm the owner, I'm the builder, 'you sure?' You know, it's give or take, I mean sometimes I think that's, that's, I've had white people come up to me and they look at me, and sometimes I don't act like the boss, because my projects may be hurt. It's kind of interesting, you know, the house I built in Grant Park was 6,000 square feet, you know, and I told people who were moving in it, they were like, 'we thought somebody white was moving in there.' What the fuck does that mean? I mean black people can have nice things too. What was amazing that people like me was the one's who said that.

Here, we see that being an African American contractor who builds nicer homes is somewhat strange or unexpected for some people. Walters adds this comment about stereotyping while discussing his relationship with his white project manager:

We work together well. Well, the white guys that come and talk to him, some don't know that I'm black and some of them do. And when they do find out that I'm black they automatically assume that he's a racist too and so they start having these racial conversations with him. And so he and I communicate back and forth on the same issues. And then on the other side of the spectrum, let's take your Fulton County inspectors for instance, we have black Fulton County inspectors and you have white Fulton County inspectors. Well, if black on black, I may get a break. If white on white, he may get a break. Mix it up, black on white or white on black you don't get no break, they just hold you to the letter of the law. So, it's just, it's just difficult.

As these comments suggest, stereotypes associated with being a black contractor, such as being untrustworthy and having unsatisfactory work, leads to exclusion from more mainstream networks (i.e., the good-ole-boy networks), and certain types of contracts. Other researchers also identified this as a problem for the African American construction business owners they interviewed (Hodge and Feagin 1995; Feagin and Imani 1994). Hodge and Feagin (1995) found that most whites perceived African American entrepreneurs as incompetent and lacking "business sophistication" (p. 110). As Warren's white project manager indicated to me, he had

never faced so much "discrimination bullshit" simply based on the assumption that Warren is an African American. The project manager also said that since he worked for an African American, he received some grief and felt "screwed" by other white contractors. Ultimately, these misleading assumptions and conceptions about the abilities of African American contractors encourage problems of racial discrimination against them, which leads to problems of getting good funding and decent-paying contracts.

As for the White contractors, most of them relied on a combination of personal savings, bank loans, and family connections. In fact, only one person, Fredrick, discussed the problems associated with obtaining enough financial capital to start and sustain his business. Most of them saw themselves as resource rich because they had several options to sustain themselves. Research on White financial capital suggests that many Whites start with personal financial resources, such as savings, but very few have problems getting loans once they start (see Bates 1997). Oliver and Shapiro (1997) suggest that Whites also tend to have large amounts of equity in their home, good credit scores, and personal savings that make Whites look more appetizing to lenders, which many minorities do not have. Of course, these advantages are seriously racialized because Whites do much better than minorities on each of these indicators, historically (see Chapter 1).

Charles, a contractor that somewhat inherited his business, said this about obtaining financial capital: "It wasn't really hard because my dad gave us a good reputation and I had several years of experience, so banks were more than happy to work with me. You also have to remember that I worked with banks well before I started my own business through my dad." Here, Charles' cultural capital, given to him through his experiences and the last name of his father, gave him easy access to capital. Brooks had a similar experience in getting his business

started. He stated this about the ease of getting bank loans: "The first deal that I did, I had got somebody to sign a note [bank loan] with me and I used a piece of land I owned as collateral, and my two partners and myself were very credit worthy applicants, so no problems in getting three loans to start our business." MacGyver, who was a banker before going into construction, used his personal savings, knowledge of finance, and, most importantly, his connections to the bank to get his business started. In addition, Patterson, who was a real estate broker, also used his personal savings and, as he put it, "market savvy" to get several loans to buy property to build his first homes in Southwest Atlanta.

The other White contractors used a combination of savings, family connections, and their first clients to build up their financial capital. Fredrick began his business with loans from his family and continues to call friends if he needs to get some money to buy a property to renovate. Jacobs, Dmitry, and Blythe used some personal savings of about \$3,000 to start their business. Interestingly, though, some White contractors used their first projects as a way to build up capital to sustain their businesses. For instance, Blythe, Jacobs, and Ernest used their first builds to have enough money to support their next project. Ernest related this story: "My capital came from my first house. At first, I had enough money to start by buying this old house and fixed it up with my savings and I think I got a small loan from some friends. Anyway, I sold that house for like an 80% profit and that catapulted me into my next two projects, and it grew from there." Jacobs suggested that he requires, "all of my clients put up money before the project starts to cover all the material costs....I don't use banks because they have too many restrictions on when and how the construction should be done, but my clients don't usually mind paying some of it up front. Let's face it, their well off to live around here."

Overall, while most of my White contractors hedged when discussing what kinds of capital they started with, it is clear they had somewhat of an advantage because none of them faced discrimination or took a second mortgage on their house to start their business. Moreover, none felt the pressures of starting a business like the Black and Latino contractors. But, as I explain in the next chapter and can be seen in the above quotes, the advantage that White contractors have over the other contractors is not really due to their superior financial status, it has to do with being accepted and knowing the right people. As Patterson states, "Getting financing is easy as long as you have a history of business ownership and can show you know what you're doing. It also helps if you know someone because any person with a good reputation and the right connections can get over the issues of bad credit and not enough savings." Of course, I argue that "good reputations" and the "right connections" is racialized in the next chapter.

## **CONCLUSIONS**

Research suggests that human, cultural, and financial capital have significant affect on the self-employment rates and overall achievements for each of the groups in this study. Clearly, there are some noticeable differences that could explain why Latinos, Blacks, and Whites would have differing amounts of success. For instance, while most of the contractors in this study had significant amounts of human capital, some of the Latino contractors did not have a full grasp of the English language, which some of the Latino contractors suggested restricted them from accessing a variety of clients and bank loan possibilities. However, all three groups almost matched on the amount of formal education and experience, especially among Whites and Blacks. Latino contractors, however, had less education than their White and Black counterparts but several more years of experience, but none of this seemed to explain the differences between

groups in the form of human capital attainment. Moreover, many of the contractors suggested that formal education really did not matter in this particular industry; however, it seemed to provide some of the entrepreneurs with a way to learn about self-employment, or see it as an option. In short, human capital seems to only, as Fairlie (1996) suggests, open doors to self-employment possibilities.

There are also some differences in financial capital, in which White contractors have easier access than Latinos and Blacks. Obviously, Latino and Black contractors face discrimination when applying for business loans through business. Whites, however, suggested very little trouble with gathering up enough financial capital to start their banks. Latinos, on the other hand, used savings and ethnic ties to secure their financial capital and also saw banks as a risk. Also, while I only alluded to it in this chapter, start-up capital is not what helps to sustain the businesses. It really hinges on whether a business owner has full access to a variety of clients and different types of contracts such as getting a multi-million dollar contract at the Atlanta International Airport to pour all of the concrete for a new terminal building. Overall, the differences between groups concerning start-up capital are important because they demonstrate the difficulties of even starting a business because of the lack of funds. It also shows that Whites, in general, have very few economic barriers to starting a business, while minorities usually struggle.

Another factor that may present a difference between groups is the lack of cultural capital. As many of the contractors stated, picking up the construction-specific knowledge as soon as possible and having the right attitude can determine whether a business owner does well in the industry. However, every group here had some problems with obtaining the cultural capital necessary to do well in this business. Even the White contractors, who agreed that having a

construction-specific knowledge was important, really were the most likely to gain their understanding of construction haphazardly as Jacobs did, by picking up a book and reading about it. However, cultural capital is important, regardless of how these contractors' attained it because it is used to determine the "worth" of each contractor and whether they are seen as having a good reputation or are allowed access to important lucrative social connections, which becomes evident in the next chapter.

However, the strongest element presented here that stratifies these contractors is what Bourdieu suggested decades ago, cultural capital in the form of the right attitudes or entrepreneurial work ethic. As suggested by the contractors in this study, they expect themselves and others to be committed to their work (be a hard-worker), produce a quality product, and have integrity. Again, the racial attitudes suggested earlier as well as the firm belief in individualism and self-reliance, are included in deciding which group is allowed or denied access to the various venues of the construction industry (i.e., clientele, suppliers, lucrative contracts). More importantly, cultural capital is a racialized tool that can be used to perpetuate the dominance of one group in this trade over others. Here, while Whites are the first to be blamed, it is actually all of the contractors who become the definers of what is the appropriate cultural capital for the construction industry, which happens to match the very ideologies and beliefs that all three groups ardently support – hard work, integrity, self-reliance, and individualism. These contractors also are the gatekeepers as well in which they determine who has sufficient cultural capital and whether they can be trusted as business owners and partners in this industry.

However, this racialized tool benefits White contractors the most because, as seen in the last chapter, none of the other groups question their abilities; except for Blacks, who question their integrity. Interestingly, though, in the previous chapter, White contractors question every

part of the Black and Latino contractors' knowledge, abilities, and work ethic. Moreover, the White contractors leveled serious charges of dishonesty, incompetence, and apathy toward both minority groups. In addition, so did Latino contractors concerning Whites, which continues to suggest a growing dichotomization of Black versus non-Black stratification. Here, race, ethnicity, and nativity become salient, but subtle, factors in determining who will or will not have access to this industry. In addition, the system of cultural capital that is in place favors White contractors as well as Latino contractors, as I will demonstrate in the next chapter. However, none of this means anything unless, as Waldinger (1996) found in his study of the New York City construction industry, these contractors use these judgments concerning a groups' cultural capital as a way to include or exclude groups to accessing the various resources necessary to sustain a construction business.

In the next chapter, I turn my attention to discussing one of the most powerful forms of entrepreneurial capital – social capital. I contend that social capital is the most important form of capital because it provides more access to cultural and financial capital to those that have excellent connections. In conjunction with cultural capital, it also becomes the most powerful tool in perpetuating the racial edge that White contractors have in this industry over Blacks and Latinos. In other words, not only does one's social capital provide the necessary access to the different forms of capital, it also determines whether a contractor and his/her capital are valued, which furnishes, hopefully, access to more lucrative and profitable contracts. Put simply, "It's not what you know, it's who you know," becomes the ultimate factor in determining entrepreneurial success for all three groups in this study, but it also continues the dominance of Whites.

**Table 4.1: The Percentage of Racial and Ethnic Groups that Were Self-Employed in Atlanta MSA, 2000.**

|               |                 | Self-Employed |                   | Total   |
|---------------|-----------------|---------------|-------------------|---------|
|               |                 | Self-Employed | Not Self-Employed |         |
| <b>White</b>  | Count           | 7357          | 97750             | 105107  |
|               | % of Group      | 7.0%          | 93.0%             | 100.0%  |
|               | % of All Groups | 74.9%         | 60.0%             | 63.1%   |
| <b>Black</b>  | Count           | 1570          | 48027             | 49597   |
|               | % of Group      | 3.2%          | 96.8%             | 100.0%  |
|               | % of All Groups | 16.0%         | 29.8%             | 29.8%   |
| <b>Asian</b>  | Count           | 383           | 5129              | 1077    |
|               | % of Group      | 6.9%          | 93.1%             | 100.0%  |
|               | % of All Groups | 3.9%          | 3.2%              | .6%     |
| <b>Latino</b> | Count           | 507           | 10287             | 10794   |
|               | % of Group      | 4.7%          | 95.3%             | 100.0%  |
|               | % of All Groups | 5.2%          | 6.4%              | 6.5%    |
| Total         | Count           | 9,817         | 161,193           | 166,575 |
|               | % of Group      | 5.7%          | 94.3%             | 100.0%  |
|               | % of Total      | 100%          | 94.3%             | 100.0%  |

*Source:* Extracted data from the Integrated Public Use Microdata Series of the 2000 U.S. Decennial Census, Atlanta Metropolitan Area (<http://ipums.org>).

**Table 4.2: Percentages of Self-Employed in Atlanta MSA Major Industries by Race and Ethnicity, 2000.**

|               |               | Major Atlanta MSA Industries |               |                      |                                 |                      |                          |                      |          |        |  |
|---------------|---------------|------------------------------|---------------|----------------------|---------------------------------|----------------------|--------------------------|----------------------|----------|--------|--|
|               |               | Construction                 | Manufacturing | Wholesale and Retail | Transport, warehouse, utilities | FIRE and Information | Professional, Management | Education and Health | Services | Total* |  |
| <b>White</b>  | Count         | 1617                         | 323           | 918                  | 213                             | 830                  | 1722                     | 677                  | 966      | 7266   |  |
|               | % Group       | 22.3%                        | 4.4%          | 12.6%                | 2.9%                            | 11.4%                | 23.7%                    | 9.3%                 | 13.3%    | 100.0% |  |
|               | % in Industry | 76.9%                        | 81.4%         | 77.2%                | 57.4%                           | 81.3%                | 79.7%                    | 74.6%                | 61.8%    | 74.8%  |  |
| <b>Black</b>  | Count         | 276                          | 46            | 123                  | 128                             | 157                  | 308                      | 181                  | 346      | 1565   |  |
|               | % Group       | 17.6%                        | 2.9%          | 7.9%                 | 8.2%                            | 10.0%                | 19.7%                    | 11.6%                | 22.1%    | 100.0% |  |
|               | % in Industry | 13.1%                        | 11.6%         | 10.3%                | 34.5%                           | 15.4%                | 14.3%                    | 20.0%                | 22.1%    | 16.1%  |  |
| <b>Asian</b>  | Count         | 20                           | 17            | 104                  | 6                               | 15                   | 15                       | 20                   | 154      | 383    |  |
|               | % Group       | 5.2%                         | 4.4%          | 27.2%                | 1.6%                            | 3.9%                 | 3.9%                     | 5.2%                 | 40.2%    | 100.0% |  |
|               | % in Industry | 1.0%                         | 4.3%          | 8.7%                 | 1.6%                            | 1.5%                 | 1.5%                     | 2.2%                 | 9.9%     | 3.9%   |  |
| <b>Latino</b> | Count         | 191                          | 11            | 44                   | 24                              | 19                   | 84                       | 29                   | 97       | 499    |  |
|               | % Group       | 38.3%                        | 2.2%          | 8.8%                 | 4.8%                            | 3.8%                 | 16.8%                    | 5.8%                 | 19.4%    | 100.0% |  |
|               | % in Industry | 9.1%                         | 2.8%          | 3.7%                 | 6.5%                            | 1.9%                 | 3.9%                     | 3.2%                 | 6.2%     | 5.1%   |  |
| <b>Total</b>  | Count         | 2104                         | 397           | 1189                 | 371                             | 1021                 | 2161                     | 907                  | 1563     | 9713   |  |
|               | % Group       | 21.7%                        | 4.1%          | 12.2%                | 3.8%                            | 10.5%                | 22.2%                    | 9.3%                 | 16.1%    | 100.0% |  |
|               | % in Industry | 100%                         | 100%          | 100%                 | 100%                            | 100%                 | 100%                     | 100%                 | 100%     | 100.0% |  |

Source: Extracted data from the Integrated Public Use Microdata Series of the 2000 U.S. Decennial Census, Atlanta Metropolitan Area (<http://ipums.org>).

\*The differences in the total number of self-employed between Table 4.1 and 4.2 is because Table 4.2 does not include those who are self-employed in agriculture, farming, and mining in the Atlanta metro area.

**Table 4.3: Amounts of Human Capital for Black, White, and Latino Contractors.**

|               | <b>Some High School</b> | <b>High School Diploma</b> | <b>Technical Training*</b> | <b>College Degree</b> | <b>Advanced Degrees</b> | <b>Average and Range Years of Experience†</b> | <b>Average and Range of Profits per Contract‡</b> |
|---------------|-------------------------|----------------------------|----------------------------|-----------------------|-------------------------|---|---|
| <b>Blacks</b> | 0                       | 1                          | 4                          | 4                     | 5                       | 15.86 (5 to 52)                               | \$248,928.57 (\$10,000 to \$1 million)            |
| <b>Whites</b> | 0                       | 0                          | 3                          | 7                     | 4                       | 21.14 (4 to 30)                               | \$254,285.71 (\$20,000 to \$500,000)              |
| <b>Latino</b> | 1                       | 4                          | 4                          | 2                     | 2                       | 8.71 (1 to 30)                                | \$103,461.54 (\$15,000 to \$400,000)              |
| <b>Totals</b> | 1                       | 5                          | 11                         | 13                    | 11                      | 15.24   | \$202,225.27                                      |

\*This category includes any trade school education or apprenticeship a contractor might go through to learn contracting, especially specialty trades such as electrician, plumber, or mason.

†Years of experience represent what my respondents suggested as their years in business but do not represent any experience prior to becoming business owners.

‡The profits per contract were rough estimates.

## CHAPTER 5

### **SOCIAL CAPITAL: THE RACIALIZED POWER OF CONNECTIONS**

The most powerful tool an entrepreneur can possess to ensure his/her success is social capital. While there are several forms of social capital, its most obvious form is social networks that provide access to other forms of capital which encourage growth and wealth (Bourdieu 1986; Coleman 1988; Light and Gold 2000; Portes 1998). In other words, social capital produces and validates human, cultural, and financial capital for those that possess it (see Coleman 1988). In a recent study of Korean and Mexican self-employment in Chicago, Raijman and Tienda (2003) found that co-ethnic connections increased percentages of financial capital, as well as a business owner's knowledge about permits, laws, and statutes pertaining to owning a business, and being connected to reliable sources for materials and employees. Light and Gold (2000:94) also suggest that unlike financial capital that is exhausted with use, social capital grows, and has to be earned and maintained. Social capital comes from various sources including family, friends, other co-ethnic business owners (i.e., co-ethnic support), or inter-ethnic ties within an industry. Finally, as Light and Gold (2000) suggest, an individual or business owner's financial capital is tied to his/her access and use of social capital. In other words, who you know shapes the overall economic success and the ability of individuals to use self-employment to create social mobility.

Several scholars suggest that social capital is the most important form of capital to increase self-employment and social mobility (see Coleman 1988; Cranford 2005; Erickson 2001; Lin 1999; Portes 1998; Waldinger and Lichter 2003). For instance, when researchers discuss how potent co-ethnic resources are, such as family ties, they are really emphasizing the

saliency of social capital, which has been monumental in shaping the access rates of self-employment for Koreans, Chinese, Cubans, and Mexicans (e.g., Bates 1997; Min 1988; Lee 2002a; Light and Rosenstein 1995; Loewen 1971; Reijman and Tienda 2003; Sanders and Nee 1996; Spener and Bean 1999; Portes and Bach 1985; Waldinger et al 1990; Waldinger 1996; Yoon 1997; Zhou 1992). Successful self-employment as middlemen or in ethnic economies or enclaves is due to a business owner's ample ethnic ties and their abilities to entice other racial and ethnic groups to buy their products or services (Bonacich 1972; Light and Gold 2000; Light and Rosenstein 1995; Logan et al. 2000; Logan et al. 1994; Portes 1998; Waldinger 1996; Wilson 1999; Zhou 2004).

On the contrary, those groups without ethnic or inter-ethnic ties to influential parties in a particular industry have been found to suffer economically. For instance, some scholars suggest that the disadvantage that Black entrepreneurs face is most likely due to a lack of co-ethnic support and connections that reach outside of the Black community (see Waldinger, Aldrich, and Ward 1990; Brogan and Darity 2006; Boyd 1991; Butler 2005; Feagin and Imani 1994; House 2000; Lee 2000; Light 1972; Light 1998; Waldinger 1996). For example, Butler (2005) and Rajman and Tienda (2003) find that Blacks and Latinos do use their communities and families to start and sustain their businesses; however, the lack of interaction with Whites and other minorities as clients and business partners reduced their overall success and desire to be self-employed.

Social capital is especially important in the construction industry. Several researchers suggest (Bentil 1989; Feagin and Imani 1994; Rajman and Tienda 2003; Waldinger 1996) that the lack of connections to important lending agencies, construction supply warehouses, and other contractors lead to certain failure among ambitious and hard-working contractors. As Waldinger

(1996:268) states, "...construction businesses live and die on their ongoing relationships to clients, key workers, sub- or general contractors, suppliers, and a host of other actors." Feagin and Imani (1994) suggest that many African American contractors find themselves left out of important social networks that eventually lead to them obtaining more lucrative contracts. Waldinger (1996) also suggests that social capital is more important than human and financial capital in the construction industry because it gives a business owner access to information that is well-guarded and only passed from one trusted contractor to the next. This privileged information can lead to access to more lucrative contracts, thus, increasing one's financial capital. However, only those contractors who "earn" their place or who are identified as having a good reputation (i.e., sufficient cultural capital) get included. As Waldinger (1996:278) states, "established [construction] firms live off the reputations and contacts developed over the years."

Social capital and the social networks that embody it represent an understated but powerful way to stratify the construction industry and keep White contractors secure in their position at the top of the construction hierarchy. It can also be a way to control the flow of other groups entering more lucrative areas of the industry such as commercial construction. Though White, Black, and Latino contractors all feel that self-reliance, a work ethic, and individualism are the key elements to being included in this business, these accepted ideologies actually mask the true nature of how social networks discriminate and exclude certain groups based on supposedly color-blind criteria. As I have suggested throughout this study, many White, Black, and Latino contractors use color-blind ideologies to camouflage their prejudice for one another based on the real problem of competition among these three groups. This can cause problems for minorities because, as several researchers suggest, weak ties that link an individual to multiple individuals outside of their own community are more powerful than just having co-ethnic ties

(see Bates 1994, 1997; Boissenvein 1974; Cranford 2005; Granovetter 1982; Lin 1999; Sanders, Nee, and Sernau 2002).

This chapter represents the second part of my answer to the question of whether the contractors in this study were similar or different in their access to self-employment in the Atlanta construction industry. In this chapter, I demonstrate how social capital is the most important form of capital for these contractors because it determines these individuals' access to cultural and financial capital, and it determines whether the construction industry is relatively open or closed for certain groups. More importantly, I show that race, ethnicity, and nativity matter in constructing the social networks of each group of contractors and how these contractors' racial attitudes shape their social networks. I also demonstrate how White contractors strengthen and close their networks to Blacks and some Latinos, using assessments of cultural capital as the way to determine merit, which is peppered with negative racial attitudes. I also discuss the various structures of each racial and ethnic group's social networks and point out how they are racially segregated. Finally, I argue that even though there are government efforts and the development of strong, self-help networks to allow minority contractors more access to the Atlanta construction industry, these strategies still cannot break through the White good ole' boy network that controls access to this industry.

### **BUILDING ACCESS THROUGH REPUTATIONS**

Social capital is about whether business owners have the connections necessary to access future capital. As Jack, a white contractor, stated to me after he began to recount his many connections to various people and organizations in the Atlanta construction industry, "Access is the linchpin of any business, my friend. If you know the right people and they want to know you, then you're in with no questions asked." Looking over a list of contractors he had worked with in the past,

Sosa, a Latino contractor, stated this about social capital: "No matter how good you are, how much money you have, and how hard you work, none of it matters unless you are connected."

James, a Black plumber, also found networks essential:

Who's going to get me work? You know? I don't have time or money to advertise myself or go from door-to-door selling my services. I have to rely on my co-workers and contractors to send me my business. They are the ones out there selling me because they know I'm worth their time talking about me to their customers and friends. Referrals are the way I survive.

One of the more-experienced Latino contractors, Ortega, stated this about the importance of connections and social capital:

One of the successes in any business or any entrepreneur is you're able to partner up with various professionals and you're able to get money from here, money from there, because they help you. That's what makes you successful. As my good mentors [state], the reason they're so successful, they partnered up with entities, professionals and said, 'Hey, I'll help you on this certain venture,' so their money comes in from all areas. It's definitely one of the most important things, networking. If I been in the business 10 years and I can still survive and grow in better ways, it is probably because I know people.

Clearly, social capital is important because it provides connections that can access important resources to start a business, which was evident in the last chapter in which several contractors had co-ethnic or family support to build their financial and cultural capital.

More important, however, is that these social networks grant access to two other vital resources that sustain a business once it is started. First, social capital helps these contractors obtain more reliable and affordable employees or subcontractors. For instance, Gutierrez and Ortega suggested that to get a new subcontractor or a group of laborers, all they had to do was call some friends or some other contractors they knew. As Lopez stated, "Really, laborers are just a phone call away for me. All I have to do is call my brother or some other company and they are here in thirty minutes." Charles, Ernest, and Jack, three White home builders, suggested that their decision to trust and hire a subcontractor or employee was based on whether their connections' vouched for them. Ernest stated this about his connections providing subcontractors and employees:

Well, most of my subcontractors come from other builders that I really know and trust their work and they call me and tell me that they are good workers. I also have other subcontractors brag on their friends and if I like working with the subcontractor, I will use his buddies too, try them out. But I usually just use the ones I've gotten to know or through other builders.

Wilson, an established Black residential contractor who has served as a mentor for several Black contractors in the Atlanta area, stated this about his connections and how they were used to get subcontractors:

We share subcontractors, I mean what, what I have a discussion with them [other contractors] about is we try to use a lot of the same people. That way we can maintain the amount we pay for certain things. Um, we keep them busy so they quickly respond and stay with us.

Thus, these contractors' connections gave them access to a good and rather cheap pool of subcontractors and laborers, which has been difficult to obtain for some of the contractors. For instance, Clearwater stated, "I couldn't hang on to any one worthwhile because I didn't know what they could do, you know, their skills. But, that changed somewhat with getting in good with some other contractors that we share subs now." Fredrick also has problems finding good employees: "Other than I don't want to have them on a payroll that I have to constantly keep track of, I don't have a good set of people because I always get duds. They're lazy and want more money. If I had more contacts, maybe I could be like the big builders and swap laborers or subs or something."

Second, but most important, social networks gave these business owners access to an open market and more clients. Waldinger et al. (1990) point out that self-employment is only successful if there are opportunities to enter an industry and have full access to all its resources and possibilities. In the Atlanta construction industry, unabated entrance into different avenues of self-employment (i.e., commercial, residential, and public construction) and the different economic levels of clientele (i.e., upper-class versus middle-class) were critical for these business owners to have continued prosperity. For instance, several Black contractors, such as Clearwater, Rogers, and Farrell, who work mostly in East and South Atlanta, find it difficult to

enter into more affluent areas like Buckhead, which is an affluent White northern section of the city of Atlanta. Interestingly, as suggested in past chapters, some White contractors, like Blythe, suggest that White clients do not want Black and Latino laborers in their homes. Blythe stated: "I know Black guys have problems getting into Buckhead and other affluent neighborhoods because customers think they will steal them blind or take their jewelry." Lorenz, Ramirez, and Quinones also feel that they are most successful in certain areas of Atlanta, like Marietta, Alpharetta, and Newnan, which are all working and middle-class areas with significant Latino populations. However, Blythe, Ferry, Fredrick, and MacGyver suggested that they did not really even want to go outside of their small service areas, due to the convenience of having their service areas centered on more affluent communities within the city of Atlanta and East Atlanta.

Three Black contractors, James, Persons, and Walters, found that entering into the city of Atlanta or North of the city to be almost impossible. Persons stated, "I hate trying to go up there. Everyone turns their back on you or never returns your calls. They don't want us South Atlanta contractors anywhere near their money pots." However, Martin and Ramirez suggest that White contractors may be upset about their entrance into these areas. Ramirez stated that Whites are, "...getting a little concerned with seeing us Mexicans do their jobs better and faster." Overall, this suggests that there may be something to having good connections to access more lucrative areas of the Atlanta construction market. This may also point out why there are growing tensions between Whites and Latinos.

Some other contractors also felt they could not enter certain types of construction. For instance, Mendez found that he had little access, as a heating and air conditioning subcontractor to larger companies and commercial contracts because he did not know the right people. Castillo also felt the same way as a "new kid on the block." He stated: "The problem with us getting

business in Atlanta is that people won't open doors to people they don't know or trust. We are building that trust now, but opportunities to do big and expensive projects isn't happening."

Marcus, a Black contractor, suggested that the only reason he has gained access to contracts in the city of Atlanta was through some other prominent contractors in the area. He stated, "If it wasn't for those individuals that believed in me, then I would still be doing low-money contracts in crappy neighborhoods. Those were good starters but not enough to really make me as successful as I am today." Martin, a Latino contractor, said this about contacts that create entries: "I get unlimited access to any type of contract I want as long as I know the right people. Right now, I know plenty of Gringos wanting me around in home construction." Finally, Patterson said this about the importance of good contacts and how they open doors: "Now, you don't get the best deals because you are the best. It's because you know the best people and they introduce you to more people and you build these relationships to help you."

Overall, these contractors all have forms of social capital that have helped them in some way. Also, like Martin suggested, access increases to more social connections because they are needed in certain areas (for example, Latino contractors are used more often in home construction). But, as Patterson suggests, these connections are more important than being the best. It also means that someone has to help these contractors become more successful business owners and is not just based on individual effort, even though many of the contractors relied on this explanation most often to explain their and other contractors' success. But how do you obtain social capital that is powerful enough to provide open access to the various resources of the construction industry?

## Hinging on Reputations

For these business owners, the only way to gain access to better social capital was through a reputation. Moreover, once contractors have been identified as having a good reputation, other contractors begin to vouch for them, providing them access to the various resources they need. This vouching system is the key to accessing every resource mentioned above and being connected with other helpful individuals. As Dmitry stated, "Once you are in good with this guy here," (pointing to a stick figure he drew), "then you will be good with these guys over here" (draws a line from the one stick figure to a group of stick figures). Or, as MacGyver stated, "Anybody can work with me as long as they are willing to prove themselves and show me what they got."

Waldinger (1996) found in his study of the construction industry that a contractor's reputation is what determines his/her entrance into powerful social networks that can make him/her a successful contractor. Charles, a prominent White contractor who now runs mostly an investment and holding companies, stated this about the importance of a good reputation:

I think at the end of the day, that's what counts. I don't care if you're General Electric or Microsoft or Charles' neighborhood construction company, you got to have a good reputation because it takes one bad deal to ruin a lot of hard work. It takes a lot of good deals to make up for one bad one, so it's a constant battle. I sit on the board of a couple of public companies, one of them large, probably the 270 on the Fortune 500 list and they battle with the same things. If their products and services are horrible, then they lose their reputations and [that] destroys their abilities to earn money every quarter.

Richards, who owns the largest Black construction firm in the country, said this about his connections:

If it wasn't for the relationships I had with the various parts of Atlanta, like the African American communities, the Atlanta-based banks, and some of the larger investors of the time, I wouldn't be where I am today. While God watched over me and took care of me, he also made sure I was around good people and good people help you out.

Richards' company is now a national company and has built many of the homes, offices, and sports arenas in the area. In addition, his connections were formal and influential connections,

especially the investors who were White businessmen that vouched for his integrity and quality of work to other more racist companies during the 1970s and 1980s in Atlanta. Overall, though, Richards was able to gain access to influential ties outside of his own community and connected with several Blacks in politics during the time that helped him get large city of Atlanta and commercial contracts.

Reputations can also ruin a contractor if he/she cannot establish a satisfactory one. For instance, Mitchell, a Black contractor stated, "I know plenty of contractors that have went belly up because they sucked at it and everyone told everyone else that they did. Man, they couldn't get a pot to piss in after they screwed [up] a contract or two." Blythe, an experienced White home remodeler, gave me this story about a contractor who has not been able to break into the Atlanta construction industry.

There's this guy that I hired to run a project. He was a really good carpenter and knowledgeable. He'd been a contractor in Colorado and he found it is really hard to break in. He called every architect, go to their office and visit them, but, you know, some of them are people I get my jobs from. I said, 'I've been working with him for 15 years.' So, its going to be hard for them to say, 'Yeah, I'm going to give you this job instead of this guy.' So, at least I can say that I have built a reputation over the last 15 years and have all this experience but he has nothing, especially in Atlanta. Yeah, I think it's hard to get in [to construction] but if he wanted to do work in the bottom of the industry, you know, subcontracting, then he really won't have a problem.

In Blythe's comments, he suggests that having a reputation is a necessary part of getting connected with architects that link their clients to contractors. He also suggests, which is something that comes up often, that reputations are more important for general contractors and home remodelers than subcontractors. Lorenz, a Latino mason, stated this about the power of reputation in construction:

I feel that when my name is on the line, my business' reputation, then I have to be able to be there for every project because I grow by word-of-mouth and contractors who respect me because of my dedication and commitment to a quality job. If something goes wrong under my name, it's going to ruin me. I don't want that.

Several of the contractors suggested different ways in which one builds a reputation and this is what would put them in contact with individuals that could further their businesses.

Mackey identified these connections as the "big leagues of construction." Many felt that their reputation was best exemplified by their quality of work and commitment to being reliable.

Ferry, a White contractor who does mostly remodeling of upper-end homes, suggested that building a reputation is difficult, but it only takes one person to recognize it, leading to an increase in one's access to more clients:

You know, as far as breaking into this business and knowing the right networks and the people that are in it, I think it could be pretty hard. But then again, you could do one job and do it well and get in good. The guy I know who's the president of a neighborhood association knows everybody and he trusts every job we do. For us, every job we do is 10 jobs down the road. If you screw up, you tend to lose some ground. You have to work at it. I'd say reputation, integrity, play big into that and until a job is absolutely done, you're still suspect, unless you have someone saying that you're the best and that's what that president fellow I mentioned does for me. No worries.

Castillo, a Latino contractor that started his business with two other business partners, said this about the necessity of a reputation: "We are fairly new, so I don't expect everyone to call us because our quality of work and solid work ethic is not completely well-known. But I think it'll be a matter of time and persistence on our part [before] people will begin to notice and include us in their plans to build in Atlanta." Dmitry, a White contractor, stated that, "Okay, so you want everyone that is in this business to see you and your work and say, 'You're a great guy. I like doing business with you. Let's find something for you to do.'" Baker and Clearwater, two Black contractors, suggested that their reputation became better with every quality product they finished. Clearwater also suggested that his clients respected him more when he finished a project by the suggested deadline, showing that he was reliable and his clients rewarded him with more potential clients. Matthews, a White subcontractor, stated this about what was important to him:

You know, you have to do a quality job and you have to be reliable and honest. If I tell a general contractor that doing their basements is going to cost them X amount of dollars and I come back

with a bill twice as much, they're not going to hire me again or call any of their friends because they think I'm dishonest.

Diego and Quinones felt the same way about their reputation. Quinones, a subcontractor that is moving into general contracting this year, said this about building a reputation: "Builders have to know what they are doing and be honest about their work. I can't do plumbing so I tell my customers that. If you don't and try to do it and you mess it up, then they think you lied or you have to pay them back some money. They are also more unlikely to give your name out to other people." Baker best summarizes the importance of a good reputation by stating, "Yes, if you get in and do a good job and people recognize that, then they will use you again and again and again and pass you around too." However, the key point in the above comments and, specifically in Baker's, is that someone has to recognize a contractor's efforts; in other words, someone has to vouch for your abilities. Of course, if certain social networks view a contractor or group as a threat or incapable of doing well in this industry, then they are less likely to vouch for them.

For the contractors in this study, this reputation is largely based on contractors' views of other contractors' work ethic and integrity. In other words, my contractors' discussions about a contractor having a good work ethic, attitude, and ability to handle him/herself becomes the litmus test for obtaining social capital and the resources that come with it. Portes (1998) identifies these qualifications as group-enforced norms that are used by anyone in, and trying to enter into, a particular social network. Moreover, as Portes and Senssenbrenner (1993:1323) suggest, these norms are "value introjections" that highlight the necessity for a moral character when economic transactions are involved. However, the most important aspect of this litmus test is that it represents a way to exclude certain individuals and groups based on very subjective and loose criteria. In short, many of the contractors used the idea of a good reputation to include and exclude undesirable candidates from their networks.

Several contractors explained to me how they used this test to determine if other contractors were worthy of being in partnerships with them. Charles, a White contractor, stated this about how he selects other builders after he had pointed out that his reputation is what got his company where it is today:

Same thing as we do with builders working for us. We get references from other companies that have worked with them and we check them out. We want to be sure that they stand behind their product, that they didn't get half way through some other project, drew their money, and then did not finish. We also want them to be honest with us. If they can't handle the work load, then they need to go on and work for someone else.

This is what Brooks, a White contractor, stated as to what he does to decide if he wants to work with certain contractors:

For me, you've got to have, to be able to be associated with any builder or real estate development company, you've got to have integrity, be honest and reliable, [because] people associate growth with individual initiative, teamwork, excellence in pride and performance, and continuous improvement. Not everyone is going to be included in this industry if you can't meet those basic things. That's how we did so well and that's why so many businesses fail.

Wilson, a Black contractor, stated this about how he gets "new blood" into his network:

We make sure that when we let somebody in we make sure that they have good credit to start because anyone who cares about their credit is going to care about a lot of stuff. They're going to be honest and they're going to work hard. They also have to earn their place and bring in some new talents and other individuals that we all need to make our businesses grow. They have to be business savvy and on the ball.

Ortega, a Latino contractor who helps others develop connections with influential people in the industry, said this about network building:

Nobody wants a young punk who doesn't know what he's doing. If we take you under our wing you have to have something to give to us that shows you are doing well. With that said, most guys get in with us that has already established themselves and their reputations as hard workers. You don't want slackers. You also don't want anyone that is going to use you and you can't rely on. Not many business owners out there last very long without some help, and they tend to fail even quicker when they're dishonest and a bad, I don't know, black cloud over them.

The comments above suggest that these contractors do consider every other contractor's reputation. They also consider whether any individual will add something to their business or bring in their own connections and talents into the network. As Portes and Sensenbrenner (1993)

suggest, networks usually expect reciprocity in any exchange of connections and ties. Here, these contractors above only want connections that provide them some sort of benefit, which leads to the exclusion of those that offer little benefit in their eyes.

It also leads to the racialization of these networks because, as suggested in the last chapter, very few Whites viewed Blacks or Latinos as having the suggested traits or abilities to add to the a more affluent network. For example, many of the White and Latino contractors have suggested, in their general racial attitudes, that Blacks are not as good at construction as they are, have fewer abilities to manage their finances, and lack the work ethic that is necessary to do well. Therefore, they are less likely to include them in their social networks or link them up with other lucrative opportunities. MacGyver, a White contractor, said this about including people into his network: "I don't care what color my business associates are as long as they are honest and wanting to reach the same goals as me. Some do well in this business, others don't. But if they don't want to work, then I'm not going to put them in the same line of business as me."

Jacobs, another White contractor, said this about networking:

Some think you can go into any field you choose but that's not true. You have to have the natural abilities or drive to want to work all the time because this is hard work. So, to answer your question, no, I'm going to include a Black, White, or Hispanic contractor in my circle of contractors if they're not going to do their part.

Ernest also felt that some groups could not get into construction because:

A reputation is hard to come by and some guys just start at the very bottom. I mean people don't like having many minorities in their homes and around their kids and I know they are being prejudice and even down-right racist. But, for me, I don't want to lose business because I do have some connections to Black and Mexican contractors because my clients are racist. That's a tough decision, to take the moral high ground or to do what you need to do to feed your family.

The above comments point out that racial attitudes are a part of identifying a good reputation, which reduces the possibilities of being included in a social network. In addition, the White contractors above also go back to relying on color-blind ideologies to shape their arguments, suggesting that it is only fair that those that do not have the entrepreneurial work ethic are

excluded (see Bonilla-Silva 2001; Gallagher 2003 for other examples). Maybe these contractors are attempting to be more egalitarian, but when I examine the structures of the White networks, not many Black contractors, if any, are included.

White and Latino contractors also did not want to include Black contractors because they felt they had not completely "earned" their place in the industry. Matthews stated this about earning one's place:

I mean, to be honest with you Cameron, I don't think many Black guys want to earn their place in any job or occupation. I think they want things handed to them because that's the way they've been taught to handle things. You can't be like that and you can't expect people to work with people like that.

Ferry suggested something similar by stating, "[Blacks] really need to get their feet a lot wetter than they are right now. You have to be ready to enter into business ownership, and you really don't want someone working with you that people think they've jumped into something they didn't earn." Fredrick, Charles, Gutierrez, MacGyver, and Ortega all felt the same way and suggested that Black contractors needed to follow the example of Richards, who most everyone knew in the Atlanta construction industry as the most successful Black contractor in the U.S. For instance, Fredrick stated: "You know, Blacks are good at certain jobs and I think people would treat them better if they did not see them as slackers and on welfare. You know, I don't see them that way but, you know, Richards, he's the most talented and hard-working African American in construction. If they were more like him and people saw them more like Mr. Richards, then they would get included in everything." Ortega also stated this about how Black contractors need to be more like Richards:

Look at Richards, one of the most successful Black entrepreneurs in America. He had the strength and fortitude to meet adversity head on and still accomplish great things. You know, it was his determination and many business owners need to take a few lessons from him. Black and Latino contractors that do well, do like he has done. I've even done better because I followed some of his principles, and I have applied some of his visions.

Finally, Munoz said this about Black contractors, "Black contractors are okay but they would be better if they worked harder and actually did their job as well as Hispanics and White Americans do. You have to earn it around here." These comments suggest that, again, many White and Latino contractors use color-blindness and meritocratic ideologies to suggest that Blacks fail at construction business ownership because they lack the abilities or work ethic. Even more evident of their use of this ideology is the fact that they present Richards, who has done well in the construction industry, as the example of minority progress; just like how many individuals reference Oprah Winfrey, Michael Jordan, or George Lopez as media examples of the end of racism and white superiority (see Gallagher 2003a, 2003b, 2006 for more explanation of media representations of color-blindness). More important, though, is that these individuals above are less likely to include them in their networks because they feel that Black contractors are not worthy or have not earned their places yet. In addition, as Bonilla-Silva (2003) and Gans (1999) suggest, Latinos have similar attitudes toward Blacks, as expressed throughout this study, suggesting an alignment of Whites and Latinos against Blacks.

However, White contractors clearly view Latino contractors as not ready for general contracting or being an important part of their networks. For instance, Mackey said this about how Latinos need to be in construction for a longer period of time before being included:

Mackey: Mexicans are hard workers, and I think they're going to be a large part of this industry, but they got to earn their place here, like the rest of us.

Interviewer: What do you mean, 'earn their place?'

Mackey: Well, I had to work over 15 years to get to the point where I know the suppliers, clients, and home builders I know. They come in here and don't have to do any of that, that prep work. So, I think if we're going to include them into our networks, is that what you called it? Then, they got to wait a few years like I did and build relationships.

Jack also felt the same way:

Networks are important, but it is also the relationships that you build and these relationships are deep and meaningful and full of trust and respect for one another. Hispanics don't understand that

in order to get included on the big contracts or become a part of an association, you have to work a few years, get to know people, and try to find a way to get included.

Finally, Charles, Ferry, Patterson, and MacGyver suggested that Latino contractors get included when they have worked up through the ranks of construction. Charles stated, "Hispanics have worked from the laborer position to subcontractor, and I think they will soon come up into the general contractor position. At that point, it will be good to include them into various associations and networks because they will know a lot more about construction and Atlanta."

After asking what he thought of Latinos entering general contracting, Dmitry stated:

[Latinos] want to get into everything now, even real estate, but they have to go through the subcontracting training, to know how to run a business. They can be a painter, you can be a plumber, and then they grow their company and make it into something and then people will include them and respect them because they have done what all other immigrants have done here. I mean, the Irish came over here, then the Italians came over here, and now the Central Americans people come over here. I'm sure a lot of Irish did well over here because they worked hard and earned their place. The Latinos have to do the same thing.

Here, Whites rely on old arguments about how immigrants, such as Latinos in this study, need to follow the immigrant stories of earning their way to the top (see Steinberg 1989).

Interestingly, though, most of the White contractors did not gain entry to their networks or to being a general contractor through these same channels. Thus, they change the criteria of how to earn a reputation to become a part of a network for themselves. Here, they suggest that inclusion will come with years of experience and learning all the trades in construction; however, they also suggested that inclusion really rests on hard work and dedication, which they do not usually suggest that Blacks have. As suggested earlier, this vouching system is set up to benefit the few and can be altered and changed to allow Whites to stay on top in this industry. As Portes (1998) suggests, the real standards of inclusion into any network, especially this White network in construction, are still very elusive. For the construction industry, however, it is clear that inclusion is based on skin color and these contractors' views of race and ethnicity. Put simply, what color you are and whether you can be used by the dominant group determines your entrance

into the more lucrative construction networks. Therefore, if a group has strong negative racial attitudes toward a group or feels that a group is taking over their niche in the industry, then they are less likely to include them. As MacGyver stated, "The great thing about owning your own business is that I don't have to include people if I don't want to. If they can't hack it and end up ruining my business, then you don't want that around. It doesn't matter what color you are, it matters if you have integrity and can do the work right."

### **THE STRUCTURE OF NETWORKS**

Obviously, many of these contractors have some form of social capital, whether it was a complex social network or only ties to family, friends, or co-ethnics, despite issues concerning their reputation. However, what really matters is how powerful or influential these business owners' contacts are. Many researchers suggest that the power of a social network depends on its diversity. Boissevein (1974) as well as other scholars (Cranford 2005; Erickson 1996, 2001; Lin 1999; Sanders, Nee, and Sernau 2002; Waldinger 1986) suggest that a social network should have "multiplexity," in which one has influential ties that span over ethnic connections and into connections that cross racial, ethnic, class, and gender lines to fully access important resources. In other words, these ties can become a way to bridge over issues of discrimination and mistrust in the mainstream economy. For example, the availability of co-ethnic support as a cheap labor source, financial assistance, or sharing supplies have allowed several Cuban, Korean, Japanese, Jewish, and Chinese business owners to run and sustain successful business ventures (e.g., Lee 2000; Lee 2002a; Light and Bonacich 1988; Light and Gold 2000; Light and Rosenstein 1995; Loewen 1971; Min 1988; Portes 1998; Sanders and Nee 1996; Yoon 1997; Zhou 1992). Chinese, Korean, and Vietnamese business owners have also been successful because they had clear inter-

ethnic ties to White material suppliers and distributors, as well as Black and co-ethnic clientele (e.g., Lee 2002a; Loewen 1971; Waldinger 1986, 1996).

However, researchers suggest that the power of a network, regardless of its diversity, rests on whether the individuals are affluent and influential enough to make a difference. In other words, the strength of strong and weak ties may not be as helpful because these ties may only provide limited access (Portes 1998:13). For example, Cranford (2005) suggests in her review of social network literature that if a set of ties in a network are all individuals that come from low socioeconomic status backgrounds, then they are less likely to provide adequate access to more lucrative avenues of employment. Butler (2005) suggests the same scenario for Black entrepreneurs tapping into resources in the Black community.

Therefore, the structure of one's network, or who is a member of these networks, determines the power of an individual's social capital. For instance, as Farrell, a Black electrician stated, "knowing your uncle that is a bum doesn't help your chances in any industry." In the construction industry, who you know really matters in the sense of whether the individuals in your network are powerful. But, again, who is included in certain influential networks is ultimately shaped by other contractors' opinions and attitudes; thus, the elements of cultural capital that build a reputation and the racial attitudes of contractors become mixed up in these decisions, leading to exclusion in most instances. However, do all of these contractors have strong connections or ties<sup>63</sup> which give them better access to the necessary resources to be successful? More importantly, does the structure of these contractors' social networks demonstrate a subtle way to advance one group over another in this industry?

<sup>63</sup> Cranford (2005:381) defines ties and social networks as, "connections between two or three people in a network. Social networks consist of several ties."

### **Weak Black Networks**

While some studies suggest that African Americans have little co-ethnic support (see Lee 2000; Light 1998; Waldinger 1996), I find that most of these Black contractors relied heavily on an ethnic network of strong and weak ties. First, many of the Black contractors suggested that their family and friends have helped them in developing and sustaining their businesses. For example, a few of the Black contractors' fathers were part of their network, which helped them obtain their construction-specific knowledge and skills. As Richards stated, "My daddy is my biggest hero of all...[he provided me] a PhD in the art of saving and common sense." Like Richards, Clearwater began his construction career through the tutelage of his father at a very young age. He stated:

Actually when I was growing up as a little boy, my dad had his construction company, and I learned the basic trade from him. And when I guess I was seventeen I went into the military, the Navy. When I got out of the Navy, I went back home and kind of picked up where he [left off], about that time he was saying he wanted to get out it. [He] wanted to pass it on to the boys, me and my other brother. And that is pretty much how I got back into it.

In addition to knowledge, Clearwater also "inherited" his father's list of clients while he was in North Carolina and his construction tools, which served as an integral part in starting the business.

Other family members were also reliable sources of labor and providing start up capital. In fact, a major source of their administrative, full-time employees for these Black contractors was their family. All but one of the Black contractors I interviewed had a family member working for them in some capacity, whether it was as a full-time or part-time employee. For example, the wives of Wilson, Jaeger, Randolph, Edwards, and Marcus all work, or have worked, for them at some time as key administrative figures in their companies, including acting corporate executive officer, treasurer, financier, and bookkeeper. In the following statement, Wilson says this about his wife's contribution to his business:

My wife works for me, she maintains all the paperwork, which is, critical. It's, a very critical piece to the business. I've done very well, my wife and I have done very well. She's been a blessing to me and she keeps everything in perfect order. I think about times when I [am dealing] with the insurance companies and that workman's comp thing and she would hit [them] with that paperwork like nobody's business. She's good at what she does and that's important to the business.

Some of the respondents also employed their children and relatives in important positions in their company. Rogers' father works as the property manager for many of his apartment complexes.

At one time, Mitchell brought in his brother as a partner in his business, but due to financial strains, his brother had to find a different job. Clearwater's "right-hand man" is his 20-year-old son, who helps him with management and construction of all his projects. Richards has all three of his children working as the presidents and executive vice presidents to his multi-million dollar company. With the advice and assistance of his brother, who is a certified public accountant, Marcus' business was able to obtain financing and sustain it.

Second, these business owners had a set of weak ethnic ties that helped them as well. While having ties of knowledgeable and supportive family members is imperative for these respondents, having weak ties to ethnic connections outside of the family and within the Atlanta business world made up a part of their network. The respondents identify several types of weak ethnic ties that have supported their endeavors. These connections include already-existing or well-established business owners and organizations, funding agencies, and formal mentor programs. For instance, Clearwater joined a formal organization, called "Spin," that helped him connect with other contractors and learn how to be a more effective business owner. Baker got his first break in construction because he teamed up with a friend, who was working for a Black-owned insurance company. Marcus also received some support from a prominent African American general contractor and the city of Atlanta, who offered him a "fair start" and "moral support" and making a few phone calls for people to give you a shot and that's the most important part." Finally, Warren also had some ties to some Black agents in a few banks. As

Warren suggested, having a trustworthy banker in the banking community that is loyal and "will go to bat for you" under any condition, is very helpful.

Walker, Randolph, Jaeger, Rogers, and Edwards had the most formalized set of ethnic weak ties to form, what they identified as, a "tight network" of Black residential construction and real estate development contractors. In total, probably about twelve Black contractors and developers belong to this group. Each of these contractors in this network attempts to help one another with important issues about running and sustaining a business. Many of these contractors suggested that this network was one of their greatest assets to their successes. In fact, some suggest that it has kept them from making too many mistakes. Randolph attests to this in the following statement:

But I think that fortunately, the group of guys that I have been associated with, ...we work together. If I need something, I just ask for it. And the builders that I know and that I can rely upon, I go to them and they give me the guidance and specifically, they give me knowledge, because they have been through that experience already and they just kind of say, 'okay, this is what you need to do or here is who you need to talk to.'

As suggested by Randolph's statement, this "tight" network provides several valuable resources, including access to training, a pool of trustworthy subcontractors, and access to lending agencies. For Jaeger and Randolph, Wilson and Rogers' influential status and reputation with a small bank in the suburbs of Atlanta helped them get their permanent financing. In the following statement, Jaeger attests to how Rogers' reputation helped him get funding:

Well, it wasn't hard for me because of the guys that had gone before me. Sullivan, it's really interesting, Rogers took me out to meet the guy at M Bank, the guy that we deal with, Ted Smith... an older white guy. You'd look at him and say, 'there ain't no way in hell he's going to give me money,' right? ...we went in there for an hour talking to Ted. He looked over my financials and um, you know, asked me a question or two and said, 'okay, we'll do it.' And that was it. It was due to my credit and probably because Rogers backed me up. That really helped.

Some of the Black contractors, however, commented on some of the problems with their ethnic network, which suggest that their ethnic connections may not be as influential as they

should be. Randolph, a member of the tight network suggested above and one of its newest members at the time, said this about it:

Randolph: You know, it is powerful and I have learned a lot from them, but I wonder how much we actually know and can do. I know that Wilson is experienced and so is Rogers, but we can only go so far. I think before we've either got to add somebody else that knows something else or branch out.

Interviewer: Have you tried to branch out?

Randolph: Yeah, a little but they usually want to use me as a subcontractor or something which is a step down, you know?

Edwards felt the same way about his network. He stated, "I don't know how long this will last but I will ride it until it is done. I've had to go out on my own a few things and that wasn't fun because I really didn't know what I was doing and I got burned a little financially." Rogers stated this about his network:

I don't think there is enough of us linked together to make us a strong force in this industry. All I ever see is one Black guy here, another one there, but none of us have really sat down and planned how we could work together, as a community. There needs to be more effort, and I don't know what it will take.

James stated this about his Black contacts: "I don't think all African Americans think or want to do the same things. We have to work on this but there are problems and we all don't have access to the real lucrative markets, like plumbing prisons or stadiums. What do we have to do to get into that? That's got to be better than building homes." As Warren stated about his transition from home-building to commercial work, "I had great connections in home-building but as soon as I entered the commercial side of things, I didn't know anybody or anything and I had to start from scratch, as old as I am, Damn!!"

Some of the other Black contractors suggested that they did not think their contacts could get them into more lucrative areas in Atlanta. Wilson said this about his connections: "I have no problem getting jobs in my neighborhood or black neighborhoods because they know me, but when it comes to getting something in North Fulton or Gwinnett County, I don't know any

brothers that have their fingers in that honey pot there.” James and Farrell, the two Black subcontractors in my sample, also said that their connections to Black contractors only gave them work in South Atlanta and Dekalb County. Wilson suggested that it all came back to how people perceive Black contractors.

This network that we have here can only do so much because people don't want Blacks doing some work in their neighborhoods. It's almost like they want a white guy wearing a suit to sell them a house or something. It doesn't work that way and I don't know if [the network] can break through this problem. People are just racist and they know it.

Clearwater also suggested that all the Black contractors he met in the Spin program have either closed their businesses, or he does not know how to contact them. Also, Warren pointed out that even though he had a strong connection to an African American lending agent, he stated that this person had moved, and he had not heard from him in a while. He stated, "I hope I have enough or a reputation and credit that I won't need him anymore for loans. If I do, I guess I will just retire."

These comments suggest that some Black contractors have a problem with their ethnic ties because they have limited access or their contacts disappear. There are also some issues even when these contractors are close-knit and doing well providing each other resources, as suggested by Edwards and Randolph's comments. However, as Richards stated, "You got to have people who want you around, and I've been fortunate enough for that to happen. People got to want you around and have the same goals. Sometimes Black owners don't have the same goals." In other words, for Richards, inter-ethnic ties, connections to Whites, helped him avoid issues with his ethnic ties.

However, few of the Black contractors had ties to individuals outside of their Black community. Most of their ties outside of the Black community were with Whites. The only time they mentioned any Latino contacts were as employees or subcontractors, and as Persons stated,

"Hispanic subcontractors ain't lined up with us yet, but I think it's a matter of time." Interestingly, though, the largest Black businesses I interviewed (Baker, Marcus, and Richards) did have ties to White contractors and banks. Even the ethnic network that Wilson heads has an inter-ethnic tie to the small White bank that gives his group access to financial capital. Richards had several connections to White investors and builders.

Most of the Black contractors that talked about having White contractors as connections, however, had accessed them through Atlanta's affirmative action program, or through other federally-mandated programs designed to include more minority contractors in the construction industry. As suggested in the introductory chapter of this study, Atlanta's affirmative action plan was created to include more minority contractors into large city construction projects such as the Hartsfield-Jackson Atlanta International Airport. This program has especially helped Blacks and women get contracts in Atlanta. Six of the fourteen Black contractors are registered with the city of Atlanta as minority contractors.<sup>64</sup> For example, Marcus got his first real break into commercial construction by becoming a certified minority contractor for the city of Atlanta:

The real thing that helped me with my first contract was Underground Atlanta, doing a renovation, and due to the city having a full-fledged minority program. What they had was a requirement that you make you an effort to get minority sub-contractors involved. And what happened was I took full advantage of my opportunity. Nobody can guarantee you success. I took my opportunity and I ran with it and built the business. I did not just use my skin to get over. It was not used that way. I did not play that kind of game. I really have always wanted to be a contractor.

Marcus has worked on several public schools, as well as some of the large hospitals in Atlanta as a result of Atlanta's program. It also gave him several contacts to White contractors who call him when there is a project in the city; however, the relationship seems to stop there. In its first

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<sup>64</sup> To become a minority contractor and to be included on city of Atlanta projects, minority business owners have to fill out an application and pass certain requirements to be registered. Atlanta's Office of Compliance provides a list of all minority contractors registered to potential general contractors who want to place a bid on a city project. Any bid placed on a city project must attempt to include minority-owned firms and allocate at least 30% of the project's cost going to minority-owned firms. Of course, as suggested earlier, this has met harsh scrutiny by White contractors who have attempted to sue Atlanta for this program, but none of the lawsuits have affected the program or been found guilty of reverse discrimination.

phases back in the 1970s and 1980s, Atlanta's affirmative action plan is how Richards was able to be included in the building of Fulton County stadium and other properties in the city of Atlanta. Today, Richards has plenty of contacts with Whites in Atlanta and across the U.S. James, Walters, and Rogers also have registered as minority contractors with Atlanta. However, Rogers stated this about the Atlanta program:

Rogers: I've tried with the city and I'm trying again now. I'm trying to get some small city contracts, but some of those things are big contracts but they don't make much money. You know what I mean? I don't want to get into something where I am busy, you know, I got a lot of work in it and at the end of the day, I don't make anymore money. Besides, I don't think most other contractors, you know those that are already getting these contracts, want us there because we would be too competitive and I think the program, this set-aside thing, really doesn't work because they still don't want to really hand out jobs to Blacks just because they're Blacks, you know what I mean?

Interviewer: Who's 'they' when you say that?

Rogers: White contractors. I mean, I think they want us there but they don't want to give it away.

Rogers' comments point out the common complaint made by White contractors in Atlanta that the affirmative action program sets aside contracts for minorities (see Boston 1999). Moreover, Rogers, as well as other Black contractors, feel that the program is not as inclusive as it plays out to be. For instance, James, a plumber who did some work for the city of Atlanta during the rush to finish buildings for the Summer Olympics in 1996, stated this about this program: "Boy, that was a good time, they couldn't find enough people to work. But, the only reason most of us Blacks got jobs was because they had to give them out. You know, it was required by law, so they couldn't just skip over us that were willing and eager to do it. I had plenty of work but once that was over, they haven't really called on me that much." Persons said this about his experience with Atlanta's minority program: "I get hired most times because I'm registered as a minority contractor in Atlanta. However, they use me like they suggest or they put me on their list of potential contractors and says they will use me and once they get the contract, they never call me back."

Baker, a commercial contractor who started bidding for prisons and warehouses, also enrolled in a formal mentor-protégé program in which the federal government encourages larger "majority" contractors to include minorities in their projects. This is what Baker said about the mentor-protégé programs:

In my case, they use my skin to qualify for something, okay? And use my company. Now, we're an established company, so we're, you know, legitimate firm and they have to deal with us in a more legitimate way or means. It is common to be a mentor-protégé or a joint-venture partner where, you know, you're there just for the length or duration of the project. Well my firm, we actually have our people working on the project. I've got projects going on with [unrecognizable company name], I've got projects going on with Holder, another major firm. With my people, they're working, earning how to run and deal the project as opposed to just being a name and they send me, you know, five thousand, ten thousand dollars every month on a project. That's the way a mentor-protégé should work, but the other aspect of it is that they should develop us in terms of capacity, bonding, lines of credit, the same identical thing. [The mentors should say] 'If you do well with me now, when that fifty million dollar project comes up that I have a shot at, I [will] partner with you.' But when you have that hundred million dollar project that you say, you know, 'we don't want to take this on all by ourselves it's too much risk. Let's call Baker and maybe he'll come in and partner with us.'

As Baker's comment suggests and the others above, there is some cooperation between Black and White contractors. However, Baker's comments also point out that the relationships are forced; a requirement of federal and city affirmative action programs that encouraged diversity. He also, like Persons' comment suggested above, thought that many majority contractors did not actually use minority companies as they suggested they would to Atlanta compliance officials.

Baker gives a clearer picture of this problem in the following statement:

Well, you know majority companies need me to do work with certain entities or give them an increased opportunity to win. Some of the firms though, of course, you know, if they don't need you, then, you know, the private sector, you don't even see the private sector work. I don't get even anywhere close to it. If it's the public sector, if federal dollars are being spent, all right, then they have to look to use you. (with emphasis) If it is private, I ain't goin' to hear for them, all right. That private entity says you know what how come you aren't developing some talent there, you know. Uh, AT&T, you know, because, you know, the minority community's using their services, they should and they claim to behoove them serve, but wait a minute we're going to build a fifty million dollar building, let's make sure there is some other minorities involved, Hispanics, who ever, Italians, whoever it is. It's not just always Blacks, but they use our services and we should use them too. And you say, you know, Mr. Majority construction firm, uh who or which, what's your plan to make sure there's representation? Well, Mr. Majority construction firm says, 'oh I am going to use boom, boom, boom, boom.' And they submit it. 'Well, great Mr. Majority construction firm wonderful.' When the rubber hits the road you will see boom, boom, boom, and you might doom. What you won't get was what they proposed to do because the plan is not enforced, nothing happens. All right, nothing happens at all.

Like Baker, Richards and James also suggested that many White contractors use "front companies" to fulfill minority requirements for city contracts and that these relationships were definitely forced. This was something every Black contractor that worked with Whites and the Atlanta affirmative action program believed. Jaeger said that he believed his relationship with the small White bank outside of Atlanta was a matter of "because they have to," as he put it. Jaeger stated:

You know, it was easy going and getting that loan, especially with Wilson and the other backing me up but it makes you wonder, is it possible that bank knows it's against the law to not give me, a Black business owner, a loan? You know, it seems as a matter of they have to or else. So, I wonder if it wasn't for laws and regulations, if the relationship would be there.

As Mitchell stated, "Whites work with us because if they don't they going to get sued or we're going to yell racism and that's what it is." As Marcus explained to me about his relationships with White contractors, "I work with White contractors plenty of times but it usually are only when we are doing a big city or public project. I hire White subcontractors too, but we don't hang out, if that's what you mean."

Even some of the White contractors' comments suggested that the minority program is a forced relationship. MacGyver stated, "I've never really dealt with the city of Atlanta but I know plenty of guys that have had to deal with the affirmative action program and they suggest that it is rough and no one really gets what they want. But, you have to remember most of those guys who do work with the city of Atlanta have huge construction firms and can suck up the costs of including minority contractors or making decisions that may slow them down." Ernest, Jack, Matthews, and Patterson all expressed similar sentiments about the program, suggesting that it was unfair because it might put Blacks at an advantage or that companies having to hire minority contractors might not get the best contractor. Ernest stated:

You know, I don't work in Atlanta for those reasons because the political structure is so controlling and regulates everything. It is manipulating because they won't even let you get the

best contractors, you have to put in whoever they assign, which may be able to do the job. That's why I'm down here in this county away from that stuff.

As many race scholars suggest, these comments emphasize how Whites are against affirmative action programs because they view them as bringing in substandard workers, or contractors in this instance, or that the program is unfair because one should be able to pick the best candidate for the job (see Bonilla-Silva 2001, 2003; Feagin 2001; Gallagher 2003). They also hid their feelings about the program by discussing how the city's regulations keep them from working in Atlanta, which would also make them required to work with minorities. As Jack stated, "I think the program did well in the early years to help minorities into the industry, but I'm not sure how good it is to use it now when there are plenty of Blacks and Hispanics in the business. I don't really work in that area, not because of that program, but because of the thousands upon thousands of laws and regulations." None of the White contractors I spoke with ever mentioned being involved with the city of Atlanta or having ever really been in a partnership with Black general contractors.

Overall, I found, like Butler (2005), that Black contractors have a network of ethnic ties that provide them knowledge, experience, and access to certain markets. However, as several researchers have suggested, ethnic ties only get these Black contractors so far and do not reach outside of the Black community. While these Black contractors has some weak ties to Whites, these were also limited because the relationship were forced, as found by other researchers examining Black connections in construction (see Bentil 1989; Feagin and Imani 1994; Waldinger 1996). Also, even though some of the Black contractors attempted to gain more access through Atlanta's affirmative action program, they still met problems there. Finally, none of the Black contractors suggested that they had partnerships or connections with Latino

contractors even though Latinos are growing in numbers as business owners. This may signal a problem in the future since Latinos are a dominant part of the construction industry today.

### **The Strength of Latino Ties**

The structure of the Latino contractors' networks includes a mix of ethnic and inter-ethnic ties. The most important force in getting Latinos into construction business ownership were the Latino contractors' strong and weak ethnic ties in their networks. As suggested in the last chapter, eleven of the fourteen Latino contractors received their training and construction-specific knowledge from their fathers or other family members. In fact, many of their families had a generational history of being business owners and laborers in the construction industry. As Diego stated, "I learn all I need to know about construction early on in life. My father had a wood shop and he tell me things." Munoz, an exterior subcontractor, stated this about him growing up in construction, "You know, painting a house is not hard but it does take skill. I learned how to do it working beside my uncles and cousins, and today I own the biggest Latino painting company in Atlanta and Georgia." Gutierrez said this about learning construction before starting a business:

The most important tool I had coming into home construction was my knowledge. I have been around in my masonry business for several years. And my family and friends, I worked beside them learning how to do it and how to make the right decisions. You know, we were mostly laborers but we knew what was right and wrong about the business and learned from the builders' mistakes. So, I'm grateful that I had some of my family and friends go before me so they can tell me what to do and what not to do.

Even the three Latino contractors (Castillo, Martin, and Munoz) who did not have their family members introduce them to construction, had Latino friends who did introduce them and teach them the trade. Martin's friend, who was in construction for several years, took Martin on as an apprentice. He stated, "My friend was working in construction and he said it was a wonderful

business, makes a lot of money. So, when I came to Atlanta, we kind of did it together for a few years, and I just went out on my own two years ago."

Like Black contractors, Latino contractors also had family members contribute start-up funds to begin the business. Six of the fourteen had family members contribute funds to get their businesses off the ground. Four of the other Latino contractors had their wives' jobs to support their endeavors at the time. Mendez stated, "My wife went to work in an office, and she supported us until I was able to really get the business going." Quinones' wife also cleaned homes and worked various jobs while he made the transition from laborer to business owner.

Also, like Black contractors, thirteen of the Latino contractors had family or close friends working for them at some point. For instance, Sosa's wife is his partner and the vice president of their commercial construction company. His mother-in-law also works with the company as an office assistant. Diego's wife helped him keep up with tax records and paper work in her spare time, and Ortega's wife worked with him for several years at the beginning but now stays home to raise their six children. Gutierrez, Lopez, Lorenz, and Munoz have all had their brothers, cousins, and other family members working in their business at one point or another. As researchers suggest, one of the important elements that make co-ethnic support beneficial is having family members as employees because they can be paid less in exchange for other amenities (i.e., housing and food) or because family members have a stronger sense of commitment and loyalty to these ventures (see Lee 2002a; Sanders and Nee 1996). As Lopez stated, "Families are a good source of labor because they want to work and you can trust them." Sosa said this about working with his wife: "She is very well trained and has college degrees, and she is good at doing this business, keeping up with the things I can't. Why not hire her?"

Many of the Latino contractors I interviewed also had relatives or close friends in construction in Atlanta that were able to provide other significant elements of family support, which has usually been identified with successful Asian entrepreneurs (see Lee 2002a or Min 1988 for examples). For instance, Lorenz swaps laborers with his brother when he gets larger and more-labor intensive contracts:

Me and my brother sometimes share laborers and call each other if there is a big project to do. I call him and ask him for some workers from his crews if he doesn't have any big jobs, and he does the same with me. We don't do it much because we are on two different sides of Atlanta, but the option is there.

Ortega said this about how he shared supplies with family and friends in the early years of his business:

We help out each other when we could. Close friends needed some tools, you give it to them, another needs to borrow some of your laborers, you send them over. This way you don't have to worry about paying them every week or making sure you've got enough business. You know, that's how it should work in every business.

Munoz and Martin also used family and close friend connections to supplies and workers. Martin said this about his relationship with his friend that got him into construction:

He uses me and I use him for almost anything. I need some drywall and he has extra, I go and get it. He has some workers that need a job because he is slow, then he calls me and I might have some work for them, I usually do. That's the deal we have and it works to save me and him money in the long run.

In comparison to the Black contractors, Latino contractors have family and close friends that do some of the same things; provide cultural and financial capital to start their businesses. However, these Latino contractors tend to have relationships with family and close friends that continue to pump in more capital beyond just being employees. In short, a distinguishing characteristic between Black and Latino ethnic ties is that Latinos find themselves receiving additional support in using each others' supplies and labor, which was not brought up by the Black contractors, and demonstrates a stronger co-ethnic network.

I also find that Latino contractors have a stronger set of ethnic ties to other co-ethnic business owners than many of the Black contractors had. All, except two of the individuals I interviewed, belonged to a loosely organized Latino network that helped them obtain various resources. These weak ties to other Latino contractors in the community and abroad provided several resources. For instance, Gutierrez stated, "Since there are so many Hispanics in construction here, I call up anybody and get like ten roofing subcontractors in ten minutes. I can also get as many laborers as I want because we are all connected in some way or another. His brother knows me, I know his cousin or his roommate, something." Many of the Latino contractors pointed out that they had fellow contractors who gave them advice and showed them how the construction industry worked in Atlanta. Ramirez, who moved here from California, started a partnership with Munoz, who wanted to have a home improvement company attached to his business because of the requests from clients who needed some remodeling or handy work done. Ramirez stated:

Munoz, he's my friend and when you see his advertisements, 'Munoz Painting and Home Improvement,' I'm the home improvement side of his company. He doesn't put my name on it or Anything, but he had gotten me this contract here (pointing to a condominium his remodeling) and some other really big contracts. We work well together and try to build business off of one another. He gives me clients and I try to find him some.

Lorenz, Gutierrez, and eight other Latino subcontractors started a small general contracting firm two years ago to start building homes in Southwest Atlanta. They have built ten custom homes and at the time of my interviews, only one of them was left to be sold. Here is what Gutierrez said about this venture:

I got into building houses about 2 years ago and in order to do this I decided to put out an ad in the local newspapers, the Latino newspapers, and also on the Latino radio asking if some contractors out there wanted to start working as home builders. No shit, I got about 300 replies but I weeded it down to about thirty people who were really serious and had the investment capital, the manpower, and the sense to do it. Then, that list got narrowed down to ten really strong, reliable, and hardened subcontractors that could build the house, and they also could contribute money into making sure they could get home loans, get money from the banks to finance their endeavors and things like that. I had each of them throw in \$30,000 to start the business and put that money in the bank to get more credit and loans. And today, we have built

10 homes, and it went really well and people want these homes because they have the, ah, Mexican hacienda flare to them.

Mendez had a similar set of HVAC subcontractors who worked together and helped to make sure they got enough jobs and laborers to do the work. Here is how he explained his ethnic network:

I am in a group per se of a network of people in which each other helps with certain things like training and getting work. Like if somebody has a job that they can't do because of a personal reason or something, then they would call me and say 'Hey, you know, I have this job for you' and so on. We also provide each other with technical support and talk about issues and problems we have with repairing air conditioners and things. We also share workers if we need them for a bigger job like an office building instead of a house.

Ortega had co-ethnic ties to Latino business owners reaching to California, Florida, and Texas, who were influential in shaping the national construction scene and helped him organize his business. As he stared at a signed picture of George W. Bush, he stated:

We have worked to make sure that we know everyone, especially in the construction business. We've got ties to some big construction firms in Houston, I've talked with guys in Miami who are big now, and of course there are links to Latino contractors in L.A. and most of southern California. You need all these contacts, I think, to make sure you do things right here in Atlanta. Latino construction is a powerful entity and we need to make sure we know the right people to help us here and show us the way.

Ortega also has several ties to the local Hispanic and Mexican American Chambers of Commerce, he works with the only Hispanic architecture firm in Atlanta, he gets advice from several other Latino business owners in the retail and restaurant industries, and he also serves as a board member of Hispanic-oriented organizations. Interestingly, though, only two of the Latino contractors I interviewed were members of the Chambers of Commerce. Others suggested that they did not want to pay the fees or did not have the time to join. Finally, Sosa had significant ties to other important Latinos in Atlanta:

The few Latinos I know in the construction industry, at this size, we're very, very, tight, close to each other. There's this lady, Anna, I don't know if you know her, she's, she's busy and important in the Hispanic community. She's on the Wachovia Board of Directors or something...she's also part of the Georgia Power board, and she has helped out a lot to get my foot in the door and financing. I'm a member of the Georgia Hispanic Chamber of Commerce, and they help build networks between all Hispanic businesses.

Finally, an organization called the Hispanic Contractors Association of Georgia (HCAG) has recently been organized to specifically assist Latino contractors. Started by Ortega and a few other Latino contractors, the HCAG officially kicked off its membership drive in May of 2005. While membership to this organization is open to anyone who wants to join, Ortega suggested that it would primarily focus on helping Latino contractors. As of March, 2006, the organization had about one hundred Latino members. This organization also has some White members who suggested to me during the kick-off party that they saw their relationship with this organization as essential to the future prospects of the Atlanta construction industry. The Executive Director of this non-profit organization, Gonzalez, explained to me the purpose and goals of this association in the coming years.

The organization will focus on the construction industry specifically in Georgia and provide access to resources that are important to all contractors....The resources, in general, include educational opportunities to prepare them to be successful entrepreneurs – taking classes, such as 'having your own business,' marketing, finance, accounting, and so forth. The resources we offer on the educational level are 'how to relate blueprints,' 'how to estimate a job,' 'how to bid construction work,' 'how to understand legal contracts in construction,' 'how to breakdown that communication barrier,' – not only language-related, but also information-related. So that's pretty much the resources we offer. On top of that, we are in the process of building a plan room and a resource center where it's a group of people can come and actually structure their jobs in the facility that the structure for that is a place where you can, it's personal, you have full-time coordinator, project coordinator, that understands blueprint and understands bidding and estimating....We are also going to use this association to network Latino contractors together and to give them the chance to meet and talk with large contracting firms in Georgia like Wheeler, Holden, those kinds of big names.

Twelve of the fourteen Latino contractors I interviewed were members of this organization and some of them suggested that this organization was necessary to build a physical presence for Latino contractors. However, all twelve suggested to me during our interviews that they were not sure how this organization would hold together and whether Latinos would even join something they did not see having any immediate benefits. For instance, Gutierrez summarized many of the concerns stated to me about this organization:

Well, first of all, it is a new organization and everybody's going to set back for a while and wonder if it is going to work or just disappear. Once it, kind of, you know, gets out there, then maybe

some people will join. Secondly, I think they need a leader that has gotten his hands dirty and knows what it is like to be in this industry. Not many people want to have someone that is a leader that does not understand their problems or concerns. They need a someone who will stand up to other people in the business as well. I don't know, I also think us Hispanics, we are cautious about everything, and we are not going to join something right away....I believe that many of us, me included, I want to see what my membership will do right now and I don't think it will work that way. Besides, most Hispanic contractors I know worry about how much money they spend and things like that and they kind of want, you know, instant satisfaction and don't want to wait around to this organization to spend a year getting ready, so that may slow it down some.

Of the twelve members, seven suggested that the organization would be helpful later and five did not know if it would help at all because it may only serve Mexican contractors or only reach those contractors that are well established or not those Latinos who work solely out of their trucks and do not have an office.

Overall, these co-ethnic ties are stronger than many of the ones Black contractors mentioned. In the comments above, several of the Latino contractors had ethnic ties that they used well beyond their initial start-up of their businesses. They also had ties that reached outside of the Atlanta Latino community and into others in different cities and states, such as Ortega's ties to Texas and Florida. These ties represent what Light and Gold (2000) identify as strong sources for ethnic resources that produce appropriate forms of human, cultural, and financial capital for these Latino contractors. More importantly, it also shows how these Latino contractors may have a stronger hold in the Atlanta construction industry than the Black contractors I interviewed.

One of the downfalls of the Latino contractors' ethnic ties is that partnerships sometimes do not cross ethnic lines in the Latino community. As pointed out in Chapter 3, there are some tensions between the different ethnic groups in the Latino community. For instance, Lopez stated, "I'm Mexican and I don't work too often with Guatemalans or other Latin groups because he have different views and values." Martin also felt that he really did not want to work with Mexican contractors because he did not necessarily think they could get the work done, because,

"Back in Mexico, they are lazy." While Mendez suggested that his small HVAC network had a mix of people, he also pointed out that, "At times, things get heated and some of the Mexicans and some of the Latin American guys don't see eye-to-eye. Most of the time, it might be over some soccer game or something." Castillo also reports some resentment between groups, and he suggested that this only "retarded the progress of the entire community to work together to do better and overcome the stereotypes they all face." In short, these were concerns of some of the contractors but they saw most of their ethnic ties as trumping most of the problems they faced due to intra-group hostilities.

Another problem with these Latino contractors' co-ethnic ties were that very few knew of any Latino general contractors, material suppliers, or banks that could help them. After discussing who he thought did what types of work in construction, Lopez stated this about his connections and the lack of ones in certain parts of the industry:

Lopez: All the laborers are my friends, cousins, and neighborhoods from back home (in Mexico). I know that they will do a good job for me. I also know all the brick masons because they are from Mexico.

Interviewer: What about Latino general contractors and suppliers?

Lopez: No, I can't think of any Latino GCs other than the two I know and myself. Suppliers, none. Most of us are either in labor or sub-contracting. Damn, I guess we are only in the sub fields and as laborers, that doesn't sound right. I guess that's right but we're like 80% of all laborers, what's up with that?

Sosa also suggested that there were only three or four Latino general contractors he knew of in commercial construction and there were no banks or anything like that. Gutierrez felt that he was "blazing a trail" for other Latinos who wanted to enter general contracting because he only knew of a handful. None of the contractors I spoke with knew any banks or material suppliers that were Latino. Munoz suggested that Home Depot was the only place that really attempted to embrace the Latino community but they were definitely "only trying to make a buck." Jokingly, Ortiz pointed out one Latino bank, "The Western Union place that cashes checks and give you

title loans. You will see a bunch of us there! (Laughs)." Again, as mentioned in the last chapter, there are no Latino-specific banks in Atlanta, even though there are several banks working to gear more of their services toward Latinos in Atlanta. Overall, though, while there are several ethnic ties to affluent Latinos in Atlanta and around the U.S., not everyone has access to them. In addition, while there are several Latino organizations in Atlanta,<sup>65</sup> almost all of the Latino contractors I spoke to knew very little about them or wanted to be involved, which is explained further below.

Despite any problems that Latino contractors had with ethnic ties, their inter-ethnic ties with White contractors helped immensely. All of the Latino contractors in this study, at one point or another in their careers, relied heavily on White contractors giving them business and connecting them to other contractors who could use them. Castillo suggested that if it was not for the support of White contractors, his contracting business would have faltered in the first month because he would have had no contracts. – "They were all White businesses and White contractors [and they] invited us to work on several big projects right away." Lorenz said this about the White contractors he works for:

All of the home builders I work for is White, and we have had a good relationship because they respect me and I respect them. They also tend to lead me to other types of work if they find some things and they like to include me when they can on new projects.

Diego, Munoz, and Ortiz all suggested that 100% of their contracts are with White construction firms. In addition, all of the Latino general contractors I interviewed suggested that at least 75% of all of their clientele was White.

In addition, many of the Latino subcontractors, and those contractors that went from sub-contractor to general contractor, felt that their relationship with White contractors was a major reason for

<sup>65</sup> For example, the Hispanic Chamber of Commerce of Atlanta, the Mexican American Chamber of Commerce of Atlanta, the Latin American Association, and the Hispanic Contractors Association of Georgia are some of the several business-oriented organizations available.

their success thus far. For instance, Ortega suggested that when he arrived to Atlanta in 1996, it was all White contractors who hired him and supported him in his transition from subcontractor to general contractor. Lopez and Quinones got into general contracting because some White contractors helped them get started. Quinones provided this story of how a White contractor he was working for as a laborer suggested he go into subcontracting:

Well, back in like 1999 or 2000, I have a good relationship with the owner of the company I was working for, and he said since I was doing so well, 'So why don't you start your own thing?' He give me the idea because he was a very nice guy and he say that 'You do your own thing and we'll help you get some work.' First, he and his wife wanted me to do their house on the side. Then he said that, 'You can start getting like your own work and you can sub out for me.' That was something that he was very good at, showing me how to do the work and how to do drywall. He taught me a lot that my father didn't.

Lopez, even though he had a subcontracting business for a couple of years before starting his general contracting business, had two White contractors help him get started as a general contractor. He stated:

They were important because they showed me some things I didn't know about like how to bid, how to pick the right materials, and go to the right places to file papers and stuff. And they really wanted me to get into this because they said I was talented and didn't need to waste my time doing small things so they showed me the way and one of them helped me get my first house to build. They really talked up how great I was and how my reputation to do great work was the truth.

Lopez's comment also points out how reputations come into play with Latinos developing relationships with White contractors. Ortega suggested that the reason he got so many contracts from Whites was because "they respected me and my work." Overall, though, these relationships with White contractors helped some of the Latino contractors move up in the ranks, which is something that did not generally happen between Whites and Blacks in this industry. While there were no direct comments about why Whites worked with Latinos more often, the comments above do suggest that there is a preference for Latinos over Blacks in mentoring and fostering their growth for Whites.

On the other hand, some Latino contractors suggested that their relationships with White contractors had limits and were not necessarily as beneficial as they thought. For instance, although Quinones had several ties to White contractors as mentors and business partners, he often found that they wanted him to do some of the more dangerous or menial jobs over the more lucrative ones. He stated, "I'm good at certain things, so I think that limits me but there are some White contractors that only want me for certain things. They call me, say, 'you come do the drywall in this building,' or 'you come do the siding or stucco stuff here.' It always seems to be what I have already done." Ramirez said this about working with White contractors:

White guys, they want to work with you but it's only certain things. I'll give you an example. When I first started in Atlanta I would get dozens and dozens of calls to do subcontracting work. 'Do my basement, do this bonus room, do the sheetrock,' stuff like that. You know, these were helpful but I never get a call saying, 'Hey, come build this subdivision with me, ' or 'Hey, you want to be a joint venture partner?' No, they just want me to do the Mexican work, working with my hands and not with my brain.

Lorenz felt the same way as Ramirez. He saw his move into home building as a way to work around White contractors that otherwise saw him only as a brick mason. He stated, "Yeah, I do all the brick mason stuff but that's it. When it comes to building a few houses, like he [the white contractor] offers to some of his other sub-contractors, he doesn't usually come to me and say, 'Hey, you want a shot?'" Gutierrez summed up the problems with partnering with White contractors:

You don't want to bite the hand that feeds you but, yeah, American contractors are funny about us Hispanics doing certain jobs. I think they are fine with me doing masonry and doing landscaping, but they sure don't want me building houses. For example, I had one of my regular guys who uses me find out that I was going into house building and said to me, 'What you want to do that for, it is harder work and you will have to deal with the customers.' See, he is scared of the competition and possibly that I would do it better and for less money and time too.

Martin also suggested that when he started to build his first house, many of the White contractors he had partnered with stopped talking to him and suggested that he was making a mistake. In fact, they told him that it was probably a bad idea and that he would probably get some heat from the local builders and home inspectors. These comments above and the ones made by Whites

earlier in Chapter 3 point out that competition has an effect on relationships. Here, Latinos do have social ties to Whites that provide them opportunities; however, those opportunities dry up when they get closer to what these White contractors do for a living. In addition, White and Latino contractors appear to perceive Latinos as only masons, drywall installers, and painters, not as general contractors. As Jack stated to me when talking about the racial composition of the Atlanta construction industry, "I only see Whites in general contracting and Latinos and Blacks as subcontractors. You rarely ever see them doing anything but those kinds of trades." In addition, as Ortega stated, "We have some problems getting into partnerships with American contractors because people don't know if we are capable of doing the job and they don't know what our intentions are, which scares them sometimes." In other words, White contractors could fear that their livelihoods are being threatened because of the dramatic increase in Latino participation in construction; thus, they are less likely to form relationships with Latinos beyond an employer-employee relationship. As Gutierrez stated to me about what he saw as the relationship between White and Latino contractors: "It's a love and hate relationship (Laughs). They love to use us because we are cheap and they hate us because we're competition and we speak Spanish." Thus, the relationship between Whites and Latinos may not be as solid as some Latinos suggest. Based on the White contractors' negative racial attitudes toward Latinos, in general, Whites only see Latinos as minorities and not as allies, as suggested by recent research (see Alba and Nee 2003; Bonilla-Silva 2003; Gans 1999; Yancey 2003).

Like Black contractors, nine of the fourteen Latino contractors have become certified minority contractors with the city of Atlanta and other federal programs to circumvent issues they have had getting into the general contracting business. Sosa stated this about why he got his company on the list of Atlanta minority contractors:

It just kind of happened. I started my business and I really wanted to do more of the commercial side of construction because I knew there was more money in it. I also knew that the residential side of construction was very crowded and did not think I would have a chance against all the established builders out there and being that I was a Latino with a degree, I don't think they would have wanted me around as much.

Castillo said this about why he signed up with the program: "Well, it's the thing to do in Atlanta if you want to really get any business outside of your own searching. You also might as well use your minority status to [your] advantage and who's going to notice you if you're just starting out, so it is a good program for that reason." Diego also registered as a minority contractor and he said this about the process: "I went in to it, you know, not knowing what it meant. But, they use you when they want and they pay you what they want. I'm just a subcontractor and that's that." Interestingly, this program was responsible for bringing together the only Black and Latino partnerships mentioned during my study. In fact, Sosa's first and significantly lucrative contract came when he worked with another Black contractor on a project at the Atlanta International Airport. Diego also got a significant subcontracting contract with a Black contractor working on the terminals at the airport as well.

Although the program has helped some of the Latino contractors gain access to important and lucrative contracts in the city of Atlanta, like the Black contractors, most of the Latino contractors suggested that the program was more exclusionary. Sosa, who has an existing contract with Atlanta to manage the green space and streams around the city, has run into several problems with the program. He first suggested that while it sometimes works, he feels that many contractors do not view his company as a strong and legitimate company. He stated: "They use me, sure, but they use me for only certain jobs. I get to do the landscaping and dirt-moving. They're not asking me to be the head contractor or builder. Of course, moving dirt is something I do, but I do all the other stuff, too." This ties back to what some of the other Latino contractors said about how White contractors only use them to do "Mexican-type" jobs, as Munoz stated,

such as landscaping, drywall, or roofing. Mendez had a similar critique to the program. He stated: "The general contractors that call you, they're a little selfish delegating subcontracts to minority companies because they see us as only having one or two skills and not strong enough to do it all." Martin suggested that getting included really was about the fact that they knew he was cheap because he was a Latino, and they assumed he would give the best price. However, as he stated, "They are surprised when I give them a higher bid and they say, 'That's too high. You need to think about this as a great opportunity.' I always say, 'Opportunities don't feed me or my family or keep my business running right now.'"

Some of the Latino contractors also suggested that there were problems with contractors bidding on city projects that used front minority companies to get the contracts. Diego stated, "You have to watch them. They say they going to use you, but then they don't after they get the contract." Ortiz had the same experience as Diego.

Ortiz: I have done a few projects with the city, some office buildings but most of the time they don't call back after they talk to me.

Interviewer: Why?

Ortiz: I think it is because they just want to use my name to get the contract. In fact, I had one time where they called me and said they would use me and I know they got the contract but, guess what, I wasn't doing the work but I had a guy call from the city asking how it was going. I told him he needed to ask someone else because I didn't have that job. He said he would check into it.

Sosa said this about the monitoring of this process: "They [city of Atlanta Compliance Office] see the reports and some of them see in the report that you are paying X amount of money to a minority company, that's fine. But, they never check up to make sure that is where the money goes, they never check unless they get a tip from someone or something."

In addition, some of the contractors suggested that the program showed preference to African Americans. In fact, Sosa and Diego suggested that they had lost city contracts because

some city officials did not view them as minorities or that they thought a Black contractor should have the contract instead. Discussing how he almost lost a recent city contract, Sosa stated:

We were the lowest bid, but the city tried to convince me to give the contract to a black guy, but I didn't. They tried to say that since I was a general contractor that I wasn't as disadvantaged as the black subcontractor, but I'm still a minority no matter how big my company is. The city of Atlanta, they, they prefer their own.

Diego agreed by stating, "Well, I have never seen a lot of Hispanic contractors running the show it is either Whites, and with Atlanta, it is Blacks because they are in control most of the time."

Up until the 1990s, Boston (1999) suggests that Black and women contractors have received the most contracts through the city of Atlanta's program. While there are no current published statistics on this matter, there are only about four Latino general contractors registered with the city, but there are twenty-three African American and six women contractors registered.<sup>66</sup> In a 2004 press release, the Mayor's office suggested that there were over 270 minority businesses registered with the city and 75 to 80% were African American.<sup>67</sup> In addition, 36% of all monies paid out to contracts for the city went to minority businesses, which was about \$233 million. They also suggested that most of this money went to Black and women contractors, even though Latino participation is growing. Thus, it could be possible that Latino contractors are not used as often as Black contractors.

In general, the Latino network relies heavily on ethnic ties that continue to support them in their endeavors. These are the most important ties they have and it somewhat materializes into a ethnic economy in which most Latino contractors use one another to obtain resources and to gain access into the construction industry. However, most of these ethnic ties only gave them access to other Latinos and Latino organizations, which only had limited access to certain parts

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<sup>66</sup> Information comes from the city of Atlanta's Office of Contract Compliance's Minority Business register. (<http://apps.atlantaga.gov/deptmayor/Occ/MBE>).

<sup>67</sup> This information came for the city of Atlanta website ([http://www.atlantaga.gov/media/nr\\_hjdiversity\\_021704.aspx](http://www.atlantaga.gov/media/nr_hjdiversity_021704.aspx)).

of the industry in which Latinos were present. For instance, Mendez's group only really had access to HVAC subcontracting in mostly the residential side of the industry. Also, all of Ortega's connections only provide him access to commercial construction at this time. In other words, his ties helped him but, as he said, "I don't have the ability to bring everyone with me just yet. Hopefully the HCAG will help with that." Thus, the ethnic ties were limited.

On top of these ethnic ties are the Latino contractors' connections to White contractors, who helped a few start their businesses. However, Latino contractors suggest and understood that their relationships were limited and exploitative. Even with the help of Atlanta's minority programs, Latinos find themselves not quite as successful as African American business owners because of continued discrimination within the city's supposedly equal opportunity program. However, these Latino contractors have a seemingly tight and effective co-ethnic network, especially with the introduction of the HCAG that has helped them stay afloat in comparison to the Black contractors in this study. Finally, it does help that these Latino contractors work and partner with the White contractors in this business because not many Black contractors have in this study. However, there should be some caution between Latinos and Whites since the relationships are limited and temperamental because, as many scholars have suggested about most immigrants coming into the U.S., Latinos fill an important gap in the industry – they are the cheap and available labor. More importantly, White contractors are clearly threatened by the Latino business owner presence, which has led to very few partnerships on the general contractor level where Whites and Latinos may be equals.

### **"Good ole' Boy" White Networks**

In this study, White contractors had the most influential and valuable network out of all the respondents. Like the other contractor groups above, Whites had a mix of ethnic and inter-ethnic

ties in their networks. However, what made their networks the most valuable was that their networks were completely embedded in the construction industry. As Charles pointed out to me as we began to discuss his influence in Atlanta construction:

Well, it's not me that has influence, it's all my connections, or should I say, relationships that have worked me through all of this. You see, my relationships have a deep history here in Atlanta and Georgia because of my father and my work over the last twenty-five or so years, and that's important. I know someone in every part of this industry and know the right officials to help me through tough processes.

Thus, Charles' connections, as well as many of the White entrepreneurs in this study, went past just the peripheral ties that gave them access to cultural and start-up financial capital; these White contractors have relationships with every part of the industry from the banks to the construction supply warehouses and to the local officials that inspect their work. It is also very important that Charles and the other White contractors had several ethnic and inter-ethnic ties that stretched across years and the various parts of the industry. It is even more important, and telling, that almost every White contractor I spoke with only used White connections in their networks to further access important financial resources, such as in-roads into more lucrative contracts. However, when it came to getting the best price on subcontractors or laborers, White contractors access their inter-ethnic ties to Latinos, and sometimes, Blacks.

Although, as mentioned in the last chapter, White contractors' strong ties to family and close friends were meager and not as substantial as the Black and Latino familial connections. Similar to Black contractors, most Whites began their businesses on their own and only a handful used their father or close friends' guidance to learn some of the aspects of construction. Charles was the only one that inherited his business, knowledge, and contacts through his father. However, the rest of them picked up the trade and business ownership on their own. Also, except for Matthews who had his mother, step-brother, and now his wife working with him, none of the White contractors had any family working side-by-side with them in their businesses. Some of

the contractors even suggested when I asked if any of their family members were involved with their businesses that they would rather not have family involved. As Ernest stated, "I keep business and family very separate because I want to like my family when it's all said and done." Some researchers suggest that if self-employed individuals use other ties than their family and close friends to start their businesses, then they clearly have better access to other connections that can provide them the necessary capital (see Bates 1997; Fairlie 1996, 2000; Light and Gold 2000). As suggested in the last chapter, these white contractors had higher amounts of personal capital, bank loans, and access to assets than minority contractors.

White contractors inter-ethnic ties were also sparse but they did have them. As members of the home builder and remodeler associations, MacGyver, Ferry, and Blythe all said they had some connections to Black general contractors, but none of them had ever formerly worked with these ties yet. In addition, out of all of the White contractors I spoke with, none of them suggested that they had significant connections to minority contractors that could assist them in getting more access to untouched markets. In fact, most of them suggested, when I asked them about the racial composition of the construction industry, that they hardly ever saw or worked with Black contractors. For instance, Fredrick stated, "They're just not in this business," which, as suggested previously, many White contractors saw the absence of Black contractors in their niches as due to the prejudice of their clientele. MacGyver, a home remodeler, said this about Black contractors, "The only ones I've ever worked with were subcontractors, some electricians and one plumber. I don't think I've ever really met a Black general contractor in this area I work in, but I know there are some in the association I am a part of." Patterson also pointed out that he never really worked with very many Black contractors. In a more color-blind response, he stated, "It's not that we don't want to work with Black contractors, they're just not around to work with,

and I don't think they really want to be in construction because it's not a big money-maker like some other industries." Finally, Jacobs said this about the absence of Black contractors: "I don't know where Latinos and Blacks are in this field of work. I think they are all getting business degrees but want to run media companies. The only Blacks and Latinos I see are the ones doing the work, you know, laborers." Of course, the absence of these groups may be due to their problems with accessing the particular areas these White contractors serve or the structural barriers that decrease the chances that Blacks and Latinos are in construction or self-employment.

On the other hand, several White contractors had connections with Latino subcontractors. Each of the White contractor stated that the majority of their labor force and their subcontractors were Latino. Jack and Brooks estimated that 60% of their subcontractors were Latino. Ferry estimated that Latino subcontractors represented at least 50 to 70% of all subcontractors. However, in our conversations, these contacts were only about an employer-employee relationship that was not about providing mutual benefits or exchanges of resources other than labor. Jacobs stated this about his connections to Latinos:

You can get as many as you want because there are tons of them working in construction now. I know some guys that have been around for a while and they say it used to not be this way. But, we are in no short supply and I have plenty who hand me cards or call me to want to do work.

Ernest considered his connections to Latino subcontractors as essential for his business but did not really see how he could help them other than giving them more work.

Ernest: How valuable are Hispanics to construction? You can't live without them and me and the Hispanic subcontractors know that we've got, ah, you know, a symbolic, I mean, symbiotic relationship. I need them to build my houses and help me make the properties affordable, and I make sure they have work.

Interviewer: Have you ever worked on a joint project with a Hispanic contractor or GC?

Ernest: No, I don't think so. They just do most of the work and subcontracting. And, I've never, I've never really thought about Hispanics being in that role here. They are in Texas or out West but not here.

Mackey also suggested that he knew plenty of Latino workers but did not view them as offering him anything outside of labor.

Mackey: Of course, most of the framing crews are all Latinos, that's the way it is and I can call anybody or go up to the Texaco gas station off of I-285 and Roswell Road to get a truckload.

Interviewer: Do you work with any Latino subcontractors or do you have any connections to them in which you guys help each other, you know, get jobs and supplies and stuff?

Mackey: Shit no! They don't have any jobs that I want and I'm not giving them any either. As I said earlier, I don't want to associate with them because they are taking my jobs and work.

Again, Ernest and Mackey's comments bring up the fact that many of the White contractors view any relationship with Latinos as an employer-employee relationship. For Mackey, this relationship stays at this level because he views them as competition and a threat to his livelihood. As Blythe summed it up for me about any relationship between contractors, "We don't have to be partners we can just use each other for what we need and be done with it."

Also, it was clear that most of the White contractors did not know any Latino general contractors. Jack stated, "I don't know of any Latino GC's in home building or commercial stuff. They most just be getting into it or they are all running the subcontracting fields." Brooks had the same observation, "No Latino general contractors in this area but there are plenty of workers and subs. There are a lot more out West and in Texas but not here." Matthews also stated the same thing: "Never seen a Latino general contractor, I don't think they have broken into that particular line of work." None of the White contractors I interviewed had ever worked with a general contractor. MacGyver knew of one through his association, "Yeah, Sanchez, he is in Savannah I think, I will get a number to call him but I don't think I've ever met him."

Interestingly, though, MacGyver's comment made a good point about his connections. Even though he did not know Sanchez or any other Latino general contractor, his association helps him get telephone numbers and contacts. All fourteen of the White contractors belonged to at least one organization or another which gave them a list of contacts. But, as MacGyver later

suggested, "Who wouldn't want to work with me if I called them up? Every White, Black, Asian, or whatever contractor needs work, so I will never have any problems getting help or a sub."

This sentiment was shared by all of the White contractors; none of them suggested that they had any problems getting connected to subcontractors or other general contractors because they had either built the appropriate relationships, or knew someone that they could call to help them. As Brooks stated, "I can call several different entities to help because I have built relationships over the years that hinge on reputations and good business tactics." This was a confidence I rarely heard when the Black and Latino contractors discussed their social networks. I contend that the White contractors' confidence rested in them knowing that they had a secure network of co-ethnic ties that far out-weighed their familial and inter-ethnic connections.

When the White contractors in this study discussed their networks, it was clear that much of their network was with other White contractors and professionals who were well-integrated into every facet of the Atlanta construction industry. As suggested earlier, the key to determining the potency of an individual or group's social network is its diversity but also how well a network can access every part of an industry for a business owner or does it just have specific claims to particular parts of the industry. Granovetter (1985) and, more recently, Lie (1999), Portes and Sensenbrenner (1993), and Royster (2003) identify the integration of a social network into an industry, labor market, or any social structure as the embeddedness approach. They also suggest that the success of a group obtaining social mobility or maintaining their position in society depends on how ingrained their social network is in particular structures. For instance, Waldinger (1996) finds that minority contractors had problems doing well in construction because they did not have connections to the various parts of the industry, such as the home

inspectors, cheaper subcontractors, and other contractors, that could vouch for their quality of work to get more contracts.

In this study, only the White network was embedded in the Atlanta construction industry. For example, Matthews, who is now moving from subcontracting to home building, stated this about his network in which he later pointed out that it was all White contacts:

For my waterproofing, basement business we have over 500 builders that we can contact. Now, that I'm going into home construction, I can call any of those guys and they would even be willing to help me get started, show me who are the best subs, and help figure how to work with the thousand different governments around here. I'm a little nervous about my transition but I think that it will be pretty smooth because I got a good reputation and plenty of help. Plus, I got my old subcontracting buddies on the side and I know where all the labor is.

Even though he had only been in the business for a little under two years, Jacobs also felt that he knew enough of the right people to keep his business afloat. He stated, "You know, I've got two banks to call if I really need them, I have a pretty good relationship with the supply warehouse because he likes me or something, and, you know, Fredrick introduced you to me, several contractors I can call on for help." Dmitry laughed when I asked him about his network. He leaned over and pointed from his chair and pointed at two objects, his rolodex and the phone, "All I need to do to find someone to help me is to use the rolodex and make a phone call. It's that simple. I know the right people and those people know me." Charles described his network of real estate developers and custom builders as very "fraternal." He stated, "We watch out for each other like brothers and we all talk about what's going on in the construction industry and discuss how things should be going, you know. There is a real sense of community among us and I think that is why the Atlanta construction scene isn't as vicious and cutthroat as other cities." After saying this, I suggested to Charles that fraternities are sometimes secretive and usually exclusionary and he stated, "Well, I think anyone can get in this fraternity as long as they come with integrity and quality. But, as you know, every organization has it standards." This comment

relates back to the discussion about reputations and how these standards are subjective and fluid, which leads to some getting into this construction "fraternity" and others getting, black-balled.

Ernest also explained how his contacts worked and also suggested it was like a family:

Ernest: John knows me well. He runs the supply house that I get all my materials. And Sam, the home inspector, has been in it forever and we understand each other. The guys who does all my plumbing and electrical, I've known for at least 20 years because we go to the same church.

Interviewer: What does this do for you? – It makes sure

Ernest: It makes sure I know that everything is done right and won't cost me a lot. I also know I can trust anything they say and they know they can get the same kind of support from me. In fact, I know they can help me make my business better.

Brooks, who was just retiring from the industry when I interviewed him, said this about his network:

Brooks: All of my relationships have been great. You know, you get burned on some but the rest have been great. I tell you if it wasn't for them, I wouldn't be able to retire today.

Interviewer: Who were your contacts? How many did you have?

Brooks: Well, had a bunch and they were all involved in helping get to the size I was. I had, I don't know, I had several connections to banks, because I worked with so many. I have connections to some really quality builders who are still building today. I had some good relationships with the various municipalities because they determine if you sink or swim in this business. You know, just great people and we respected each other too. I mean we spent time together outside of work too; at barbeques and weddings and everything.

Interviewer: Were they all White guys, a mix, what do you think?

Brooks: Well, I don't know, I didn't meet every single one of them but you know, you know, they were pretty much White, everyone pretty much is in this industry is but there was a sprinkling of a few Blacks, Latinos weren't in there yet. I don't know.

Ferry also suggested that he knew some government officials from when he ran for a public office a decade ago. He stated:

Yeah, it helps to be politically connected a little because I was trying to get a decision from the city department and I couldn't get the head of the building department to call me back. He just doesn't do that. He doesn't call anybody back. So, I called my City Council person and she was out of town. I waited for a week and I just tired of waiting, so I need a decision, so 20 minutes later after calling her, because she is also a close friend, the head of the building department called me. Straightened up the problem and really helped me out.

In connection to Ferry's comment that having political ties mattered, all but the two White subcontractors in this study also sat on various city and county planning boards and task forces,

or were board members of the various home building and remodeling associations in Georgia. In addition, two of the contractors in my study are board members of Georgia's new State Licensing Board of General and Residential Contractors and will help to decide who gets licensed for two years.<sup>68</sup> However, none of the minority contractors I interviewed, except for Ortega, had any involvement in the construction-specific organizations that govern and regulate the industry in the Atlanta metro area. For instance, Patterson was very involved in a number of organizations that were construction-specific and, as he pointed out, necessary to keep abreast of the changes in the industry.

Currently, I'm co-chairing an in-field task force for DeKalb County – in-field homebuilding and how in fact, how we can make sure that we manage the impact that it has. One of the most common things I've done is in the Chamber of Commerce in Gwinnett, I help assess the quality of housing in Gwinnett. I was the founding chair of Gwinnett County development advisory committee, which is a group of developer types, engineer types, and homeowners that talked about issues relative to the community. The City of Atlanta task force in the late '80s, looking at the way the housing is produced in the city of Atlanta. I also helped with assessing needs for public housing. I could go on but I don't want to bore you. I get involved in a lot of things.

Out of the twelve involved in organizations, seven of the White contractors were at least board members or advisors for organizations that regulated zoning, decided on home inspection criteria, or helped local municipalities develop land use and city growth plans. Jack best summarized why these relationships were important:

I hate this metaphor but it's not what you know, it's who you know and you need to get out there and be a noisy neighbor and stick your nose into anything and everything that will help your business because no one's going to do it for you. You got to build relationships to be successful and that's the bottom line and make sure you have the city and the county and the other builders just loving to see you pull up in your truck. Just glad you are here to build homes in their lovely town.

In short, each of these White contractors could easily access any facet of this industry from the associations that provide them endless contacts to the supply warehouses that give them discounts on important materials. More importantly, each of these contractors had heard of one

<sup>68</sup> Both contractors asked to remain anonymous even with their pseudonyms.

another and felt that they could call on one another for assistance. In addition, as Thomas, a board member of one of the Atlanta home building associations implied to me, "We like one big family and we don't want strangers just coming in and building where and whatever they please." I also asked him about the diversity of the association and he stated this, "It's a majority white association, but we have several Black and Mexican and European members. However, they don't usually join these types of associations." Put simply, I believe that these White contractors are secure and safe from the possibility of integration or inclusion of minority competitors and associates.

While the comments presented above give a sense of how these White contractors have an embedded White network that helps them, all of the minority contractors and two of the White contractors in this study that saw themselves as excluded from this network best characterized and pointed out its power and typical exclusion of minorities. Many of them called this embedded network the "good ole' boy" network, or as Ramirez identified, the "gringo" network. In their study of a southern city and the construction industry, Feagin and Imani (1994) found that that there was a tight network of Whites that were usually locals and controlled the industry. As Mitchell, one of my Black respondents stated, "Good ole' boys are everywhere. They're in Buffalo, Philly, New York, and Topeka." Patterson was of the only White contractors that recognized that he was a member of the good ole' boy network. Somewhat taken back that I was asking him about the good ole' boy network, Patterson stated:

I think that, you know, again that's, you know, a colloquial way to put it there's a good ole' boy network but really its just a bunch of relationships in an industry that is primarily run by small business people. There is a significant part of it is that it is relationship-driven, so yes, I think there's clearly network of relationships. It is a business that, you know, basically is less organized and less driven by real pure business-type functions so you need connections that you can trust and unfortunately, well, I guess not all of us, but some of us trust those we know best, our friends, or long-time business partners. So, I guess, yes, I guess, I'm a part of clique in some regards... We many of us, you know, have probably fairly intuitive with relationships and need them and that's why many of us are very active in associations, home builders' associations and stuff of that nature that further our relationships and ties.

Many of the larger White companies, such as Charles and Ernest, said something similar to Patterson's statement that the good ole' boy network existed but it was necessary. As Patterson's comment suggests, though, it is exclusionary and rests on a very loose organization of connections through associations and relationships built over several years. Also, he uses color-blind rhetoric to explain who has access, suggesting that those involved had a biological gift or are "intuitive" in building these relationship. In the racial attitudes chapter, many of the White contractors said that Black and Latino contractors lacked the "natural" abilities to do construction or be a business owner. In short, this good ole' boy network becomes the embodiment of exclusion in this industry in which minorities are out based on subjective reasoning, they do not have a good reputation or the right abilities, and because of their skin color. In addition, those minority contractors that get included are there as only employees and there is very little exchange of the more important forms of capital such as passing on influential ties to political officials and affluent contractors.

Although only one of the White contractors openly admitted to being a part of the good ole' boy network, many Black and Latino contractors suggested that it existed. And, they also believed that if a contractor was White, male, from Atlanta or Georgia, and had been in the business a for while, then he was mostly likely a member of this network. Moreover, many of the contractors that identified this network suggested that it was one of the main forces that kept them from entering certain construction niches and accessing other social ties. For instance, Baker, one of the Black commercial contractors, was one of the first respondents to mention the good ole' boy network to me, as he pointed out some of the problems he was having in accessing more lucrative commercial projects.

The private sector [commercial construction] is still basically a good ole' boy network, full of White Georgia guys that went to Georgia Tech or UGA and they just aren't letting everyone,

especially Blacks, into their mix. I mean it is very difficult for black contractors, without the aid of some of these diversity-based programs to even get in the door. I have marketed to Coca-Cola, despite all their supposed diversity. I have marketed to Turner properties and CNN, all of them. [It] is a much closed, much more closed, ole' boy network, so you have to find a way around it, particularly as a GC.

Jaeger, a Black contractor just starting out when I met him, also suggested that the Atlanta house market was run by good ole' boys, who made sure that their friends and fellow co-workers were given work before Black contractors. Jaeger stated:

While there is a good ole' boy contingent out there that makes sure they get fed first before us minorities get a turn. I mean, look at any big project and housing development in Atlanta and I bet you will find some White Georgia native running the project making sure his buddies and college pals get all theirs before anyone else does. Now, they don't look like, you know, the tobacco-chewing, deliverance hillbillies today. They got suits on and eat lunch down at the Capital City Grill. But, they know what's up and they know they got the upper hand here in the city.

Warren also found that his entrance into commercial building, after being a successful Black home builder in East Atlanta met some resistance because of the good ole' boy network that did much of the commercial work in that area. He stated, "Yeah, there were some really close set of White guys running this commercial bit down in this area, and they didn't know what to think when I came on the scene. I think they try to run off those ones they don't want around but I haven't had no problems just yet." Finally, James, a Black plumber, was pretty sure that he had lost some jobs due to the good ole' boy network:

James: Here, in Atlanta, they are a tight bunch. They don't want you have your hands in too much of their business.

Interviewer: I've heard some other guys talk about a bunch of good ole' boys running the show. Is that what your talking about?

James: Yeah, they're right, they are a bunch of good ole' boys, boys that had fathers that were plumbers and their granddads were plumbers. They ain't about to let go of plumbing or hand their jobs over to some nigger. Boy, you see them every day, with their pick-up trucks with the Georgia state flag that is a half-Confederate flag. They don't want you around and I don't want to be around them. I'm sure they are hooked up to the White contractors and work together to make sure us Black contractors or anyone else for that matter, doesn't get work. I'm sure of it. It's as old as slavery man.

Overall, these Black contractors above saw the overall influence and persistence of the good ole' boy network. They also understand, as James suggests, that this network is ingrained in the

industry and has a historical link to white oppression as far back as slavery. I argue that these comments represent not just the embeddedness of Whites in the Atlanta construction industry but also the embeddedness of White privilege and power that seems to be, on the surface, a meritocracy in which contractors that have the right attitudes and establish a good reputation can gain entry into, as Charles somewhat suggested, a fraternal order. This was also obvious among Latino contractors.

Several of the Latino contractors suggested that the good ole' boy or "gringo" network existed and worked to make sure that they were well-entrenched in the industry. In fact, eight of the fourteen Latino contractors suggested that this network existed and suggested it had a good control over the entire industry. As stated above, Ramirez called it the "gringo" network. The following comment explains how Ramirez suggested who were its members, how it worked, and how it had affected him:

Ramirez: Is there a good ole' boy network? Sure, there is and it's all across the United States. I call it the gringo network and all they want to do is make sure their ass is covered before giving us Hispanics a turn.

Interviewer: Who do you think is in this gringo network?

Ramirez: Well, of course it is White guys that are mostly from the South or from Georgia or something. They are the ones that run all the big projects in and around the northern parts of Atlanta and stuff.

Interviewer: Do you think they really have an effect on you or other Latino contractors?

Ramirez: Sure they do, they decide who stays, who gets the good contracts, and where I get to work. I mean, shit, they got control of it like the mob has control of New Jersey. You have to pay your dues and maybe they will use you as a sub or something. They are pretty much in control around here but it is really behind the scenes, you know what I mean? There's no direct evidence of it. You can't go up to some gringo and say, 'hey, can you get me in?' It doesn't work that way and I'm not even trying to get in that crowd right now. I would rather stick with the Hispanic community.

Lorenz also said that there was a strong good ole' boy White network in his the area he worked in around Southwest Atlanta. He stated, "All of the contractors I worked with are a part of that network because they are in construction, their daddy was in construction, and their grandfather

was the one who built and established most of the towns around there. So, they have a lot invested in making sure that they have a hold of this area." Of course, only a few White contractors learned the business from their fathers in this study. Laughing that I knew what it was, Castillo also found that there was a good ole' boy network that was big in the Atlanta construction industry. He stated this about how it worked:

Castillo: It's strong, very strong and very hard to break that ring of Georgia boys. And it's not whether you're white or green or yellow or Hispanic or Black, it's just you're not in the circle and I'm not either. You know why? Because, you know, you're not born in Georgia and raised here and there's all these groups, high level and sometimes they've been second, third generation in construction, so they aren't about to give up claims to this industry. That's how it works, you got to learn to understand that and live with it, work around it if you can.

Interviewer: Do you really think that there are other racial and ethnic groups in this good ole' boy circle?

Castillo: Well, maybe not as much as there should be. Well, they are probably all White I guess right now but maybe our day's a coming, especially if my children want to join since they were born here.

In Castillo's comment, he suggests that the network is so exclusionary that it even excludes Whites not from Georgia. Interestingly, he was somewhat right. Matthews from Florida and Blythe from North Carolina suggested they were not part of the good ole' boy network initially. However, they did eventually, as Matthews stated, "earn" the right to be included. I am sure it also helped that they were White.

Finally, Martin points out how he has little access to the residential side of the Atlanta construction industry because of this entrenched network. He stated, "There is a little bit of difficulty getting into the network because sometimes they don't really give you the work that you want. They would rather give it to their buddies or friends instead of you, so it's hard to get involved because I'm not their buddy or their friend and I look like a Mexican to them even though I'm from Argentina. They don't care where I'm from because I don't speak English." Even Ortega, who works with several White construction firms and has for several years, suggested there were problems with the gringo network. He stated:

You know, that guy you talked to, he was right, there is a gringo network and it stretches over the U.S. It was back in Texas and it is, I think, pretty big here. While I think I have some success in getting into it there are still levels of Atlanta I have no way of entering or even imagining being a part of any time soon because, for all intents and purposes, I am still a good ole' boy Mexican.

In the comments above, the Latino contractors also point out how exclusive this good ole' boy network is; only whites from Atlanta or Georgia are actually included. They also point out another important facet of social networks Portes and Sensenbrenner (1993:1324) identify as "bounded solidarity." Bounded solidarity is when a social network realizes they have a common goal and purpose, such as Karl Marx's idea of class consciousness, which unites the network and makes sure that other groups do not enter. Blumer (1958) also suggested that groups tend to become more overtly prejudiced and discriminatory when their group's identity and social position are threatened. I believe that this good ole' boy network represents a collective stance against invasion and a dislocation of these White contractors' social position in the industry. Thus, Latino, as well as Black inclusion into these valuable networks does not happen because they represent a physical, living, and breathing, threat to the White privilege in this industry. Even though many Latinos view themselves as White and also usually carry the same racial attitudes and views as Whites (i.e., against Blacks and recent immigration), this does not mean that Whites accept them into their networks and view them as similar. Even though Bonilla-Silva (2003) suggests that some light-skinned Latinos have become "honorary whites," the recent growth of the Latino population in Atlanta and the construction industry and the perceived threat of this group for Whites and Blacks diminished the possibilities for inclusion. Moreover, as suggested by Castillo's comment, Latino contractors, and for that matter, Black contractors have to either accept the hierarchy or work around it; at this point, there are no other options.

## CONCLUSIONS

In this chapter, I contend that an entrepreneur's social capital and the social networks that embody it are an all-access pass for the Atlanta construction industry. With the right amount and mix of ethnic and inter-ethnic ties, the Atlanta contractors in this study gain entry into the "fraternities" and good ole' boy networks of this industry, which gives them access to more cultural and financial capital. In addition, with the right blend of connections, these contractors are able to go beyond the clientele that they have because other influential contractors vouch for their integrity and abilities to get the job done for more lucrative contracts. However, this all rests on the Atlanta contractors' reputations, which are subjectively measured and used to determine who is the best fit for the job and who has the right to join the more powerful networks that exist in this industry. Moreover, the combination of reputations being built, noticed, and being used represents a powerful tool to exclude certain people and groups from important ties that propel contractors to the next level of business ownership and prosperity. But, when it is all said and done and reputations are assigned, does any contractor that produces the right contractor identity of being honest and hard-working gain entry into the important social networks and unlimited access to the construction industry and its resources? No.

As suggested in the breakdown of each racial and ethnic group of contractors, those involved in their networks are clearly comprised of their own. Also, the structures of these various networks suggest little mutual cooperation between groups, in which White contractors have a strong co-ethnic network that only includes Blacks and Latinos when necessary and most often keeps the relationship to an employer-employee association. Moreover, White contractors have the most influential networks in which their co-ethnic support and ties overwhelmingly embed them in the construction industry. As suggested by some of the White contractors, and

many of those outside of it, the good ole' boy network is strong and vibrant enough to make sure that the White contractors do not necessarily need the other groups of minority contractors unless it is for cheap labor. Black and Latino contractors also do not intermingle as much but only to use each other as employers or employees. Clearly, the strength of these two minority groups rests within their own ethnic ties, but their networks very seldom include any diversity or the more influential connections necessary to advance their business much past their current situations. Indeed, their ethnic ties help but they only go so far and, as my respondents suggested, their ties have internal problems. But, none of them are a part of the good ole' boy network, which seems to have its influences fully running through every part of the industry.

Finally, this chapter does not suggest that there is a clear black versus non-black divide. I argue that the networks that exist in this industry perpetuate a clear divide between Whites and everybody else. While some scholars suggest that there are clear signs of light-skinned Latino inclusion into the White population (see Alba and Nee 2003; Bonilla-Silva 2003; Gans 1999), I argue that this is only temporary because, historically, Whites have accepted and rejected Latinos as "honorary whites." As many immigration scholars have suggested, several immigrant groups have been granted access to White privilege and status after assimilating into the mainstream culture. Alba and Nee (2003) suggest that many Latinos that arrived in the last two decades have assimilated into the American mainstream. Moreover, their inclusion usually came, as Roediger (1991) suggests about the Irish, when Whites needed to fill vacant labor positions or needed a cheap labor source. Clearly, Latinos have become honorary whites when it best served the needs of White Americans already here. For example, the wide support of the *Bracero* programs in the mid-twentieth century and the recent suggestion of a guest worker program for the 21<sup>st</sup> century. During the Great Depression, however, Whites pushed local, state, and the federal government to

"repatriate" 1.4 million Mexican immigrants and Mexican Americans. This program came into full effect in 1930 and thousands of Mexican immigrant and Mexican American families were taken out of their homes, loaded them up in trucks, and deported back to Mexico (see Balderrama 1995; Guerin-Gonzalez 1994). Today, in the Atlanta metro area, there are over 300,000 Latinos and the tensions over illegal immigration and the hostility toward Latinos match much of the sentiments of the Mexican repatriation period of the 1930s. Put simply, the idea of Latinos having honorary white status in 2006 is questionable and it is evident in the comments about, and the structures of, the networks presented above.

Of course, none of my White respondents suggested that Latinos should be sent back to Mexico or any other Latin countries because they saw Latinos as a benefit to their business and, to be honest, that kind of commitment would have stepped out of their color-blind rhetoric and would have been a less than socially desirable response during our interviews. However, Whites, as well as the Black contractors do feel a sense of threat and competition with Latinos in the Atlanta construction industry, which, as I have found, has led to networks that only include other Latino contractors as employees, in most cases. In addition, the structure of the White good ole' boy network suggests that Latino contractors will not "leap-frog" or skip over the status of Blacks in this industry, because, simply they are in the same positions in my White contractors' minds – they are minorities, employees, and competition, plain and simple. Therefore, I assert that race, ethnicity, and nativity matters significantly in terms of who is included and does well in this industry. More importantly, the social networks described above are drastically segregated, and Whites continue to have the upper hand in this industry because their network is in control, regardless of the infusion of Latinos and Black and the state and federal affirmative action program. And, what gives White contractors their advantage and makes them more

discreet and hidden from public view is that the entire creation of social networks supposedly hinges on the meritocratic evaluations of reputations that all of these contractors, including Blacks and Latinos condone.

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## CHAPTER 6

### RACIALIZED HIRING PRACTICES

Research concerning the racialized structure of the U.S. labor market has often focused on hiring practices as one of the major catalysts in shaping this social problem (Moss and Tilly 2001a, 1996; Neckerman and Kirschenman 1991; Shih 2002; Waldinger 1996; Waldinger and Lichter 2003; Wilson 1996). This body of research emphasizes that employers tend to incorporate racial and ethnic biases, stereotypes, and attitudes into their decisions about hiring employees. In fact, many suggest that it may be a matter of “statistical discrimination” in which employers use stereotypes and "gut feelings" about a particular group as a substitution for measuring an individual’s suitability for employment (see Neckerman and Kirschenman 1991:476). In other words, gut feelings lead to a racialized selection of employees based on stereotypes (Moss and Tilly 1996, 2001a; Park 1999; Neckerman and Kirschenman 1991; Shih 2002; Thomas 2003).

For instance, many employers suggest that Blacks are less skilled, lazy, and too militant, while Latinos are hungry for work and rarely complain (see Moss and Tilly 1996; 2001a; Waldinger and Lichter 2003; Wilson 1996). Most researchers find that nearly all employers, including African American employers, view potential Asian, Black, Latino, and White employees similarly based on their racial group. For example, many social scientists suggest that employers continually sidestep minority applicants for White applicants in most positions that pertain to management, or administrative positions (Moss and Tilly 2001a, 2001b, 1996; Neckerman and Kirschenman 1991; Waldinger 1996; Waldinger and Lichter 2003). These studies also suggest that Blacks face the most employment discrimination among minority applicants. Neckerman and Kirschenman (1991:463) state this about what employers think of

Black applicants: "Blacks are by and large thought to possess very few characteristics of a 'good worker.'" They conclude, "If race were a proxy for expected productivity and the sole basis for statistical discrimination, black applicants would indeed find few job opportunities" (Neckerman and Kirschenman 1991:476).

The minority groups most likely to be hired within industries that have lower skill and education requirements are immigrant minorities (i.e., Asians and Latinos) because employers view them as having a better "work ethic" than White and Black employees (Moss and Tilly 2001; Rosenfeld and Tienda 1999; Shih 2002; Thomas 2003; Waldinger and Lichter 2003). Park (1999) and Thomas (2003) also find that employers prefer Asians and Latinos in the hi-tech and electronic industries because employers rely on stereotypes, suggesting Asians are smarter or good with electronics and Latinos can work hard for long hours at a time in comparison to White or Black employees. In a recent study examining hiring practices in the retail, hotel, furniture, and printing industries in Los Angeles, Shih (2002) finds that employers actually preferred immigrant workers because they followed instructions and did not question employers' authority, as Black employees were perceived to do. As Waldinger and Lichter (2003:143) state, an employer's "best strategy is to find the labor that accepts management's wishes with the minimum of bridling." Put simply, employers want employees that are "willing subordinates," who do not "rock the boat" by asserting their rights for better pay or complain about their workload, like White and Black employees do (see Park 1999:230; Waldinger and Lichter 2003:15; Wilson 1996).

However, other scholars contend that there is more to hiring decisions than blatant stereotypical assumptions. For example, many social scientists have included the importance of social networks in deciding who is hired (see Granovetter 1985; Lim 2001; Park 1999; Royster

2003; Waldinger 1996; Waldinger and Lichter 2003). Park (1999:227-228) points out that many employers in the hi-tech industries hire more Vietnamese because they considered them tech-savvy and smart, and because they used the Vietnamese employees' networks to access more "desirable" employees. Shih (2002) emphasizes that employer's self-interests in maintaining social hierarchies reinforce the use of stereotypical assumptions when hiring employees. Still other researchers contend that choosing the right employee is an issue of the cost of an employee (see Bonacich 1972; Neckerman and Kirschenmann 1991) or whether an individual best fits employer requirements, which are based on highly subjective criteria (e.g., "soft" and "hard" skills) (Wilson 1996; Moss and Tilly 1996; 2001a; Park 1999).

In this chapter, I contribute to this debate by showing how race, ethnicity, and nativity shape hiring practices in the Atlanta construction industry. This chapter also answers my final research question, which inquires as to the similarities and differences between the hiring practices of the entrepreneurs in this study. I suggest that, overwhelmingly, all of the contractors use subjective and racialized hiring practices to select their employees. Almost all of these contractors identify Latinos above any other group as the best employs because they are perceived as efficient, reliable, and relatively cheap in comparison to Whites and Blacks. I argue that the color-blind ideology presented throughout this study shapes these business owners' hiring practices and intentionally sustains the existing racial hierarchy that give Latinos, as laborers and subcontractors, an advantage over Blacks (but not Whites) in this industry. Thus, I conclude this chapter by suggesting that Blacks who hope to gain employment in this industry find themselves at a disadvantage, and that contractors' hiring practices push Latinos up the ladder of success, which makes them clear competition for White and Black business owners.

## "FLOATING WORK CREWS"

In comparison to other industries, the construction industry is different in how employees are located and selected. For instance, the construction industry has few businesses that hire full-time employees. As of 2002, about 28% of the 2.1 million construction firms in the U.S. had employees, either full- or part-time, that worked with them for the full year. In Georgia, only 20% of the 102,000 firms have full- or part-time paid employees; Atlanta had about 45,000 construction firms without paid employees.<sup>69</sup> However, these statistics do not include the subcontractors and day-laborers that contractors rely heavily on to do the work because they are hired from contract-to-contract and not for a full year. In Waldinger's (1996:286) examination of the construction industry in New York, he suggested that contractors relied heavily on "floating work crews," defined as a mix of part-time and full-time laborers and subcontractors who were hired on a contract-to-contract basis and were laid off in times of bad weather, if work slowed down, or the project was finished. Many of the contractors in this study suggested that hiring a full-time staff was unnecessary and caused problems for the business. Clearwater, a Black contractor, stated this about the problems with keeping full-time staff:

It is hard to make sure that you have enough work for a set of full-time employees to do. While I have at least one or two contracts a month, they're still not enough to pay the guys I work with a solid salary and make sure they can live from week-to-week.

Jacobs, a White contractor, stated this about having full-time contractors: "Having a full-time staff slows you down because you have to take care of them, and economically, it costs money to have them because you have someone set up a payroll and pay taxes. It is just easier to pay a lump sum to a subcontractor, who takes care of all that stuff." Walters, another Black contractor, explained the main reason why virtually no general contractors have a huge staff of employees:

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<sup>69</sup> These statistics come from the tables of the US Economic Census of 2002, Paid and Nonemployer Tables (<http://www.census.gov/econ/census02/>).

If I hire anyone, I have to put them on a payroll, I got to pay your social security, federal taxes, I've got to withhold money to pay all those things. So, one good thing about the construction business is that the IRS allows you to subcontract all your work out and you don't have to worry about all those things.

Brooks, Charles, and Wilson each suggested that really it was an economic benefit for them not to have to keep too many full-time employees on the payroll because it saved them time and money by not hiring a full-time staff. As Fredrick, a White contractor, stated, "I don't have time to interview people and try to find individuals to work with me. I got a set and I can get more from fellow contractors. Also, I don't have to pay all those taxes or keep up with all that crap." Another advantage is that they do not have to worry about payroll issues and paying more taxes that take away financial capital, as suggested by Fredrick and Walters.

Out of my sample, there were five contractors that had no full-time employees, seventeen that had from one to three employees, and nineteen that had more than four, which suggests that this sample does have more full-time employees than most statistics suggest. The most one contractor employed was Richards' national company that had over 2,600 full-time employees. About 92% of these contractor's full-time employees were administrative staff, such as their wives who acted as executive officers and office assistants, or their full-time project managers and foremen who oversaw construction. The other 8% were laborers. Some of the White contractors that did home remodeling had full-time carpenters to do cabinetry and special projects. In addition, all of the subcontractors had at least one skilled laborer working as an apprentice or partner. White contractors had the most full-time employees per company and Blacks had the least. Also, most of the larger construction firms with more years in business had more employees than the smaller operations, which is due to the size of the operations and number of contracts the company did a year.

However, almost all of the contractors in this study relied heavily on subcontractors.<sup>70</sup> For example, many of the contractors hired several plumbers, electricians, roofers, drywall installers, and labor management specialists to complete some part of a project or contract. Subcontracting out every part of a project was an advantage for general contractors because subcontractors have their own set of laborers and foremen that run the various tasks on a construction site, while the general contractor coordinates the subcontractors and manages the entire site. Some contractors had as little as four subcontractors or laborers they worked with, while others had at least one hundred different subcontractors and laborers who they could call on for assistance.

Most of the contractors in this study hired their subcontractors, laborers, and company staff through informal means. As Moss and Tilly (2001a) suggest, most industries and small businesses use a combination of formal and informal hiring techniques to select employees they desire. More formal techniques, such as advertising employment opportunities and interviewing potential employees, can help reduce employer bias and increase the diversity of applicants; however, few of the contractors in this study used formal hiring techniques to pick their subcontractors and other employees. Laughing, Ortega pointed out, "This is construction! You have to know somebody to get a job. There's no application or interview except the first day when you walk on the site and they tell you what to do. That's the formal process." Richards, who is a Black contractor with the largest number of full-time employees, said that he has to advertise his company positions and go through an interview process since he is a national company and falls under the Equal Employment Opportunity Commission mandates. However,

<sup>70</sup> Subcontractors are business owners that specialize in a particular part of the construction process.

only eight of the contractors' businesses fell under the Equal Employment Opportunity laws.<sup>71</sup>

Jack, a White contractor who also has a large company, stated this about his formal procedures in hiring subcontractors:

We have some people bid on jobs. We have people send us letters all the time and send in quotes for things they would like to do. They call us and ask if there is any work, and we have a waiting list that we look over if we have a need. But, we usually use the people we already have unless someone decides to not work with us anymore.

Charles, another White contractor, stated this about his formal procedures for bringing in subcontractors to new projects:

We'll invite a builder group in and we approve the builder, first of all, and just check his background, experience, and the number of homeowner complaints he has received and what kinds...criminal background checks, everything because we want to make sure they're a quality subcontractor. And, once he is approved for our program, we approve his plans and specifications and welcome him into the project.

Overall, those few that did attempt to use formal procedures usually only included a partial process or still heavily relied on informal techniques. Moreover, by excluding more formal processes, these contractors could be more selective about whom they hired, as suggested by Charles' comment in which he "invites" builders to work with him. Also, as suggested in the discussion of social networks, inclusion as an employee or subcontractor can rest on subjective criteria, and little formality, because it is easier to exclude based on vague principles than on exact ones.

The most popular way of hiring subcontractors, company staff, or laborers was through a contractor's social networks. As suggested in the last chapter, many of the contractors rely on their connections to tell them who are the best subcontractors and whether they should use them because their connections vouch for the quality and abilities of most of their hires. Mendez, a

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<sup>71</sup> 34 of the contractors in this study do not fall under the laws that require that businesses provide equal opportunities for employment because they either have less than 15 employees at any given time and/or most of their part-time employees are independent contractors, which are excluded from being counted as an employees. See a more detailed explanation of this on the Equal Employment Opportunity Commission's website under, "Employers and Other Entities Covered by EEOC Laws. ( [http:// www.eeoc.gov/abouteeo/overview\\_coverage.html](http://www.eeoc.gov/abouteeo/overview_coverage.html)).

Latino subcontractor, usually borrows or hires laborers working within his small network of Latino subcontractors. Brooks, a White contractor, stated this about the importance of his network:

You know, one of reasons I participate in relationships with other businesses is so that we can help each other find good subcontractors that are honest and reliable. It take the guess-work out of hiring someone because I can ask Joe, 'How, good is this plumber of yours?' And he can say they stink or he would recommend them. It's a great system.

Blythe, who tried to use more formal procedures, found that his friends and fellow contractors were the best source of finding quality subcontractors. He stated, "A lot of the contractors out there are my friends...[and] we'll share information. And, if somebody has some good luck with a subcontractor, then we recommend them to each other and they get passed around." Wilson and his network of Black contractors also swapped subcontractors and discussed who they should include based on their performances with each contractor. Ernest and Jack, two White contractors, said they always called fellow contractors to find new subcontractors or a group of laborers. Sosa, a Latino contractor, also found that the best source for subcontractors and laborers was through his connections with other Latino business owners. He stated, "My partners, we pass subs around and I sometimes will call someone that handed me their business card but, usually, I call someone I know to get a referral."

This type of process, overall, brings in more subjectivity and the use of racial attitudes to shape each contractors' contacts in referring someone. It also saves these contractors time and money in trying to go through the formal processes of finding more employees. In addition, as Waldinger (1996) finds, most contractors only refer other individuals that they fully trust, which cuts down on the cost of looking for employees and the time spent on making sure a subcontractor can do his/her job efficiently; there is no trial period. However, researchers have found that social networks used in this manner exclude minorities from working with prominent

contractors, including Whites (Bentil 1989; Feagin and Imani 1994; Waldinger 1996; Waldinger and Lichter 2003). Thus, getting referrals from networks often excludes workers who do not have contacts to the networks passing around subcontractors and laborers. This is something many of the minority contractors suggested in the previous chapter.

Some contractors also relied on their existing subcontractors or employees to provide them connections to other potential workers. For instance, Matthews, a White contractor, stated this about how his Latino workers always help him find more:

I never really have a problem finding more employees, because most of my Latino guys already working for me usually have a cousin or some friends that would love to work for this company. They always have somebody lined up for one of my jobs.

Ernest, a White contractor and real estate developer, also has his subcontractors refer people, stating:

More subcontractors and workers are easy to find. All I have to do is ask one of my subcontractors if he knows of anybody, and the next day I get at least ten calls from guys.

Clearwater, a Black contractor, also has his subcontractors to provide him connections to new hires. He stated, "Subs also help me find other subs that I have never used before and need. For instance, if I need some stone work done and I don't have a masonry guy, most of my subs tell me about a few guys I can call, and since we have a good relationship, I trust their recommendations."

As suggested in the last chapter, the Latino contractors have a fairly strong co-ethnic network that provide them with resources, which included connections to co-ethnic employees. Several of these Latino contractors used their current employees or subcontractors to locate others. As Lorenz suggested, he always had an ample source of employees from his brother, who was also a mason. Munoz and Gutierrez also used employees to make sure they filled any vacancies on their subcontracting crews. Ortega used his employees to find people that would, as

he said, "fit well into this environment and not feel like a stranger." In addition, Sosa said this about using his employees as referral sources:

My workers know what I'm looking for – someone who is committed and dedicated and doesn't just worry about a paycheck. I want my employees also to have a say in who they work with, because if they don't like them, then they are not going to work well together or will be fighting on the worksite.

Overall, these comments suggest that these contractors use employees for connecting them to other potential employees because, again, they provide a reliable labor force. Several researchers have found that using employees for referrals was the most important form of hiring in several industries (see Park 1999; Thomas 2003; Waldinger and Lichter 2003). Waldinger and Lichter (2003) suggest that many employers use their employees this way because of the "predictive value" of the recommendations their employees make. For instance, the contractors above believe that their employees' referrals would have the same type of work ethic and abilities they do. In addition, employers also knew that if an employee recommended an individual, the employees would make sure they were of high quality in fear of losing their jobs or ruining their reputations. Using employee networks also decreases the cost of hiring individuals through formal processes. However, as Waldinger and Lichter (2003:108) suggest, "exclusion is the natural by-product of reliance on referrals," because it excludes anyone outside the social networks of the existing employees. Thus, any type of referral from a business owner's network or an employee's network leads to more bias, exclusion, and discrimination than formal hiring techniques.

Another problem of exclusion stems from the fact that while the all of the contractors had to hire their subcontractors and laborers from project to project, many of them continuously used the same subcontractors and laborers on each project. In other words, once they hired a subcontractor and liked their work, they were more inclined to use them over and over again.

Waldinger and Lichter (2003) suggest that relying on past practices, such as using the same person or the same referral network leads to exclusion of, and discrimination against, all other possible employees. For example, Jack, a White contractor who has been in business for sixteen years, stated this about using the same subcontractors: "My heating and air contractor has worked on every house I've ever built. My electrician is the same and then my plumber the same guy." Wilson, a Black general contractor, reported having used subcontractor for his foundations for twelve years. Sosa has used a lot of the same subcontractors in his commercial work as a Latino contractor. He stated, "Well, you get used to using the same contractors because you know their work and you can trust their dependability and honesty. Basically, I know their reputation." Overall, coupled with the use of referrals from business owner and employee networks, few individuals outside of these connections are able to gain entry into this industry as new employees. As Ferry, a White contractor, stated: "Well, you can't work with anyone long, especially if they can't adjust to the project you're doing or they start to raise their prices on you. They have to realize that they can be muscled out by someone else that is as experienced as or less expensive than them." Therefore, there is some turnover and, as presented below, every person these contractors hire, and those that are already working for them, have to meet their hiring criteria, which requires, as they stated repeatedly, "quality." However, while their hiring criteria suggest a more meritocratic process in hiring someone based on an individual's abilities, many of the contractors pointed out later that not everyone has the necessary skills to be hired, regardless of their efforts. More importantly, these contractors more likely made their hiring decisions based on whether an employee could increase the value and profits of a company, not on the individual's skills.

## WHAT CONTRACTORS WANT

When I asked what their hiring preferences were, every contractor first stated that they wanted "quality" employees because they felt that there was a strong correlation between their employees' abilities and the profitability of their businesses. For these business owners, having quality employees assured that they could produce a superior product and finish it on time. It also assured that the company did not waste funds by having to correct earlier mistakes due to poor craftsmanship. These contractors also believed that quality employees who helped to produce superior products in an efficient manner built up their reputations to other contractors and clients, which could allow them into more lucrative social networks.

Overall, quality employees meant the difference between holding on to, or possibly losing, the cultural, financial, and social capital that these contractors had worked so hard to obtain. For many of these business owners, this profit margin originated from providing a quality product, obtaining more contracts, and having a reliable, efficient, and cheap labor pool to get the work done well. More importantly, quality employees are seen as a commodity that can be an asset for or a drain on these business owners' economic stability. Therefore, it is important to ask, what do these general contractors mean when they say that they need "quality" employees? More importantly, why do these entrepreneurs choose one potential employee over another, and what does it have to do with the race, ethnicity, or nativity of a potential employee?

Much of the hiring criteria contractors used to find a "quality" subcontractor, laborer, and company staff person rested on three major criteria. First, a quality employee has to have some experience and skills specific to construction. Second, and more important than experience and skills, a quality employee has to have a set of behavioral traits or attributes that demonstrates the intrinsic parts of an individual's work ethic and drive to succeed. For instance, integrity and a

strong work ethic mattered. Finally, and most important, these contractors would most likely hire someone if their skills and work ethic added economic value to the company. In fact, many suggested if a subcontractor or laborer worked hard at a reasonable price, then that would more likely trump racial and ethnic considerations. As Walters stated, "Price is the great equalizer of race and ethnicity. If you cost less, not just in money, how much time you take to do the work, and so forth, then people want you. They don't care what color you are then."

### **Hard Skills**

The first two criteria match other researchers' findings that most employers today report that their hiring decisions depend on a combination of "hard" and "soft" skills (Neckermann and Kirschenman 1991; Moss and Tilly 1996, 2001a, 2001b; Park 2002; Shih 2002; Wilson 1996). Moss and Tilly (2001a) define "hard" skills as any formal training, education, or experience that prepares someone for a particular industry or occupation. Moss and Tilly (2001a) suggest that employers that rely more heavily on hard, instead of soft skills, are more likely to be fair in their decisions. However, if a potential employee does not have the hard skills, then they will be excluded from hiring decisions. For instance, Wilson (1996) finds in his study of labor markets that African Americans were less likely to find jobs in most industries because of their low levels of educational attainment and skill development. However, Moss and Tilly (1996, 2001a) discover that few employers care about whether their employees have hard skills, especially formal education. Waldinger and Lichter (2003) suggest that most hard skills can be picked up after gaining employment, and rarely do certain industries, such as manufacturing, really care if a laborer has a high level of educational attainment or training because it can be done on site (i.e., college degree).

In this study, 38 of the 42 contractors suggested that a formal education did not matter when it came to selecting new subcontractors or laborers; however, experience and skill did.

Mackey, a White subcontractor, said this about education and hiring new laborers on his framing crews:

I guess having a high school degree helps, but not really. Most of my guys come on to my crews don't have any formal training or even know what it means to frame a house...I teach them all they need to know on the job, and most of them pick it up rather fast. In time, they develop the skills and experience I need to move them up in the ranks and make them foreman or something.

Ferry and Castillo suggested that they rarely even knew what the education levels of their subcontractors and company staff were. What they worried about was whether these individuals had experience and could get the jobs done right. Castillo, a Latino contractor, stated this about education:

Education matters but you know, we don't really check. When you go onto a commercial job, you have to have higher qualities of performance, especially on the electrician, grading, and plumbing sides, so we make sure these people [we hire] know what they're doing by looking at some of their previous work and checking their references. It can't be first- or second-time in the field, they have to have experience.

Persons, a Black contractor, stated this about the importance of a formal education for his subcontractors and laborers:

Some education is always a plus...because it is something beyond the norm in this industry.

The majority of this industry has about a high school degree and only a few of the business owners have a college degree or better, but really, it's about experience. You know, having the skills to do the job a contractor wants you to do right then. If you are a plumber, you need to know how to plumb and if you're a day-laborer picking up trash, then you need to know how to do it in the most quick and efficient way. Education is done on the site, not in a classroom.

Randolph also suggested that experience trumped any formal education.

If they don't have book knowledge, then I would want them to have a least some experience. I always ask, 'Have you done this type of thing before?' 'How are you with working with other people?' 'Are you up-to-date on how to work in this side of the industry?' You know, they need to be knowledgeable about the field they're representing or something. But, you know, I can train anyone how to do this stuff. Come in with some base knowledge and we can work from that.

Lorenz and Gutierrez, who have large masonry companies, also suggest that most of their laborers learn all of their masonry skills on the job site. Lorenz further suggested that while there are masonry schools, anyone can come and learn the same things on the job because customers and general contractors really want masons who are experienced, and they usually do not check for education credentials. Edwards, a Black contractor, said this about the importance of skills and experience:

A guy pouring concrete needs to have some education on how to do that...but I think he can learn all of that up in his field over time because it's a trade field and your education in school is not going to give you the knowledge you need for that job. You know, you have to learn some things as you go. How do I cut a board a certain angle? You know, things like that. That's more skill than education.

Charles and Ernest felt the same way about finding new subcontractors; as long as they have had some experience in their field of expertise, then they were willing to give them a shot. Moreover, even some contractors, like Mitchell, MacGyver, and Ortiz, suggested that they would prefer having a subcontractor or laborer that was more "malleable" or "docile." As MacGyver stated, "Give me someone that doesn't know a thing about construction and I can turn him into a little mini-me clone that knows how to work and do the job just like me, and I can sit back and be proud."

Overall, formal education does not matter, just as it rarely mattered whether the contractors in this study were self-employed; however, experience and knowing one's trade or specialty does matter. As Richards stated, "I hire based on an individual's track record, what they bring to the table, how long have they been working in the field...if I'm looking for a [sub]contractor, then I want someone that's been around and does good work." In addition, most of the contractors above suggest that most laborers and subcontractors gain experience and knowledge on the job, which negates the importance of requiring any hard skills at all. However,

some researchers suggest that employers include the requirement of hard skills as a way to include and exclude individuals.

### **Soft Skills**

In this study, "soft skill" requirements drastically overshadowed the hard skill criteria. Soft skills are often an employee's interpersonal skills, which can include a positive attitude, respect for authority, and a strong work ethic (Moss and Tilly 1996; 2001a). Waldinger and Lichter (2003) point out that a soft skill is rarely learned in a formal setting and is considered as a talent or ability someone naturally possesses. Soft skill requirements are also often loosely measured by employers' potential employees, and employees often have to rely on a first impression or an employer's "gut feelings" (Moss and Tilly 2001a). A majority of the contractors in this study suggested that they assessed someone's attributes or abilities based on "gut feelings," or by what their employee or business networks suggested about an individual. As Marcus, a Black contractor who has several full- and part-time employees, stated about his choice of employees, "It's a gut feeling you have about somebody as to whether you hire them or not...their resume matters, but my gut tells me whether I like them or not." Also, as Josephs stated, "You just know if someone's going to work out or not. You either trust or you don't." Overall, researchers find that many employers exclude African Americans, and some Latinos and Asians, because they view minorities as deficient in having soft skills or having the "personalities that suit a work environment" (Moss and Tilly 2001a; Neckerman and Kirschenmann 1991; Waldinger and Lichter 2003; Wilson 1996:136).

For the contractors in this study, hiring a new subcontractor, laborer, or staff person relied heavily on the potential employee's soft skills or traits that included integrity, reliability, dedication, commitment, craftsmanship, self-sufficiency, and "work-hard" mentality. All of these

soft skills revolved around whether these contractors lost or gained money while working with new subcontractors or laborers. They also suggested that these traits clearly explained the business relationship between the contractor and his employees and the rules to their exchanges of services and money.

The first traits that most of the contractors suggested when discussing these skills or traits were integrity and reliability. Many of the contractors often wanted new hires to be trustworthy because they had to depend on these subcontractors or laborers to get the work done on time with few mistakes. They also expected their new hires to stand by their work and correct mistakes when necessary. Contractors also wanted subcontractors that were honest because they would charge a fair price and not run off with the money without finishing the work. For instance, Ferry, a White contractor, said this about how he picks a new subcontractor:

You have to surround yourself with good people. You need to be able to rely on them and trust everyone that's working with you to do the job right and isn't going to run out on you when the job goes sour or it literally falls a part. Any good sub or laborer is going to stand behind their part of the project a 100%. If they don't, then you don't want them on your buddy list.

Blythe, another White contractor, also pointed out that he was more likely to hire a subcontractor from project to project if he trusted them. He stated:

For me, a person's character has a lot to do with it. I want somebody who's going to be honest basically. Because this business is full of crooked people, so I want someone I can depend on and know that they are going to do the work right the first time and not cause me a lot of grief and frustration. I had one guy I hired, he was gay and he was clear about it. I thought there might be some problems but because he was honest with me, we got along great and he's never once not finished a job for me or shirked on his responsibilities.

Quinones and Lopez suggested that when they chose a subcontractor they always asked the referral source if he/she could be trusted. Lopez stated, "You really don't want someone that is going to not be there when you need them the most. They can run out on you and leave you with all the work and they've got all the cash you paid them to do the work. It happens all the time,

and I've been burned by it twice." Jaeger, a young Black contractor, also found that he really used subcontractors more if he knew they were reliable or dependable. He stated:

It's really a matter of dependability whether I hire someone or not. I know guys who do great work but, shit, they say they are going to come today, they might come, they might not, and you won't hear anything from them. You get all kinds of crazy excuses...my wife's car broke down, I got to pick my daughter up. All right, I can understand that, but does that shit have to happen every time, when you got some work to do here? Dishonesty and unreliability are the two worst things that will get you fired here or not hired again for the next project. You know, I can deal with high prices, not showing up, or being late but you'll rob me blind if you're not dependable or honest about your abilities and or the time line to finish the project because that costs me money.

Ortega and Jack also saw trust as important; however, they suggested that integrity was about providing fair prices for services rendered. Ortega stated, "Trust is something that has to be there in any relationship. I trust my subs because they could give me a fair bid or estimate on a job and I knew that they weren't trying to get as much money as they possibly could from me. They also knew I wasn't going to ask for a lower price. That's trust." Mitchell put it more simply: "They know I'm not going to fuck them and they're not going to fuck me. That's how you build trust, knowing you have mutual respect for one another." As many of the above comments suggest, integrity is about money and an equitable business transaction. They want a fair exchange for their money and if a subcontractor cannot provide that by skipping out on the work or doing it poorly, then they lose money and time attempting to correct the situation.

Many contractors also suggested that the quality of work or craftsmanship was important as to whether they chose one potential employee over another. This characteristic or trait also supported the notion that a subcontractor or laborer can cost these contractors money if the product is faulty in some way. For example, MacGyver, a White general contractor that specializes in custom homes, stated, "Of course, I need people who are craftsmen in my line of work because things can't be off or look shitty because the customers will complain. You need craftsmen, not dumb-asses, doing your cabinetry and molding." Clearwater also stated that the quality of work mattered. He stated, "I usually check on a subcontractors' quality of work, their

craftsmanship, by going by and seeing their work at another location. But, if it is sloppy and they don't seem to know what they are doing, then I don't use them." Ortega, a veteran Latino contractor, stated this about quality:

All contractors need to take pride in their work, regardless if they are doing the stucco work or managing the entire project. Quality should be at the very center of a contractors' goals and they should always think that every project is something they want to live in, and if not, then they need to change professions. Nobody, not even me, wants to buy a poorly constructed building.

Finally, Baker best explained the relationship between quality and profits. He stated:

Something you have to worry about in this business is craftsmanship. If a subcontractor messes up something, then I've got to waste my time and energy to fix it. Let's look at it this way, I've got three custom houses being built and I hire an interior man that's going to do the floors and all the molding in the house. Now, if he gaps the hardwood floors and does some crappy cutting on all the molding in that house, then I've got to go back and fix it all and pay someone else to do it right. In the long run, I lose thousands of dollars on each house because someone didn't know what they were doing, plain and simple.

All of the comments above suggest that craftsmanship, or the quality of work, saves them money and is an important characteristic for an employee to have.

Another powerful trait the contractors wanted in new subcontractors, laborers, or company staff was that they had a "work-hard" mentality. As Lopez stated, "If you got integrity, reliability, and someone willing to earn their money, then you need to keep that subcontractor because there aren't many like them." Many of the contractors suggested that a strong work ethic included dedication and a commitment to getting any contract done efficiently and for the least amount of money as possible. Randolph, a Black contractor, stated, "I just want an employee that works as hard as they can to get the job done and is there for me, you know? No one else but me. I'm their number one priority." Ortega stated this about a hard-work mentality: "I tell my employees if they give me a half day's work, then we will get along great. Of course, a half-day is 12 hours, right? Out of 24 hours? I want them to really work and not slack off because it's almost 5pm." Ernest suggested that he will hire anyone that is willing to "go the extra mile" and

work as hard and quickly as they can, with few mistakes. Jack, a White contractor, said this about a strong work ethic:

Every contractor dreams of having that elite set of subs, laborers, and staff that knows no bounds and do whatever it takes to succeed and do the job well. Everyone wants a subs that knows their stuff but just out right astonish you on their quality and get the work done well and before schedule. Most of us, I bet, would pay more for a sub or someone that did give it their all and produced a flawless product.

Gutierrez also stated this about a strong work ethic: "I don't think I have one crew member that doesn't give it their all because they are committed to the success of this company. They realize that their paychecks depend on this company, so they do the job and get it done quickly so they can make money off the next project." Mitchell stated this about what he wanted in a work ethic: "I want them to be as good as me and they've got to be willing to hustle. They've got to really turn it up and turn it out." Finally, Rogers stated this about what he thought a strong work ethic was:

I think a work ethic is someone who works for a lot more than they are paid to do. For example, Jennifer, she is my assistant and does all kinds of things not only for me and my rental properties and clients but for the guys who associate with me as well. She also makes sure that I don't do anything stupid. Simply, she is willing to go beyond the call of duty, and you need that in everyone you work with.

Interestingly, Rogers' comment characterized what most people saw as a good or strong work ethic. Many of the contractors suggested that they would not hire a subcontractor or company staff person if the individual worried about their pay or wasted time. Mackey suggested that anyone that worries about a paycheck or getting paid does not have the work-hard mentality he desires. He stated:

I can't standing working these assholes that always want to know (says the following in a whiny voice), 'Mackey, when do we get paid? I got to my car payment at the end of the week.' Well, we get paid like we always do, at the end of the week, and stop whining because you shouldn't have blown all your money on beer over the weekend.

Martin suggests the same thing when he stated:

I don't want guys that are always worrying about his next paycheck, because it slows down their production. I pay all of my employees a fair wage, but they always want to know when they are

getting paid next. I tell them not to worry, you'll get it at the end of the week.

Clearwater reported that he fired those individuals that always worried about getting paid because it cut into their focus and indicated that the person was not committed to the company.

He stated:

I guess one thing I try to guard against is whether an employee is just looking for a paycheck, or are they looking for personal gratification, whatever. If a man is looking for a paycheck, I don't think he is going to give you his all, because it's just a paycheck to him. But if a man is looking to have some pride in his job and produce a quality product, then that's the man that you want.

Also, Jack stated this about how employees demonstrate a "lazy" work ethic and how it affects his profits:

A lot of guys waste time on the job, taking breaks and taking lunch, or waiting on supplies, or something. They're just being lazy and that eats into the time they should be finishing a part of a house or something. It also means they have to hurry to finish on time, which means the quality goes down. So work hard now, play later, because you might even get Friday off if you finish the project on time.

Overall, many of these business owners view an employee with a hard worker mentality as selflessly dedicated to the advancement of their owner's business. In other words, this type of employee does the work not for the sake of pay but for the sake of making the company look better and earn more money. More importantly, not working hard enough leads to the contractor not meeting his deadlines, which reduces profits and hurts their reputations.

A final trait required by the contractors in this study and one that tied to most of the others mentioned above, was that they wanted an employee to be obedient and loyal to their companies. Most of the contractors mentioned this in two ways. Some contractors felt that they did not want an employee that complained, could not follow directions, or, as James stated, "bucks the system." Mackey, a White subcontractor, stated this about employees that complained:

That is the worst thing that you can get in an employee. Someone that complains about how much work there is and how hot it is and shit like that. Some of these damn workers, that's all they do is bitch and moan and you don't get any work done. So, if I get a new guy coming in to work, I always ask him, 'You're not a whiner are you?'

Ortiz also preferred not to hire individuals that did not or would not follow directions. He stated:

Sometimes, you get these new guys coming in that already know how to do a lot of the stuff I do. So, I have to re-train them to do it the way my company does drywall...but there's always someone that thinks they know how to do it better than you and tries to tell the other guys, you know, that have been with me for five years, how to do it right. I shut that down right quick, because I'm the boss, not him.

Wilson, a Black contractor, found that when he took on a new subcontractor or home builder under his wing, sometimes, they would begin to complain about how Wilson ran the construction site or how they were treated. He stated:

You know, I understand that when some folks work with me, especially the young bucks, they're energetic and want to get in their and soak up all they so they can get out there and do stuff. But, a lot of times, they're just wet behind the ears, you know? I have to calm them done because some of them start telling me what's the right and wrong thing to do, and I have to say, 'Hey, wait a minute, I'm the one that has all the experience there young buck.' Some of them start complaining too and you have to shut that down quick...I stop working with them if they keep on doing it.

Finally, Ernest, a White real estate developer and contractor, stated this about new employees and whether he kept them or not:

I try everyone out for at least, like three months. You know, to see what they are like and if they can deliver what they said they could. And most of the time, if they get cut from my list of subcontractors it is because they can't do the work or they start suggesting that what they are doing is worth more to them. The margins are tight in this business and if they don't like the way I do business, then they can cut their losses and go. No hard feelings and I will give them good reference if they need it. But, I cannot work with someone that's going to complain or fuss how I do business. You either do my way or it's the highway.

Other contractors, however, defined obedience and loyalty based on how their employees used their company. In other words, did their employees work for them or were they just there to learn the skills and move off to start their own companies, and become competition. Baker, a Black contractor, suggested that he wanted any person he employed and, especially his company staff, to carry the "Baker company flag and scream from the rooftops, how wonderful my company is...they need to always sell it as their own." Charles, a White real estate developer and contractor, stated this about what he looks for in any home builder he partners with: " I want them to know and realize that they are a part of the Charles team, and they represent me and only

me when they are working. I don't want them moon-lighting on other projects because I pay them enough to be right here working with me 24/7." Of course, Charles and Baker know that most subcontractors and home builders have more than just one contract at a time, but they insist on their loyalty.

However, loyalty was really about whether an individual working for them would start their own business after using a contractor to learn it. Although all of the contractors in this study used another contractor in some way or another to get trained in construction and start their own businesses, many of these individuals suggested that this type of disloyalty was a serious problem in the industry. For example, Rogers attested to this problem:

Handy guys will say, you know, 'I want to do a project on my own.' That's fine, but I'm not helping. I'm not going to allow an employee of mine to start of a business that will be in direct competition to me, you know? Why don't you be loyal or something. Or how about I give you one of my projects and you run it for me, but I'm not going to help you start your own business. But I wish them the best, and I would never try to hold anyone back.

As Randolph pointed out to me that when he hired on project managers or staff members, "nine times out of ten, [previous employees] will become my competition and bid lower than me because they know my strategies, which works me out of a job." Gutierrez has had individuals break off from him and start their own masonry businesses. Here is what he experienced:

I've had this happen, you know, guys that might work for a month or two, or six months, whatever, and split off to do their own thing. And, the bad thing is that in order for them to get a job, most of them tell customers and other contractors that they learned everything they needed to know from me and then they go and do something stupid – really mess it up. Then, I got contractors calling me, telling me I've got some kind of guy running around and ruining my name. You can't have that.

Patterson, a White contractor, has mentored several other builders in the Atlanta area and has, as he said, "gladly welcomed them into the industry." In an attempt to prevent direct competition, he tries to help them into fields outside of his own. Finally, Ortega, an older Latino contractor, stated this about loyalty in the construction industry:

Loyalty is important in any industry. Construction, you have to have loyal workers and contractors because you want people you can trust and you know will get the work done. However, loyalty swings both ways, I will be loyal to my workers and contractors if they are loyal to me. I can't

have them becoming my arch enemy out there, trying to under-bid everything I bid on or trying to bad-mouth me or ruin my hard-earned reputation. I'm willing to work with anyone, just try me.

The above comments present a powerful message about what these contractors want in an employee. These contractors do not want to hire employees that are using them to learn the trade so they can go and start their own general contracting businesses later, creating another source of competition, because this will reduce their profits and threaten their social position. As Blumer (1958) suggests, increased amounts of prejudice and discrimination come with challenges to one's sense of group position. Here, as well as in the comments about integrity and reliability, these contractors' feel that their businesses are threatened by employees that do not follow these contractors' rules of exchange. Therefore, some employees go outside of the boundaries of employer and employee, which are usually when these employees become equals as business owners.

Waldinger and Lichter (2003) also suggest this to be true in their study of hiring practices. They find that almost all employers want an employee that understands their social position in the business and recognizes authority. They also state "Less desirable are those workers who comprehend their position of stratification [as higher than an employers'] and also contest it..." (Waldinger and Lichter 2003:152). Thus, the contractors above view any employ bucking or challenging the employer-employee hierarchy as a threat, which leads to discrimination. For example, Waldinger and Lichter (2003) and Park (1999) find that employers are more likely to hire foreign-born Asians and Latinos because they are less likely to assert their rights or "rock the boat" than native-born Whites and Blacks. Overall, this becomes a defining preference that shapes which racial and ethnic group the contractors in this study choose.

In general, many of the contractors viewed these soft skills as the key to getting hired in this industry. In addition, most of the measurement of these soft skills came from what networks

suggested or what they experienced when actually working with a new subcontractor; therefore, most of the contractors were, as Mackey stated, "flying by their seat of their pants," or using gut feelings to make decisions about the integrity, reliability, loyalty, or work ethic for each of the employees they hired. But, what is clear is that these soft skill requirements revolve around two things. First, all of the requirements point out a relationship that is about sustaining these contractors' profits because, any slip in an employees' soft skills equaled time and money lost. Second, these soft skills represented a relationship that put the employees in subservient roles because it kept social positions in check and strengthened the hierarchy of authority. For example, loyalty meant service without question, complaint, or rebellion. It also meant not becoming a contractors' competition, which could take away profits. Put simply, an employees' hard and soft skills combined did not matter if an employee was profitable, which led most of the White, Black, and Latino contractors to the most important hiring criteria for them; does the employee make money for the company?

### **Profitability**

In all the explanations of why they hired certain individuals and what they considered to be a quality employee, most of the contractors settled with one final answer, which centered on the economic benefit of an employee. As hinted at in most of the comments above when discussing hard and soft skills, these contractors were always doing a cost-benefit analysis of every employee they hired. These contractors not only considered the price or wages they paid subcontractors, laborers, or company staff, but they also mulled over whether the employees were efficient and finished on or before their proposed deadlines, as well as whether they produced quantities of superior work. As Brooks, a White contractor stated, "Price is important in hiring anyone...but you have to also consider [if] they can produce good work in the time

allotted. You don't want someone sitting around and getting nothing done. I don't care how cheap they are price wise." Randolph, a Black contractor, stated this about price: "I want a person that does everything I can do or ten times better in less time, if I pay for it. I want cheap but efficient and less time-consuming labor, that's the bottom line." Some suggested that rationalizing their choices based on economics was a natural part of business and had to be done to survive in this industry. Mitchell, who is a Black contractor that hires two or three new laborers on each project, said this about what really determines who he picks: "They need some skills and they need to work hard but, of course, anybody running a business wants more done for less [money], that's human nature." Rogers, a Black real estate developer and contractor, suggested that the price of an employee mattered because, like any supplies for a business, you want a good bargain for the best supplies:

I hire whoever will get the job done at the best price, that's what's important to me...I mean I will handicap myself, my family, and my employees if I went out and looked for people to do the work solely on religion, sex, or color. That would be ridiculous. I just want the person that will do the work for cheap. You don't go out and buy the most expensive hammer or nails do you? No, you save wherever you can, and labor is one of those supplies you can save on.

Dmitry, a White contractor, also viewed saving money on employees as an essential part of surviving the industry. He stated: "The margins of profit are so thin. I mean, 10 to 15% profit of a building or house, that's not a lot and could be more...Really, the only way to get more is to save money from labor and supply expenses."

Many of the contractors also viewed hiring based on pricing as a way to increase equal opportunities for all groups. In other words, hiring based on assessments of the economic benefits of an employee made the construction industry more a meritocracy and fully color-blind.

Jacobs, a White contractor, stated:

Color really doesn't matter to me or anyone else in construction, because they are worried about cost. How much will a subcontractor or set of workers cost me to do X? It boils down to cost. You need to do the math and figure out; can you get more productivity and pay them less money than you can out of somebody else that you think you may not get as much productivity out

of, but you're paying them more. So, it's kind of get the cheapest labor you can and get the most productivity – a natural business transaction. That's it. And, I personally think that makes the

industry more hospitable to all types of people, Black, White, Latino, or Romanian. It just doesn't matter.

Mackey, a White subcontractor, said this about why he picked employees based on their price:

One of the ways to make ends meet in the framing business is to have dependable and relatively cheap labor. Now, don't get me wrong, my guys get paid like \$15 to \$25 an hour based on their jobs but that's not as expensive as some crews. And, you know, I hire Mexicans, Whites, and some Romanian guys because they work for that amount so I think everyone gets a chance if they're willing to work and work for the right price. That's what's great about America, anyone can get a job if you're willing to negotiate wages.

Marcus, a Black contractor, also believed that anyone could get a job in the construction industry if they did not mind earning their pay and working to get raises. He stated:

People working in this industry understand you have to earn your pay and you get more money when you deserve it and that allows a lot of people to come in to this industry without having to deal with racism or angst against groups because, as I hear everyone say, and I believe this too, you could be Papa Smurf, blue and still get a job in this industry because you are relatively cheap or you give an honest day's work.

Charles, a White contractor, also viewed his hiring process as providing equal opportunities. He stated: "Most people believe that this is a rough and tumble industry and people don't get fair shots at things, but I think I try to be more equitable by considering what every person has to offer and most of the time it is based on their price. If you're willing to work on that price, then I'm willing to get you in the door."

MacGyver, a White home builder who often questioned my principles as a sociologist, also suggested that a cost-benefit analysis of any employee is a natural part of business. He stated:

Let's look at it this way, you're a sociologist, you should know this; classic capitalism helps eliminate discrimination. If individual 'A' can offer their time and effort for less money or do the same job in less time and right than individual 'B', then you need to hire that 'A.' It's simple economics and as a business owner, you always have to consider that.

Martin, a Latino contractor, felt similar to MacGyver and suggested that capitalism was a way for disadvantaged individuals, like himself, to get ahead:

The great thing about being a business owner is that I don't have to hire someone that is not going to add value to my business....Capitalism is wonderful in this country because it does allow me and other Latinos to have a chance where we wouldn't back home in most cases. Here, I can offer a lower price and get in with some great networks and rise to the top because of capitalism...the need for cheap labor and I fill that position now and I'm okay with that because I now the boss and hire my own cheap labor.

These contractors believe that capitalism not only is a system that help them but also works as the best way to make any hiring decision fair. In MaGyver's comment, he suggested that these decisions are simple economic ones that help him, but he does not consider how it affects his employees. In addition, MacGyver and Martin's assumptions that capitalism decreases discrimination are incorrect. As Waldinger and Lichter (2003) suggest, the more employers consider the cost of an employee the more they discriminate against certain individuals based on what they believe is the fairest way to make a decision: cost. If an individual costs more or will be a financial risk to the company, then they are not chosen. However, much of this cost-benefit analysis, as Waldinger and Lichter (2003) and Neckerman and Kirschenmann (1991) point out, runs on racist and prejudicial perceptions and assumptions about different individuals because few business owners have direct experience in knowing whether every individual is cost-effective. These contractors do, however, have networks that tell them that an individual is cost-effective but, again, most of the employees referred have already gone through another individuals' subjective screening; thus, not everyone gets into the pool of labor.

Interestingly, though, like Martin and Marcus' comments suggest, many of the minority contractors believed that capitalism and a cost-benefit analysis helped them have access to the construction industry and represented a way to equalize opportunities. As a Black contractor working in South Atlanta, Clearwater stated this about his hiring practices: "You know, I don't care what color you are or your skill level. Just give me good products, quickly and efficiently, you make me more money, then you're in! That's the way it worked for me." Walters, another

Black contractor, also suggested that the "price" of an employee or subcontractor really represented the "a great equalizer." He stated:

A lot of my opportunities have come to me because I could offer things at a lower price, at first. And, you know, some people, especially me, see that this is an advantage in this industry. I mean, I don't hire guys just on their skills or know-how, I hire based on their price and that's why I have Blacks, Cubans, Mexicans, Whites, the rainbow, you know, of people working with me, because they offer good service for a good price. That's really the great equalizer, price, because anyone can do a job well but can they do it well, fast, and without too much expense to me or them. Everyone gets included when they can do that.

Ramirez, a Latino contractor, also viewed price as a way to equalize the industry. However, he admitted that many other contractors and clients viewed him as cheaper because he was Latino, which gave him an advantage. He stated:

Price is a big thing in this industry. If you can get away with bidding a project for lower than your competitors and you can still come up with some good money in your pocket, then that's good. A lot of times people assume I'm cheaper too, because that's the image Latinos carry around in this town and don't even get more bids from other contractors. So, you know, that kind of a crappy stereotype that we are always the cheapest but it works to my advantage, most times, and I milk it for what it's worth.

Sosa also saw hiring based on economic benefits an advantage for him and any minority employees. He stated:

Other contractors view me, since I am Latino, as an economic asset because they know I can do most any job for less than any other contractor. Of course, they base this off the fact that I am Latino, and I don't even think they consider the fact that I do charge them the same prices as other groups. However, they also know I will stand by my deadline and do a good job, which may be worth the money to them.

One can see that minorities share the color-blind ideologies that have shaped much of this study. For instance, even though Ramirez and Sosa understand that Latinos are stigmatized as "cheap" or the best, they continue to use these stereotypes to hire Latinos. As some scholars suggest (see Bonilla-Silva 2001; Gallagher 2003a; Omi and Winant 1994), the power of contemporary racism and color-blind ideology is that all racial and ethnic groups almost willingly consent because they cannot visibly recognize that race completely matters in shaping privileges and a hierarchy that advantages Whites. Also, minority contractors have seen and

experienced other minorities getting better jobs, becoming self-employed, or receiving contracts based on merit, hard work, and price. To be fair, these minority contractors are right to some extent. The American economy has always used and survived on cheap labor; whether it was through immigrants or African Americans (e.g., Lieberson 1980; Roediger 1991; Steinberg 1989; Waldinger 1996). But, what these minority and White contractors do not openly recognize is that cheap labor has always been filled by subordinate groups and most of those groups have been people of color (see Gallagher 2006). More importantly, that, as Waldinger and Lichter (2003:167) suggest, just because people hire certain groups does not mean they like them or think that they are equal with them; it is strictly an employer-employee relationship.

In short, many of the minority and White contractors in this study lose sight of the racial hierarchy once they begin to use the often accepted color-blind ideology that the business world offers a fairer and more level playing field because of, as MacGyver suggested, simple economics. Moreover, all of these contractors support these explanations more when their business and social positions are on the line. Also, as Roediger (1991) suggests, an economic benefit argument hides the fact that these individuals are exploiting workers. Finally, while the contractors in this study suggest that they are color-blind in hiring individuals, their hiring criteria produce a "colored" workforce that identifies immigrant Latinos as the only ones that have the set of appropriate soft skills and economic benefits necessary to be considered as potential employees. Therefore, while these business owners' hiring criteria may suggest reasonable practices, they usually lead to creating and reinforcing a racialized industry.

### **WHOM CONTRACTORS WANT**

The racialized nature of these business owners' hiring practices became more apparent when the construction business owners discussed why they hired Latinos, Blacks, or Whites for specific

positions and projects. In these discussions, a noticeable link appeared between what these business owners' wanted in an employee and which racial and ethnic groups ended up with the right skills and qualities. Overall, this link between hiring preferences and decisions demonstrated how race, ethnicity, and nativity became proxies for determining whether a particular group met their hiring criteria. While some of these contractors had experienced working with different racial and ethnic groups, most of them never really worked closely with any particular group other than Latinos. However, all of the contractors presented similar narratives that used generalizations to explain whether Whites, Blacks, or Latinos were quality employees.

Neckerman and Kirschenmann (1991) identify the use of stereotypes to generalize about an entire group's abilities in the labor market as "statistical discrimination" in which skin color is the ultimate determinant of any groups' qualifications. Park (1999:229) also suggests that when any employer defends their hiring practices they tend to use more "group-based explanations" to bolster the notion that it is more than just an individual problem, which justifies their hiring choices of inclusion or exclusion of certain groups. For the business owners in this study, they included or excluded certain groups based on the skills and profitability of an employee. They also, like Park's (1999) employers, suggest group-based explanations for their decisions, which suggest that certain racial and ethnic groups have specific skills or "ethnic" aspects that make them more qualified for construction than others. As suggested by Steinberg (1989), individuals in the U.S. tend to believe that there are cultural qualities that some races or ethnicities have which help them succeed more than others, which plays on an old-fashioned notion of racism that are innate qualities that make certain groups superior to others. In fact, it is not a racial or ethnic group's ethnic or cultural qualities that encourage success, but it is the endorsement of

these supposedly qualities by American society that help or harm groups in certain situations such as employment. For example, Gutierrez (1996:xii) suggests that most industries in the past and the present consider Mexican and Latino workers as "...both culturally and biologically suited to perform the back-breaking jobs that were 'beneath' American workers and, more important, that unlike previous immigrants [western Europeans], Mexicans had no intention of settling permanently in the United States." Ultimately, these ideas can lead to believing that there are certain cultural indicators and attitudes that mirror what many employers consider being a positive work ethic and a profitable employee.

Many of the respondents justify their hiring choices with a "stock story," consisting of generalizations about the differences between certain racial and ethnic groups. As Lee (2002b:97) and Yamato (1999) suggest, most racial/ethnic groups use "stock stories" to understand and explain a group's perception of, and interactions with, other groups. A stock story consists of a collection of generalizations or stereotypes about other groups' historical background, socioeconomic status, and for this study, work ethic. As Yamato (1999) points out, all of these stock stories about other groups are biased and have only some basis of truth. These stories also tend to polarize around issues of race and are most often used to compare racial and ethnic groups' abilities. I present two stock stories these contractors used to explain a spectrum of employee choices that puts the superior abilities of immigrant Latinos against the laziness of Americanized Latinos, Whites, and Blacks.

### **"The Bargain of the Century": Latino Immigrants**

Throughout my interviews, an overwhelming majority of the respondents suggested that Latinos were a better source of "quality" employees for laborers and subcontractors than most any other racial or ethnic group. Based on their experiences, these contractors presented to me a stock story

that characterized all Latino workers and subcontractors as hard workers, efficient, and obedient, equaling an ideal work ethic in this industry. But, most of all, these employers liked Latinos better because they were economically beneficial to them as immigrants, placing them in an old idealized American immigrant story in which all immigrants have been hard workers and over-achievers.

Most contractors viewed Latino immigrant workers and subcontractors as the most profitable and best employees for several reasons. First, Latinos filled a need for labor in the Atlanta construction industry. Mitchell, a Black contractor, identified Latinos as "savers of the construction industry," but also as "the bargain of the century" in which Latinos are a source of cheap labor instead of the Irish, Italians, and African Americans that have also historically filled this role (see Roediger 1991; Steinberg 1989). Blythe, a White contractor, stated about Latino's economic benefit: "Mexicans brought the prices down on subcontracting and that has made my profits go up, and I can do more work quicker." Patterson, a White contractor, also agreed that Latinos are profitable.

This industry would have stopped dead in the water if it wasn't for Latinos...There was just not enough man power here willing to do the work necessary to make everyone success. My business, as well as everyone's, would have stayed relatively small and less profitable because we couldn't do the volume of work we do today.

Randolph, a Black contractor, also suggested that Latinos have been instrumental in making things cheaper, making them an asset to construction. He stated:

Do I want to pay someone \$20 [an hour] to do something, when I can pay someone else \$10 [an hour]? No, I don't have to pay \$20 an hour anymore in today's market. If you think about it, material prices have stayed about the same, but labor has went down. You know, the Hispanics drove that. I was paying \$22 a board for dry wall hanging and finishing. Now I pay \$10, you know that's a big difference. I don't pay hardly nothing for sheet rock workers. Hispanics in that business brought that change.

Even, Ramirez, a Latino contractor, reinforced the notion that Latinos are cheap labor: "That's why I use Latinos, they're cheap and they have 'ganas,' ...the balls to do the work and not complain."

Second, Latino workers and subcontractors represented the most efficient and hard-working employees because they were willing to work long hours to get a project done quickly. Richards stated this about Latino workers' efficiency: "...they work until the job is done. They don't worry about the clock." Warren stated, "Latinos, during this time of the year [spring], they work from sun up to sun down and they do quality work and they get it done." Fredrick, a White contractor, stated this: "They are hard workers because they get stuff done in a day that would take any other crew two days to do because they have drive that is remarkable and they want to get paid as soon as possible." Matthews, another White contractor, also suggested that Latinos are the only workers that work faster than any other group, and "they work, daylight to dark, seven days a week if you let them." Quinones and Munoz, two Latino contractors, believed that Latinos were more efficient than most other workers. Quinones stated: "Latinos do it quickly and do it well at the same time because we are good at construction and we work until the job is done." Ortega stated this about the Latino work ethic: "All Latinos work around the clock because they want to and see the value in earning money after a good day of work...That's what's expected of everyone but only Latinos deliver it."

Third, many of the contractors suggested that Latinos were more valuable in the industry because they did almost any job and rarely complained. Wilson, a Black contractor, stated:

You know, they really will just do anything to get paid. I mean they will shovel shit, crawl up under house, and work like the devil until they're done...and won't say a damn thing about how hot it is or how they wished they could get off early. Not many other guys would be like that.

Mackey, a White subcontractor, also thought that Latinos would do any job and never heard them complain. He stated:

To be honest, I love the little fuckers. I mean, they get into their work and shimmy up and down those frames of a house and jump back and forth, man they work it. I can also get them to pick up trash, plant grass, mow my yard, and clean my gutters because they want to make money....And, the whole time they smile and say, 'need anything else done?' Not, 'it's too fucking hot, I need a break, or any of that other shit.'

Fredrick, a White contractor, also saw Latinos as valuable because they would do any type of work. He stated: "They don't care what the work is, just give it to them and they will do it and do it well. No questions asked except for what's the pay like." Marcus stated, "Latinos don't give you lip like some brothers or white boys will. They respect authority and the employer-employee relationship." Martin, a Latino contractor, also found his Latino laborers the best because they worked as much as they could. He stated: "I never have to ask these guys what they are doing because they always find something to do. They don't sit around and bitch, like some other workers, about how they aren't getting paid enough to do everything. Us Latinos know that you only get paid if the boss sees you working." But, Rodriguez, a part-time Latino contractor, pointed out what most contractors missed when suggesting that Latinos do not complain or do the work assigned to them. He stated:

Well, we do complain but not in English. We complain all day to one another and most contractors don't understand what we're saying. I think we also do all the jobs they want us to do because we want to show that we're worth the money and maybe they will pay us more. Latinos don't want to crawl under houses, but we do it because we need the money and we will do anything, I guess, right now, so we can get paid.

Consequently, an employee that does not complain, especially in English, represents a quality that these business owners want in their employees. These comments above also suggest that Latinos are grateful for the work they get. As MacGyver, a White contractor stated:

They talk in Spanish and I know some but I'm sure they're complaining, but they never complain to me because I'm the one who pays them, they are grateful for what they get. Unless they don't do what I ask them, they don't get paid. I also know that if they complain, all I have to do is say, 'you know, INS?', and they stop complaining and I hire a whole new crew the next day without them.

As suggested by most research on hiring practices, an employee that does not complain or "cause a fuss, or give an attitude" is a characteristic that most employers look for in an employee (Moss

and Tilly 2001a; Neckerman and Kirschenman 1991; Shih 2001:108; Waldinger and Lichter 2003). Waldinger and Lichter (2003) also suggest that workers who complain less are more likely to stay, which increases profits because of less turnover. Also, employers are more likely to use statistical discrimination if a group is perceived as being more assertive. Finally, less complaining also allows the employer to be in charge and able to, as MacGyver's comment suggests, exploit or fire any employee that does complain, especially since they may not know their rights to protest like native-born Whites and Blacks do.

However, what really made Latinos more economically beneficial than any other racial or ethnic group for these contractors was that Latinos were immigrants. Moreover, that many contractors viewed Latinos as "hungry" for work and opportunities and preferred them because of an immigrant drive to work hard and do anything, as suggested above. Shih (2002) and Waldinger and Lichter (2003) found that most employers hired immigrants more often because they saw immigrants as eager for work, willing to do any job, and less likely to complain in labor-intensive industries, which embraced more of the American achievement ideologies. Clearly, many of the contractors in this study viewed all Latinos in the Atlanta construction industry as "hungry" immigrants that, as Mackey stated, "worked circles around any White or Black man."

Alba and Nee (2003) and Waldinger (2004) suggest that characterizing immigrants as eager for work and opportunities is part of the common tale that Americans use to explain their immigrant past and all immigrants that come to the U.S.<sup>72</sup> However, Waldinger and Lichter (2003) suggest that that employers' identification of immigrants as hungry is based on need to rationalize their reasons to include or exclude certain racial and ethnic groups. For instance,

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<sup>72</sup> The word, "hunger," was used to describe the Latino work ethic by 28 contractors in this study and came up 58 times in the entire set of interviews.

Wilson stated, "Hispanics, you know, are just hungrier and when you're hungry you're going to do what you need to so that you can eat." Josephs, a White subcontractor, also saw Latinos as hungry for opportunities and work. He stated: "Man, you give them work and they devour it like a pack of dogs...they also come back asking for more and more work, and I and the rest of the industry just can't keep up with their demands." Lorenz, a Latino contractor, best summarized what most contractors implied as to the importance of this hunger because it reinforced common American achievement ideologies and, most importantly, made sure there was somebody doing the hard labor. He stated:

Nobody likes to do hard labor but in my business you have to. You have to pick up bricks or rocks, you have to work out in the sun all day and carry things on your back. So, if Latinos do these jobs, we most really want it or be hungry for opportunities because we know that if we pick up rocks today, we might be telling others to do it a couple of months because hard work and dedication equal advancement in America.

The business owners in this study often rationalized their choice of Latinos because their backgrounds, as immigrants, made them eager to get work and keep it. Some of the contractors suggested that the hunger of Latino immigrants was innate, which echoed Gutierrez's (1996) comment mentioned earlier that Latinos have been historically identified as "built" for hard labor. For instance, MacGyver, a White home remodeler, stated this about the natural abilities Mexican immigrants have to do construction work:

Many of the Mexican guys I've seen work look to be physically built to do the work. I mean, the Mexicans from the mountainous areas of Mexico are short but stout workers. They seem to pick up bags of concrete and heavy shit with little effort. They're skin is always tanned from being outside, and they all seem to be hungry for the work. No one of them is going to turn done a job, and they're doing something on the site all the time. It seems cultural in a way, they know hard work is necessary to make it and they've been raised to truly embrace.

Walters, a Black contractor, suggested something similar. He stated: "Hispanics love that work and they seem to enjoy it so much I think they must have been doing it since birth or something. They are all usually lean and muscular and they work like the dickens." Lopez, a Latino

contractor, stated this about Latino workers: "We have always done construction, and I believe it is now in our blood to work hard and to know what is the right and wrong thing to do when building something. My papa said that I was born with a hammer in my hand." Within the quotes, these contractors use some old-fashioned racial ideologies that suggest that racial superiority, or inferiority, is based on "natural" abilities. In addition, as Bonilla-Silva (2001) and Waldinger and Lichter (2003) suggest, these explanations are more often used to reinforce the belief that talent, hard work, and dedication lead to success instead of the idea that it has to do with race or nativity, as suggested several times during the discussion of a business owners' abilities to be good at self-employment.

However, other contractors thought that Latino immigrant's hunger for work was because of cultural reasons, such as the dire economic circumstances they faced back home or because their families were poor and uneducated. Baker stated "...[the Latinos'] purpose, you know, their background is entirely different than how we were raised in the states." Richards agreed with this sentiment when he made the following statement:

As a rule [Latinos] work hard, but there's a reason for that. We [American citizens] take the opportunity we have in this country for granted. Lots of people, not all, but a lot of people take it for granted. Latinos know what it is like to have an opportunity to work and as a rule they give their best that they have to give....I mean they are so grateful. We just take too much for granted.

Charles, a White contractor, also suggested that Latinos worked hard and were hungry for opportunities because of their past. He stated:

They love to work and they enjoy it. They seem to be happy and they're not as demanding as laborers in the past. For the typical builder, it's a lot less trouble and aggravation because they're very appreciative of their jobs because in the home towns they would have never had as much success or money as they do here in America. In some cases, you can't make them go home because they know it is better here and they try to earn their keep by being faithful workers.

In a more sensational way, Fredrick, a White contractor, also suggested that Latinos have it better in the U.S. than back home. He stated:

They've never had it so good. Could you imagine not having grocery stores, a house with a floor,

or having to walk eight or fifteen miles everyday to work? Not having enough to feed your kids? I mean, that's what a lot of these guys faced and, of course, when you come here you get fresh milk whenever you want. You can drive or ride the bus, I mean, its ten times better here than some third world Central or South American country.

Randolph, a Black contractor, also saw Mexicans as eager to work because the pay is better here than in Mexico.<sup>73</sup>

Other contractors suggested that the hunger came from the Latino culture. Dmitry, a White contractor, suggested that many of his Latino subcontractors and laborers came from poor and less-educated families, which clearly suggested to him that those Latinos that do migrate to the U.S. come for opportunities that many other more affluent Latinos have already back home. Sarcasically, Josephs, a White subcontractor, also suggested that Latino families have something to do with a Latinos' drive. He stated: "Yeah, their family does push them to work because they have to feed like ten kids and all their relatives back in Mexico. You'd work hard too if you had that kind of pressure." Rodriguez and Ortega felt that Latinos did have a culture that made them better workers and hungrier for work in the construction industry. Rodriguez stated:

We, as Hispanics, come this country with a desire; a desire to earn money and do whatever it takes to get it. If that means working 80 hours a week picking crops or hammering nails, then we do it with no questions asked because we were brought up to know that hard work pays off and dedication to one's work leads to more opportunities and chances. Our culture wants us to not sit around and wait for something to happen, we have to go and find it for ourselves.

Finally, Ortega stated this about the opportunities in the U.S. in comparison to Mexico: "Why not come here, there's gold, money, and opportunities here. Back in Mexico, that culture, doesn't want you to have these things...all that is back home is your family and dirt farms and poverty."

Overall, these comments suggest that Latinos are hungry and make great employees because they simply need the work. However, none of the contractors ever suggested that other racial and ethnic groups could have had some of the same problems. For example, none of the

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<sup>73</sup> The Mexican minimum wage is around four dollars or 42 pesos a day (City of El Paso 2003). Thus, any job in the U.S. that pays five dollars an hour in an eight-hour shift would earn forty dollars or 430 pesos; almost one hundred times more than any Mexican worker in the manufacturing and construction earns in a month.

contractors suggested that they hired Blacks because of the generational effects of slavery, or because, in 2004, the Black unemployment rate in Atlanta was estimated at about 11% and the family poverty rate was about 21%.<sup>74</sup> However, as Shih (2002) and Waldinger and Lichter (2003) suggest, this "its better off here than there" narrative that shapes this immigrant stock story allows employers to justify their preferences and choices that constantly seek out an exploitable labor force that is the cheapest, most efficient, and obedient they can find. Moreover, it covers up the possibilities that not selecting other groups may be due to more stereotypical and racist reasons that dominate most hiring assumptions (see Moss and Tilly 2001a; Park 1999; Shih 2002). However, the hiring criteria above do not become racialized because these contractors want cheap and exploitable labor. It is because most contractors only identify Latino immigrants as meeting their criteria, and as I show below, all other groups, especially African Americans, are viewed as the least desirable employee.

### **"It's a Damn Shame": Lazy Americans**

Juxtaposed to these contractors' views of Latino immigrants as the best laborers and subcontractors, many contractors viewed Whites, Blacks, and "Americanized" Latinos as the antithesis of a quality employee. As hinted at in the above comments, many even suggested that Whites or Blacks seldom had the right skills, drive, and dedication that Latino immigrants possessed. I found, as Waldinger and Lichter (2003:160) did, that the term "American" became slang or short-hand for qualities that contractors did not want including being lazy or insubordinate to authority. It also became a way to validate their negative racial attitudes toward African Americans and some Latinos and to exclude minorities from certain jobs. In fact, some contractors suggested that they had little choice but to hire Latino immigrants because the American labor was unable to meet their qualifications.

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<sup>74</sup> These statistics come from Table 1.3 in Chapter 2.

For example, Blythe, a White contractor, stated this about labor issues in Atlanta: "Who else is there to hire? I mean, really? Hispanics do the work and they are good about being the subcontractors and laborers and everyone else is just worthless to some extent. I have to hire Hispanics to get by because even the White guys I've hired were lazy and drunk all the time, it seemed." Jaeger, a Black home builder, further stated, "You can't find many Blacks or Whites to do the work that you want them to do. If you want someone to put in an honest day's work, then you have to hire Mexicans. There's no way around it." In short, these contractors believed that they were limited in their hiring choices, however, this was self-inflicted; most of them wanted cheap and hard-working labor that American subcontractors and laborers would not provide. As Patterson stated, "I believe the Atlanta construction scene is spoiled now with Hispanics doing the work proficiently. It will be hard for any contractor to go back to using just Black or White Americans." Thus, in this industry, contractors viewed native-born or "Americanized" employees as an economic disadvantage.

The distaste for American employees first became apparent when several contractors pointed out that they feared that Latino subcontractors and laborers would become less of a commodity because they would soon become "Americanized." While the idea of Americanization has long been supported as a positive step of assimilation in the U.S. (for the most recent arguments, see Alba and Nee 2003; Jacoby 2004; Waldinger 2004), many of the contractors in this study said it destroyed the luster of hiring Latinos because they became less reliable, more belligerent, and more likely to ask for more pay. Thus, Latinos becoming Americans in this industry signaled the end of their economic benefits. As Mackey, a White subcontractor, stated: "It's a damn shame. You get them good and working, and after a few months they start wanting more pay to buy a truck...There goes their work ethic!" Jacobs, a

White contractor, also suggested that Latinos lost their value when they became Americanized.

He stated:

Well, they're not all they're cracked up to be because sometimes, many of the Hispanics have been here for a while and have taken on some of America's worst qualities, such as taking breaks and wanting time off. Sometimes, you need a cattle prod to get them going in the mornings or get them back to work after lunch. The U.S. makes them fat and lazy just like the rest of us.

Ramirez, a Latino contractor, stated this about Americanized Latinos:

I'm an American and still work hard because, hey, isn't that one of those values everybody needs to have? But I think some guys are lazy, especially when they see everyone else getting off at 5pm and they're still having to work and they get paid the same money. They probably start thinking, 'Damn, why am I working so hard when everybody else gets to drink a beer?'...But I would rather have a fresh-from-the-border Latino working with me because they do work harder than us fat Gringos.

Finally, Walters, a Black commercial contractor, stated that he thought that the Latinos in

Atlanta were becoming less reliable with more Latinos being born and growing up in the U.S.:

Now, I was joking with a Hispanic friend and contractor of mine. I told him that, and most of them are Mexicans by the way, I told him that we going to have to go back to Mexico and get another generation, because his kids was not going to do what he was doing. They not going to put in any kind of work, [when] they become Americanized. They going to 8 to 4:30, 9 to 5 too. They're not going to want to work like he's working...I am telling you we're going to have to go back to Mexico and get another set and bring those hungry guys over here, because the guys who are Americanized ain't going to work like that.

Some of the White and Black contractors also saw Americanized Latinos as a threat to their businesses and preferred not to hire them. As he sat talking to me in front of his Latino friend, Mitchell, a Black contractor, stated this about Americanized Latinos:

When [they're] Americanized, they ain't worth a shit. Because the old adage is now you go and hire you some Mexicans because they work harder. Well, once these Mexicans know the routine and know how to fucking work the industry and make their lives easier and make money, then they ain't no bargain....Once they get their tools and their own truck, then fuck you! Other contractors thought they were getting a bargain and a deal. Another Black contractor told me this. He said he was getting a bargain. 'Oh yeah, got these guys, making them bust their ass,' and they hoodwinked the job from him. They went in there and said they could do it better and for less.

Fredrick, a White contractor, knew of at least two Latino immigrant laborers that worked with him that started their own businesses. He stated, "Boy, they learned quick how to run a business and now I see them getting fixer-upper jobs down the street from where I work." After being

burned a few times by Latino laborers leaving and starting their own businesses, Rogers suggested he would never hire a Latino immigrant and teach them anything again. He stated, "Man, I'll let them carry rocks and shovel dirt, but forget about teaching how to do stuff that they can go off and start a business. I mean, once they learn a little English and start thinking they can be entrepreneurs, that's when the shit hits the fan. They're your competition next week."

As these quotes suggest, being an American, or acting like one, becomes a stigmatized identity that excludes individuals from being selected in the Atlanta construction industry. It also shows that Latino immigrants are less exploitable because, now, they really want the same things as these business owners do: equal pay or a chance to start a business. These contractors also begin to view any American as a competition or a challenge to their social position, which supports Blumer's prejudice theory. Therefore, these contractors avoid hiring Americanized Latinos and other native-born groups because it is possible that they could challenge their authority or become entrepreneurs too. Finally, it shows that there is a stratification of hiring decisions in which immigrants are the best choice, and everyone after that is a last resort. However, as Jack, a White contractor, pointed out, "I still believe that Hispanic Americans are great employees because they still work harder than Whites or Blacks"; thus, Americanized Latinos could still rank higher than Blacks or Whites in employee choices for laborers and subcontractors in this industry.

The distaste for American or native-born workers also became clear because many of the contractors suggested that Whites and Blacks were the least likely to be hired as laborers and subcontractors. Frequently, contractors suggested their distaste for hiring any Whites or Blacks was because they were everything they did not want in an employee; lazy, unappreciative, and disrespectful. Moreover, the laziness and ungrateful attitude was because they were spoiled

Americans, especially when they compared Whites and Blacks to Latino workers. MacGyver, a White home builder, stated this about why Whites and Blacks were undesirable employees:

Lazy bastards! With Latinos here, it's refreshing to see somebody who wants to work. I mean, you go and pick up some [White and Black] day-laborers twenty years ago and you would have 20 guys rush your truck...and once they found out that I was going to pay them \$8 dollars an hour and it was going to be dirty work, they would say, 'I couldn't possibly work for \$8 an hour and do all that in the hot sun.' I would say, 'It's ten o'clock in the morning where the hell else you going to get work?' I mean, these guys were damn lazy but now, I bet they wished they had worked with me because the Latinos are taking their day jobs.

Matthews, a White subcontractor, also saw Americans, which included Blacks and Whites for him, as lazy and unwilling to work as much as was needed in construction He stated:

I don't hire [White and Black] guys to work on my crews, not because they are slower at the job, but a lot of American people have gotten this mind-set where they want to work 40 hours a week an in a 40 hour week, you're going to have an average life. Like myself, I work 55 to 60 hours a week and Saturdays if I have to. My phone and radio stays on 24/7, I never turn it off, so if something needs to be done, I'm there. As far as Whites and Blacks, they don't want to work that hard, even if I pay them for it, give them overtime and businesses. Because, as one White guy said to me, 'I'm above all this stuff, I have a college degree. Let me be a project manager for you.' You know what I said, 'No, you need to learn that you had to do the shit work to get ahead in this field and you've got a lot of learning to do.'

Another White contractor, Jack stated, "Americans forget that we could be like Mexico where you don't get a choice of what you do for a living and they need to recognize that. They've got to start doing their part, get off their asses, and go to work and work all day." Finally, Brooks, a White contractor, best summarized why no construction business owner is going to hire lazy Americans:

They don't have a strong work ethic anymore. Back, when I was growing up, you didn't earn a dime unless you put in a full day's work and smiled the entire time. Today, these kids coming into this industry are spoiled and worse off than any other group. Latinos understand the value of hard work and earning good money, these White and Black kids don't get that and they don't understand how we need them to get it, you know? No contractor in his right mind would ever hire an American in this industry because they waste time and money. I've heard them say, 'Oh, I need a break,' or 'Could we have Monday off for the holiday,' and a list of other excuses so they can get out of work even though I probably pay them over \$25 an hour. I wonder how these guys pay their bills? Maybe they need a dose of the Great Depression again to get them on track.

The minority contractors felt the same ways about White and Black Americans.

However, they saw them as more disrespectful and more likely to ask for more wages. Rogers, a Black contractor, said this about American workers:

Whites, and for that matter, Blacks are a pain in the ass. They always wanting time off and the White guys are just plain disrespectful because they think they better than everybody on the site. I don't work with White and Black subcontractors much because they are that way....they also want more money than any Latino does but as I tell, 'You get paid for the work you do at the price I set.'

Two other Black contractors, Randolph and Edwards, felt the same way as Rogers. Randolph stated:

Whites and Blacks are just lazy workers man. They kind pussy-foot around until about 10am, then want a break at 11, then lunch at 12noon, and by 4 o'clock, their production slows way down. I've almost decided not to hire them anymore because they are so damn lazy....You have to watch them to, White and Blacks mouth off more frequently than Latinos. I mean I had one guy say to me, 'you need to pay me more because I apparently know more about construction than you do.' I was like, damn, he's my employee and he doesn't realize that I can fire his ass but, unfortunately, I couldn't because I needed him to finish the job he was doing.

The Latino contractors were more vocal about their aversion to Americans. Quinones stated this about American workers: "They always want more money for the same job I pay Latinos less for and they do half the work." Gutierrez, a masonry contractor, suggested that the Americans he hired were always disrespectful to him. He stated: "Americans, they always talking behind your back and making fun of you calling you Jose or hey, 'Taco,' so I stop hiring them. They are like too proud to work with a Latino boss and you will never find very many of them working for Latinos for this reason." Lorenz also stated that most Americans and some Hispanics think that "they were better than working outside." Ramirez stated this about American workers:

Anglos and Blacks are flaky. They show when they want and expect the same pay. Who the hell is going to pay them for being slack-asses. I'm not. I've had some of these guys and they really just don't want to work. I tell them, 'Why don't you see if you can get yourself a corporate job so you can look at porn all day on the Internet.' They always laugh but they know I'm right, and they know they can't get a job in the corporate world because they are too stupid.

Finally, like the White contractors, Ortega saw American employees as lazy because they did not value their choices. He stated:

Americans, they don't understand that a good job and a social security are more than what most people around the world strive for. No one wants to be a farmer or sheep herder all their lives, they want money and a comfortable life. Americans have lost sight of this and they are beginning to look like the world's worst example of the American work ethic.

Put simply, these comments above point out that Americans are less profitable and exploitable than Latino immigrants. In addition, these employers do not want American subcontractors or laborers that challenge their social position or authority, or want higher wages for less work. As Farrell stated, "The American work ethic is shit now and it's really not the American way to sit on your ass and do nothing." Thus, these contractors viewed American workers as going against the traditional American achievement ideologies, which gave them the right to exclude them from their companies. More importantly, it shows that these employers overwhelmingly choose immigrant labor because they are cheap and exploitable and, for these contractors, these decisions seem completely fair.

The choice of native-born versus foreign-born employees became more racialized when these contractors suggested that Blacks were the worst type of employee. In fact, in this discussion, Blacks were at the bottom of the hierarchy, and much of this was because many of the contractors used stereotypical reasons as to why they did not hire Blacks as subcontractors or laborers. Many of the contractors also suggested that Blacks breeched American values by demanding that they get better treatment even though they did not work hard enough to earn it, which is often cited in racial attitudes research. They also often went back to blaming Blacks and their culture as the reasons they did so poorly in this industry. For example, Ferry, a White contractor stated:

People in the African American community, there is so much use of welfare and that made it easy for them and became a lifestyle that they can't get out of, you know? It was too easy not to work for a long time and that affected several generations....A lot of them are also drug addicts and alcoholics, can't handle their marriages, been in jail, so it has just destroyed any chances for them to want to work hard.

Blythe, another White home remodeler, said he did not hire very many Blacks because his clients did not want them around because they saw Blacks as criminals and drug addicts looking to steal things from their home. He stated: "I can't hire someone that clients are afraid of because they

will call me and ask me if one of my guys took their wife's necklace and I have to ask all of them, 'Did you take it?' Come to find out, it fell behind a dresser or something, but I just don't hire a lot of Blacks to avoid those calls and ruining my company's reputation." Mackey was blunt about why he did not hire Blacks for his framing crews. He stated: "They are simply lazy and mouthy. They always want something for nothing and have never once did great work for me because they half-ass everything." Matthews, a White subcontractor, pointed out that he did not hire many African Americans because his Latino crews hated them and always complained that the Black crew members didn't "pull their own weight" doing the work.

Several of the Latino contractors saw African American workers and subcontractors as also lazy and rude. Diego, a subcontractor, said this about Blacks: "They don't want to work for nothing or nobody! They come in when they want, they make fun of Latinos, I mean they are just sorry individuals and I don't know how they ever find jobs." Quinones also saw Blacks less than desirable. He stated: "Black guys never want to work more than like four or five hours a day and they want \$10 more dollars an hour so I stay away from them." In attempting to defend some of his Black workers, Ramirez stated, "Blacks have it rough too. They come from a lot of oppression and I think that's why they are rude and don't take orders because they've been taking them for centuries. However, people don't hire Blacks because they are rude and don't give a shit if they've had it bad. You have to work to earn respect and I kind of feel the same way too." Lopez suggested that he did not hire Black subcontractors anymore because, "They are dumb as shit or play like they are dumb. I had this Black plumber come in and plumb an entire building backwards, the hot was cold, you know? Stupid and it took him twice as much time as any other plumber. I never called him back that's for sure." Finally, Martin, a home builder, stated this

about Black workers: "Blacks think they're entitled to get more because they're black...they ask for too much. They need to earn just like me."

These comments above demonstrate Whites and Latinos continued negative views of Blacks. Again, many of them suggest that Blacks are victim to their own culture or individual effort, taking away any kind of suggestion that these contractors are responsible for discriminating against African Americans. In addition, they view Blacks as overstepping their roles and not following the same achievement ideology rules of self-reliance and hard work equal more pay or time off. Even some contractors, like Blythe, cloak their bias toward Blacks by suggesting that it is their clients, or the market, that makes them not hire Blacks because they would lose their businesses, making it a justifiably sterile and economic decision. The most important point, though, is that the hiring criteria mentioned several pages ago and these employers' hiring choices become clearly racialized because they never once suggest that African Americans have the abilities to fill the jobs they have to offer. This is even clear in some of the Black contractors' comments about why they don't hire Blacks; however, only a few suggested they viewed Blacks this way.

For example, Rogers stated, "I'm not going to hire anyone that's lazy and, unfortunately, there are a lot of brothers that are." Richards stated that "Blacks are lazy in some regards and they know if they want to work for anybody that they have to give their all and some just don't do it." Randolph also thought that Black employees went too far past the strict employer-employee relationship, ignoring issues of authority. He stated:

I think blacks working for blacks becomes more of a 'let's be friends kind of thing and, you know, I should understand their blight of financial problems and they ask if I could help them out, but it really needs to be just an employer-employee relationship and that's the only kind of relationship I'm trying to establish. More professional, not 'I have child support problems and help me pay them,' but they would never ask a big corporation that, so don't ask me just because I'm black.

Edwards better characterized the problem he had with using Black subcontractors and workers was because they always want something for free, looking for the, as he stated, "hook-up." He stated, "Black employees they always asking for something extra from me, 'Hook me up man.' That's really unprofessional and annoying....They want something for nothing or more money, I usually say, 'Yeah, I'll hook you up, you do the work and I will give a paycheck for the amount we agreed, no problem.'

Overall, what you see here is a stratified and racialized hierarchy of labor for the bottom positions in the Atlanta construction industry. As Rosenfeld and Tienda (1999) and Waldinger and Lichter (2003) suggest, there are more divisions as the bottom of an occupational or industrial hierarchy than there are at the top. Here, Latino immigrants are at the top of the bottom of this industry, filling most of the laborer and subcontractor positions because these contractors know that they are the cheapest labor available. However, Latinos that are too American get pushed off the top into an almost parallel position with Whites; however, Whites are clearly lower than Americanized Latinos. However, Blacks looking to find employment as a subcontractor or laborer find themselves pushed down to the bottom because individuals continue to use racist generalizations about Blacks to make their decisions. Even though some of these individuals based their characterizations on their experiences, it seems that it only took a few experiences to fully exclude all Blacks from being hired.

### **Top Choices for High-Rung Positions**

Outside of the laborer and subcontractor jobs, it is important to point out some of my observations about who were these contractors' "right-hand" men or women, or those that worked the closest to them. After visiting their company offices, if they had one, and at least two of their construction sites, it became clearer that their suggested choices for subcontractors or

laborers were close to who they actually indicated in their discussions. For instance, I counted 534 subcontractors and laborers working on 84 different construction sites. Based on my own identification and asking some of the workers, over 65% of the workers and subcontractors were Latinos, 25% were Whites, and 10% were Blacks. This also matched many of the contractors' estimations of racial and ethnic groups in the Atlanta construction industry, except they often suggested that Latinos represented sometimes as high as 80% of the labor and subcontracting.

The most important observation though was that the administrative positions, foremen, and other higher-rung positions were significantly different. The majority of these contractors' "higher" employees were of the same race/ethnicity as the contractor. In fact, for those general contractors that had full-time employees,<sup>75</sup> all of them had co-ethnics working as foremen, project managers, accountants, and office assistants. However, a majority of the White subcontractors and Latino subcontractors had Latino foremen, and all of the Black subcontractors had Black foremen. In addition, two of the fourteen White contractors had Latino project managers. While few of the contractors discussed why and who they hired for their top positions, one dominant explanation came out of those contractors that discussed it.

Some of the contractors suggested that they hired co-ethnics because they could trust them and co-ethnics understood their goals. For instance, Rogers, a Black contractor, hired his father and his best friend, who was an African American woman, because he could rely on their judgments and decisions, because "they thought alike." Another Black contractor, Edwards, suggested that he liked working with Black people because he knew that they had the same mindset and would always be there for him. Matthews, a White contractor, stated that he partnered with his stepbrother because, "We know what we have to do as business owners and don't want to have to bring in someone new and hope they understand our goals." Or as Brooks

<sup>75</sup> I was not able to meet all of the contractors' employees, especially Richards', who had over 2600.

suggested, "Working with individuals that know you and know where you come from is important. So, I liked having people that grew up with me or I was close with to work by my side."

However, what it also present is that the top positions of these companies are racially segregated. None of the White contractors had high positions filled by Blacks and neither did Blacks but, as Baker suggested, "I've never had a White person apply for a job with me. I would love to hire them but they never come around." Also, as suggested above, many of the Latino contractors thought that most Whites and Blacks did not want to work for Latinos or, as Mendez stated, "I don't hire many Americans because they can't speak Spanish and I can't really speak English, so I have to stick to Hispanics for now." In general, these contractors fill these higher positions with co-ethnics which may suggest that the only real competition between racial and ethnic groups in the construction industry is in the labor pool and the self-employed, as suggested in past chapters.

## **CONCLUSIONS**

In this chapter, I show how my sample of contractors' hiring techniques, criteria, and choices lead to a racialized outcome. Like much of the research on hiring practices, many of the contractors in this study suggested that they assessed the merit of the employees, but clearly stereotypes and their racial attitudes clouded their decisions. This study, however, also finds that what pushes business owners to use assumptions and limited experiences to make their selection is because they want the best employee for the cheapest price. Clearly, each employer did a cost-benefit analysis more often of their potential employees than considering more objective criteria such as the employee's skills or experience in construction. Although many of the contractors saw this as a valid and even more equitable way to make their hiring decisions, their decisions

still excluded certain groups based on race, ethnicity, and more important to the Atlanta construction industry, nativity. As they suggested, only Latino immigrants had the qualities they wanted in an employee and all others were too "Americanized," which meant that they were lazy, belligerent, and too expensive. It also created a racialized hierarchy within the subcontractors and laborers in which Latino immigrants were at the top and Blacks were at the bottom. Of course, many of the decisions were based on limited or no experience with the groups, or outright stereotypes that were covered up with color-blind stories about merit and earning one's place.

These hiring practices also create a split labor market as described by Bonacich's theory of ethnic antagonism. Bonacich (1972:549) suggests that in order for a labor market to split, there has to be "at least two groups of workers whose price of labor differs for the same work, or would differ if they did the same work." As my respondents most often suggested, price determined whether they hired an individual over another. Furthermore, it split the available labor pool by price and nativity; Latino immigrants versus Americans. Of course, the price of this labor, as Bonacich points out, is not just wages but also the costs of training and the efficiency of the worker to complete certain tasks, which was also very important to the contractors in this study.

However, the most important point of Bonacich's theory is that a split labor market creates conflict and antagonism between the groups involved in a labor market, such as I found in the construction industry. As suggested by Bonacich (1972), most business owners want a cheap and docile labor force to be able to compete more effectively with other businesses. She also suggests that by business owners' hiring based on price they effectively spur on fierce competition between the higher paid labor (i.e., Americanized Latinos and White and Black

Americans) and the cheaper labor (i.e., Latino immigrants), and are rarely adversely affected by the competition between laborers. Moreover, business owners can use the price wars between laborers to develop a barrier that slows down or impedes the progress of any labor group in becoming the business owners of the future. Thus, creating a split labor market based on price helps to keep these business owners in the top positions because the most intense conflict rests among the higher paid and cheap labor groups.

The split labor market also develops a "caste" system in which the higher paid labor works to exclude the lower paid labor from certain jobs to protect these jobs from cheap labor infiltration because of the intensity of competition within the labor pool. For instance, in Chapter 3 many of the White and Black subcontractors expressed more negative racial attitudes toward Latino immigrants and Latino contractors because they felt that Latinos were taking over the construction industry, their jobs, and changing their way of life. As a result, I found that most of the higher-paying and less laborious jobs were still filled by Whites and Blacks, and Latinos, especially Latino immigrants, continued to be in more back-breaking and lower-paying jobs. For instance, most of the contractors' plumbers and electricians were White and Black Americans, and all of their drywall and roofing subcontractors were Latinos. It is possible that the higher paid White and Black American labor is also working, like the business owners in this study, to keep out Latinos from these specialty areas. Overall, though, by these business owners' relying on price as their main criteria for selecting an employee it created an exceedingly segregated and stratified labor market that excluded groups at every level of the employment in the Atlanta construction industry based on race and nativity.

Yet, these results also address a broader sociological question that has been behind the scenes of this study: are Latinos or immigrants, in general, replacing native-born workers? Some

of the older contractors, such as Richards, Charles, Patterson, and Ernest, remember when more Blacks and Whites were in construction as subcontractors and laborers. However, as Brooks stated, "It's changed in the last ten years, Whites and Blacks have either moved on out of this industry or were just out-bid by Latinos." Like other researchers (see Adelman et al. 2005; Rosenfeld and Tienda 1999; Waldinger 1996; Waldinger and Lichter 2003), I contend that my results suggest two answers. The first answer is yes, Latino immigrants are now the group that is most hired in the Atlanta construction because contractors want the cheapest and most exploitable labor, pushing Whites and Blacks who want a fair wage out. In addition, many Latinos have become business owners as subcontractors, which have pushed some White and Black business owners out (see Chapter 3). However, my second answer is, no, because based on historical reliance of America on immigrant cheap labor and the treatment of Latinos, Latino immigrants are only filling a gap in the construction industry that continues to search for a cheaper source of immigrant labor to replace them eventually. More importantly, as suggested in my results, Latinos are already being viewed as too assimilated or Americanized, which throws them back down the ladder to share a lower position with Blacks. Also, the hierarchy has not really changed because the top positions, such as plumbers, project managers, or business owners, are still predominantly White and native-born. And finally, many Black contractors have been able to hang on to their businesses and be more successful because of Latino cheap labor; thus, as Grant and Parcel, as well as Adelman et al. (2005) suggest, it is possible that these Blacks have been "bumped up" into higher prestige positions in this industry – self-employed contractors.

## CHAPTER 7

### CONCLUSIONS

Race matters in the Atlanta construction industry. While it is not overtly expressed, as seen in a Klu Klux Klan rally, a riot, or in a vicious hate crime, racism continues to be a driving force in stratifying and segregating this industry. With government legislation and minority contestation, Americans can no longer be blatantly racist and use the same "racial practices" and overt racial ideologies to suggest that one group is superior to another (Bonilla-Silva 2001). This newfound lack of acceptance of overt racism has led many to assume that racism is dead. Furthermore, with this "death" of racism, many Whites suggest that society is no longer racially stratified and everyone has an equal chance if they try. This study indicates that this idea is false, and further shows that racism is alive and well and continues to impact minorities in all aspects of this business by keeping White contractors at the top and minority contractors at the bottom.

While race and racism are still salient factors in determining the access and success of the business owners I interviewed, they never suggested that they plainly hated or despised other groups. Rather, they based their preferences on more "objective," merit-based criteria and observations (i.e., American achievement ideology including work ethic and self-reliance) that were utilized by all groups. By using these objective criteria, these contractors could comfortably suggest that they were effectively color-blind, and often provided tales of individuals in the construction industry could avoid racial barriers with hard work and perseverance. But even these color-blind measures contained obvious contradictions, because the decisions often resulted in racialized outcomes.

For these contractors, the use of these ideologies was also about protecting their social position in a racial hierarchy that now includes a new group. The introduction of Latinos into the Atlanta construction scene has led to more competition, and increased concern about the potential for loss of hard-earned positions. In fact, Whites and Blacks both suggested that Latinos harbored some sort of design to replace them in this industry, which has activated more feelings of prejudice and discrimination in the decision-making process. The fact that Latinos have been successful in such a short period of time, when compared to Blacks, has increased these fears even more. This study supports Blumer's (1958) prejudice theory in explaining contemporary race relations. However, these findings are contrary to recent suggestions that Latinos are being accepted more and more as "honorary whites," leaving Blacks at the bottom of the ladder (see Alba and Nee 2003; Bonilla-Silva 2003; Gans 1999; Yancey 2003). According to these White respondents, Latinos are good laborers and subcontractors but it stops there. Even though Latinos share the same views of Blacks as Whites, the White contractors in this study were more likely to keep them in their employee position than include them in the social networks that would propel them forward into similar White social positions. Only then, Latinos would become clear competitors.

### **RACIALIZED MECHANISMS**

To further summarize and conclude my findings, I argue, using Bonilla-Silva's (2001) and Blumer's (1958) theories about racism and prejudice, that my respondents were affected by a covert racism that was veiled in color-blind ideologies and expressed through, what I identified as, "racialized mechanisms." These mechanisms included the ideologies and actions that these contractors utilized to maintain the racial status quo, or to protect their social positions and resources. However, the most important functions for these mechanisms are that they allow

Whites to maintain an edge without being overtly racist and help other groups to justify their position and prejudice toward one another.

Similar to Bonilla-Silva's (2001) explanations of racial ideology, these mechanisms also represented a way for these contractors to rationalize their beliefs and decisions about racial and ethnic groups, and gave them a set of rules to regulate their interactions. In fact, most used stereotypical and, often times, more liberal explanations to catalog the differences between racial and ethnic groups as business owners and laborers in the construction industry. However, none of these individuals suggested that their decisions had any adverse effects. More importantly, most of these contractors suggested that their use of these mechanisms were okay because they were profit-driven; "it's business," suggesting that race and ethnicity did not matter because the economic benefit of a group could trump exclusion, or lead to inclusion.

These contractors actively used these mechanisms to make sure that their needs were met, but when and how often they employed them depended on a contractors' perception of threat to their social positions. As Blumer (1958) suggests, most racial and ethnic groups do not become very prejudiced or discriminatory until they have perceived their social position to be threatened. Finally, these contractors understood that they were being discriminatory in most instances but, again, they justified their actions by suggesting that they had to do it in order to succeed or stay afloat- buying into the normative ideology of American capitalism. With this concept in mind, my research suggests five racialized mechanisms that worked to perpetuate the racial status quo and hide the possibilities that Whites had an advantage in the Atlanta construction industry. These mechanisms also demonstrated how race continues to matter even though no one in this study, including the White contractors, was obviously acting as racists.

### **Color-Blind Ideologies**

The first mechanism this research uncovered was the contractors' color-blind perspectives that were apparent throughout this study and were used most often to dodge direct questions about race and its importance in shaping the racial makeup of the construction industry. Like most Americans, almost all of the White, Black, and Latino contractors in this study used color-blind frameworks to explain race relations in the Atlanta construction industry. Many suggested that very few of them saw or had experienced blatant acts of racism and suggested that color really did not matter in this industry when it came to access to the industry or when considering a new employee. While some of the Black contractors suggested that racism continued to be a problem for them, they, as well as the other contractors, often dismissed the problems it caused by suggesting that if an individual adhered to the American achievement ideologies of self-reliance and a strong work ethic, then he/she could overcome racial discrimination. In addition, most rationally justified disparities and exclusion based on the amount of economic benefits an individual offered as an employee or social network connection. Therefore, not hiring Whites, Blacks, or Americanized Latinos was clearly justified because they were less profitable but also less exploitable than Latino immigrants.

However, what made the use of color-blind ideologies a racialized mechanism and pointless was that there were often trumped by contradictions or completely dropped when these contractors' businesses or lifestyles were being challenged. Many times, White contractors would suggest that anyone could be successful in this industry as a business owner but very rarely suggested that Blacks had the qualities necessary to be included in their networks. Also, while White and Black contractors were more likely to hire Latinos because they had the "right" qualities, they often excluded Latinos from any meaningful business relationships because they

saw Latinos as competition. Also, throughout this study, White and Latino contractors often suggested that their success, and the disparities Black contractors faced, were strictly because of these attitudes, traits, or work ethic, and never because of their skin color. However, very few of the White and Latino contractors ever worked or hired Black contractors or laborers. In short, by stating that Blacks were inefficient and less skilled laborers and contractors, this ideological mechanism allowed Whites, and some Latinos, to hold higher racial positions than Blacks in the construction industry. It also helped to justify White contractors' exclusion of both Blacks and Latinos based on criteria that all of the groups' in this study supported and suggested was the fairest way to include a group.

These findings help push color-blind research forward. First, it demonstrates the use of color-blind ideologies in an economic setting, which is different than most other color-blind research that has focused primarily on media representations and racial identity construction. Second, this study actually shows that many Whites, Blacks, and Latinos are not truly color-blind. Their decisions still are based on race, no matter what terminology they use to justify them. This study indicates that color-blindness shapes their attitudes, which directly impacts their businesses practices (e.g., hiring preferences). In addition, this study shows that all groups, including Latinos and Blacks, use color-blindness to explain their negative racial attitudes toward one another. Very few studies of color-blindness have not considered Latinos' use of this ideology, nor have they included this group in their discussions and comparisons. In this study, I found that Latinos are just as likely to use color-blind arguments to explain their distaste for Blacks and their social position in America, which is consistent with White attitudes about Blacks. Overall, by Blacks and Latinos supporting color-blindness along with Whites, there is little motivation to change the rhetoric, thus, continuing the hierarchy.

## Competition

Another racialized mechanism that perpetuated the racial hierarchy in the Atlanta construction industry was competition. As I suggested in Chapter 3, the perception of competition over jobs, business ownership, and one's overall social position in America intensified the contractors' racial views and prejudice of one another. For instance, many of the White contractors were more likely to suggest that Blacks were incapable of being good contractors when they discussed competition with Blacks, suggesting that African American contractors were lazy, unreliable, and did not have the natural ability to run a business. However, White and Black racial attitudes became increasingly hostile when discussing competition with Latino contractors and laborers. Several Black and White contractors shifted to anti-immigrant sentiments when discussing Latinos as competition, pointing out that they were increasingly taking over the industry and the United States. As many of the Black and White respondents suggested, Latino laborers and contractors were the reasons why many of their friends, and themselves, were going to lose their jobs soon. However, it should also be noted that Latinos view other immigrant Latinos as competition because they also know that Latino immigrants can do replace them because they are cheaper and work harder than they do. Thus, as Blumer (1958) points out, real threats to a group's social position intensifies prejudice and racism.

The competition mechanism also became a way for contractors to explain why they excluded groups as employees and from being a part of their social networks. As for employees, most Whites and Blacks are very grateful for Latino laborers and subcontractors because they are efficient and cheap. However, Whites and Blacks both view Latinos as "laborers only," because at any other level, such as general contractor, they become a threat, especially if they want more money and want to work less. This is also true in my respondents' discussions of social networks.

Clearly, White contractors include Blacks and Latinos into their networks but only as employees. They do not want to create or foster competition by bringing Blacks and Latinos into the mix as general contractors, or as equals.

The final product of the mechanism of competition was a traditionally segregated industry; Whites as the majority of owners and Latinos and Blacks as the workers. It also split the labor market of laborers and subcontractors in half based on price and nativity in which Latino immigrants were the preferred employee because they were cheap and docile while Americans were the antithesis of a "quality" employee. However, the most important function of this split labor market was to work as a barrier to slow down or impede the progress of laborers becoming business owners and Latino immigrants entering the higher-paid jobs of the industry.

### **Reputations and Good Ole' Boy Networks**

My examination of self-employment produced two very important mechanisms used to racially stratify business ownership in the Atlanta construction industry. As most ethnic entrepreneurship literature suggests, it takes a delicate balance of human, cultural, financial, and social capital to make or break an individual's ability to be a successful business owner. However, very few studies indicate exactly which elements are more important and which work best to racially stratify self-employment in a particular industry. I found that all of the above forms of capital mattered for these contractors, but very few of these forms explained the racial differences in self-employment. For all of the groups, human capital helped to introduce them to self-employment, but most of the contractors suggested that a formal education had little to do with their success, even though a majority had a college degree or higher. Most of these business owners had sufficient financial capital to start their businesses. But, several of the Black contractors faced bouts of discrimination when attempting to get business loans to start or sustain

their companies. In contrast, though, most of the contractors only used a few thousand dollars to start their businesses and most often relied on getting more clients and contracts to build their financial capital. Many of the respondents suggested that cultural capital, construction-specific knowledge, and the right attitude to be a business owner was also important in determining the success of making it in the construction industry. But, again, all of the business owners had equal shares of these cultural capital elements as well. While these three forms of capital helped in the establishing of their businesses, they did not play as big a role in sustaining the businesses and were not the key contributor in creating the racial stratification that so many entrepreneurs faced.

What became a significant element in determining whether these contractors were successful was their reputations as builders and whether they had others who were willing to vouch for their work. This vouching system depended on the other contractors' views of their cultural capital (i.e., the positive characteristics of a good work ethic, integrity, and reliability). However, what I found was that contractors often used a different metric when considering whether Blacks and Latinos possessed these positive characteristics. Furthermore, White contractors rarely saw Blacks as being able to prove themselves as effective business owners and partners. Latino contractors often had problems building reputations because most White and Black contractors viewed them as "too new" and had not yet paid their dues and worked their way up the ladder. This demonstrates a sort of "occupational hazing," similar to the rites of passage seen in fraternity initiation. This reinforced the common American achievement ideology that everyone has to start at the bottom and work their way to the top in order to be accepted and respected. This mechanism, which is most often used by Whites, only assigned a good reputation to those who have moved through the established "hazing" process, which acts as a "gatekeeper" and further sustains White dominance in the industry. Also similar to fraternity

hazing practices is the idea that gatekeepers retain the right to reject any "unworthy" candidates (i.e., black-balling). This process reduces the opportunities for some contractors to gain entry into the more prestigious social networks even when they have worked hard, representing a contradiction in these contractors' suggestions that the construction industry is a place of equal opportunity.

One of the more important mechanisms used to stratify self-employment in the construction industry was the use of networks and, more specifically, a White good ole' boy network. Research suggests that many immigrant entrepreneurs have done well in the past due to the strength of co-ethnic ties, which have supplied the needed business resources to make self-employment prosperous. All groups had co-ethnic networks that supplied them training, financial assistance, and connections to contracts. Contrary to most research on Black networks, I found that African American contractors rely heavily on a co-ethnic network; however, these ties provide little access to the construction industry outside of their own communities. Latinos also relied heavily on a co-ethnic network, but also had inter-ethnic ties with Whites. These inter-ethnic ties helped Latino contractors tap into more lucrative contracts that Blacks were not given as frequent access to without the Atlanta affirmative action program. However, Whites continued to keep Latinos in a strict employer-employee relationship. White contractors had strong co-ethnic networks as well, but their networks went past the superficial ties that Latinos and Blacks had because their networks were tied into every part of the industry including the banks, the supply warehouses, and the local municipalities that inspected their work. Further, it works as a Whites-only fraternity that excluded minorities based on the rationalization that these contractors had poor reputations.

These findings add to the growing literature that has suggested that social networks are a significant tool enabling Whites to maintain their dominance without being overtly racist. Like Royster (2003) finds, economic success and social mobility have little to do with hard work, equal education, and self-reliance. Truly, who you know and who they know is more important than what you know. I also contend, as Royster (2003) does, without government programs such as Atlanta's affirmative action program, very few minority contractors would ever be able to access more lucrative contracts. However, I must restate that even these programs have been foiled by the White good-ole boy network because there has been little enforcement of the guidelines.

### **Hiring Practices**

The final mechanism that shaped the Atlanta construction industry was the business owners' hiring practices. Ultimately, this mechanism was about making a profit, splitting the construction labor market, as Bonacich (1972) suggests, into two groups: those that work for cheap and those that do not. Moreover, these contractors wanted a docile workforce that never complained about the work or the pay. In fact, the contractors in this study refused to hire anyone who was lazy, expensive, unmotivated, and disobedient, all of which were considered flaws in the American work ethic. Even Latinos who had been in the U.S. for a few years were rejected as valuable employees because they had taken on these negative qualities, and had henceforth become "Americanized," and less likely to be cheap and exploitable.

These business owners' hiring criteria also created a caste system of employees. As Bonacich (1972) suggests, one of the ways to keep other groups from taking valuable jobs held by the dominant group is to make sure that there are sufficient barriers to these jobs that outside groups cannot penetrate. Thus, the most valued laborers and subcontractors are Latino

immigrants but they were not hired very often for the top positions of the industry, such as project manager, plumber, or electrician – those jobs were reserved for Whites and Blacks. However, within the laborers and subcontractors, hiring based on price and nativity effectively pushed Blacks to the bottom of this labor market because, based on my contractors, they were the worst sort of lazy American workers.

These results confirm past research on hiring practices that suggest that employers use racial stereotypes and generalizations in making their decisions. I also argue that these hiring decisions are intentional, but these contractors do not see their decisions as racist. Rather, they again employ a color-blind perspective to suggest that profitability is an equalizer, and the cheapest employee can be any color. I also find, like other researchers, that Blacks are placed at the bottom of the employee pool because the stereotypes suggest that they are not effective employees. However, like Park (1999) suggests, I find the same racial logic to avoid hiring African Americans works to the advantage of Latinos, allowing them to be selected more frequently by employers. Finally, these employers' hiring practices work to push out Black and White laborers and subcontractors, and replace them with Latinos or other new immigrants, which has historically been the precedent for the American economy.

Overall, this research demonstrates how race continues to matter in stratifying the Atlanta construction industry. It demonstrates that practices and ideologies that help sustain White privilege and how Blacks and Latinos willingly participate because they, too, see it as "just business." Gallagher (2006:107) suggests that most color-blind research and contemporary discussions about race relations often lack the explanation of how various factors "reproduce and reinforce a narrative in which racial equality is perceived to be the norm." This study identifies at least five racial mechanisms that reinforce the racial hierarchy or racial status quo, despite these

contractors' belief that race does not matter. Thus, all of the contractors believed that racial equality is the norm; however, not all of them believed that every group had the qualities to gain equal status.

### **SOCIAL POLICY AND RESEARCH RECOMMENDATIONS**

While writing the results of this research, a major event occurred that challenged the construction industries' source of labor and emphasized some needed social change to this industry. As suggested earlier, increased tensions about illegal immigration resulted in Georgia's Legislature to push for an immigration law that would address the problems associated with this form of immigration. In addition, the United States is still developing its own immigration reform legislation to address public concern of undocumented immigration. As a result, thousands of Latinos staged protests, boycotts, and peaceful demonstrations to object to the possibility of new laws that would increase border security and make illegal immigration a felony. Since this situation did not begin until my interviews had been collected, I was not able to specifically discuss this topic with any of these contractors.

In light of these events, the first policy implication of this study is the need for some sort of political representation for Latinos in the local, state, and federal governments. In fact, several of my Latino respondents suggested that one of the only ways that they could avoid exclusion from particular sections of the construction industry was through political action. This has already begun. I spoke with several Latinos who had just stepped in to local government positions in Atlanta and were working to address Latino disparities, not only in Atlanta in general, but in the construction industry as a whole, because of the its high concentration of Latinos. Moreover, Latinos have seen faster acceptance into the political scene than Blacks have traditionally experienced, even though there is only one Latino Georgia Senator. As Bayor

(1996) points out, African Americans were not allowed access into Atlanta politics until the 1960s, taking hundreds of years to accomplish.

In addition to political representation, there needs to be more Latino-specific organizations. As mentioned earlier, the Hispanic Contractors Association of Georgia (HCAG) was formed to develop more concrete social ties to Atlanta's political and business communities and bring together the Latino construction business community. This organization has tied in not only Latino business owners, but also White-owned companies including Home Depot, and four of the major national home-building corporations. Despite the efforts of this organization, many of the Latino contractors I spoke with were still hesitant about its effectiveness because they either did not agree with the leadership, or that they did not view the organization as having any immediate benefits. However, organizations like the HCAG will be necessary to make any unified social changes that would allow entry into the White networks.

In stark contrast to Whites and Latinos, only three of the fourteen Black contractors that I interviewed were involved in organizations that worked to specifically assist African American business owners. In addition, none of the African American contractors discussed the need for continued political action on behalf of the Black community. While they already have a significant representation in Atlanta, the inequality between Whites and Blacks persist; therefore, more organizations and political representation should be pursued.

Beyond these self-help measures, there is need for more race-based regulations of the Atlanta construction industry, especially within the entire metropolitan area and not just within the city limits. First, as suggested in the comments of Blacks and Latinos that used the city's affirmative action program, there is little regulation of program contracts after the initial bid. More work should be done to ensure that White contractors follow through in using the minority

contractors they suggest, and not placing bids with nonexistent, "ghost" minority companies. Also, the program should regulate the percentage of payment and specific uses of minority contractors by majority corporations.

Second, equal employment opportunity laws need to be extended to smaller businesses, especially those who use strictly part-time labor. While the Equal Employment Opportunity Commission (EEOC) suggests that all businesses are subject to investigation of employment discrimination, these investigations tend to focus more on larger businesses. As suggested in my results, hiring discrimination is rampant in the construction industry, focusing on only hiring Latino laborers and subcontractors, regardless of their legal status, while many refused to hire Blacks.

While this research answers important questions about the racialization of the Atlanta construction industry, future research should examine four things. First, further research should continue to uncover the power social networks have in shaping American social structures to privilege Whites. Further research should examine how some Blacks and Latinos have been able to infiltrate these social networks, even though these networks seem racially closed-off. Second, research should continue to look at the integration of Latino populations in the South and how it has affected the traditional White/Black dichotomy of race relations. Third, more research on this integration, especially within the construction industry, should focus on the laborers and subcontractors' experiences. As implied in this research, Whites, Latinos and Blacks could face stiff competition for their jobs as laborers and subcontractors. As Waldinger and Lichter (2003) suggest, the most fierce competition and discrimination happen at the bottom of any labor hierarchy. Finally, while I attempted to include female contractors in this study, I was unable to find any to agree to speak with me. In the U.S., women as a minority are more likely to own

businesses than African Americans and Latinos (US Economic Census 2002d); however, in the Atlanta construction industry, they were the fourth largest group of contractors. I believe that their story may add a further dimension to explain the stratification of this industry that is already riddled with discrimination.

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**APPENDICES**

## APPENDIX A: INTERVIEW GUIDE

### Interview Guide

- **Demographic questions**

Name?

Company name?

Age?

How do you define yourself racially?

What is your average household income?

Where do you live?

If you are not from Atlanta/Georgia, where did you move from?

Married?

Have any children?

- **Tell me about how your company got started.**

*[Probe for]*

*-History of self-employment*

*Who or what introduced you to the business?*

*Family-owned?*

*Family encouraged?*

*How many generations have participated in this business?*

*If you were the first, how easy or difficult was it to get started?*

*-Have you always lived here in Atlanta/Georgia?*

*Did you move to Atlanta because of more business opportunities?*

*Did you have problems tying into the “right” people when you got into this business?*

*Was it tough being from a different area and not knowing the “right” people to start your business?*

*(Hispanic question) How do you think your experience with this business has been the same/different since many may perceive you as from another country?*

*-How long have you been in business?*

*-Types of projects or specialties?*

*Contract work for the state or development firms?*

*How many projects/jobs do you do in a month?*

*-Locations of jobs (i.e., certain towns, counties)*

*-When did you start realizing a profit?*

- **Tell me about your first big break into the business? You know, the project that got your business rolling.**

**What things fell into place for that project that helped to make it happen?**

*[Probe for]*

*-What opportunities or oppositions have you faced as a black/white/Latino general contractor?*

*-How competitive is the construction business?*

*Has been relatively easy getting into this industry?*

*What about your family, do they helped your business thrive? – How so? – Friends? – Outside business partners?*

*Anything ever held you back or been a hurdle for your business?*

*-How have your clients perceived you when they have meet you?*

*Do you think these clients do/don't work with you because of your race?*

- **Going back to our discussion about your business, do you have a crew or staff?**

*[Probe for]*

*-Number of employees*

*-Whether full-time/part-time/day-laborers*

*Why do you have some full-time/part-time/day-laborers? – What do they provide that other employees do not?*

*What is the most “profitable” type of employee for you?*

*-Different positions within company*

*Say I was just starting out with your company at the bottom position, what would I be making hour?*

*What if I started in some of the other positions you just mentioned?*

*Any benefits?*

*Promotions?*

*Are there chances for advancement for all your positions?*

*-I know that some contractors have told me that they lose employees all the time. Do you ever have a lot of turnover with your part-time or full-time employers?*

- **Since we are talking about your employees, what makes a good employee to you?**

*[Probe for]*

*-Skills, experience, education, and qualities or characteristics (i.e., efficient, honest, etc.)*

*-Why might you choose one employee over another?*

*-How does someone get a job with you, in other words, how do they find out about job openings?*

*Do you advertise your positions?*

*Networks?, Interviews?, word of mouth?*

*-Some entrepreneurs have suggested to me that they don't get “quality” employees because of who they are and that their business is not as prestigious as others. What do think about this?*

*-What does an employee get from getting a job with your company?*

*Do they have better, similar, or worse opportunities with your company or another company?*

- **Who generally applies for jobs within your business?**

*[Probe for]*

*-What would you say is the racial composition of most construction companies?*

*Why? – Some of my respondents have suggested that some groups work harder than others.*

*-What do you think separates a quality set of employees from a poor set?*

*-I've been interviewing entrepreneurs around the city for the last few years and they all more or less say they would rather hire Hispanics/Mexicans more most jobs. Why is that?  
-I have also found that most entrepreneurs suggest that other groups and individuals are better for higher positions, such as site managers, than Hispanics/Mexicans. What do you think?*

*-Across the nation, many employers have suggested and supported the idea that Hispanics are the best employees, why do they say that?*

*-Some employers say that they would rather hire any other job applicant than an African American, why do you think they feel that way about African American employees?*

*-If you had to pick one, who seems to be the best employees in the business? Why?*

- **Tell me how your business has given back to your community?**

*-Examples Magic Johnson's inter-city movie theaters or Bill Gates' education program for poor whites.*

*-What are some things you have done?*

*-Do you see your business as establishing anything for future generations, especially your family and kids?*

*-Is your business designed to help your employees? Will they get a piece of the pie?-  
Should they?*

- **Do you think that discrimination has affected your business in any way?**

*-In comparison, do you think your business has any disadvantages to other groups that are self-employed in this business?*

*-Advantages?*

*-As you know, the racial composition of Atlanta is changing due to more migration of foreign-born and people from other regions of the U.S. How has this affected your business?*

*-Is it positive or negative?*

- **What are your thoughts on competition in this business?**

*-Who represents most of your competition?*

*-What do you think of the number of Latinos in construction?*

*-Is Atlanta one of those places that provides equal opportunities to all groups?*

*-Some guys say that there are areas they have problem getting into, whether it is a particular part of the industry or a city or town around here. What do you think?*

*-What do you think about other racial and ethnic groups in this industry?*

*-How often do you see them?*

*-What do you think would help them be more successful or included?*

## APPENDIX B: CONSENT FORM

### Atlanta Entrepreneurs GSU Sociology Department Consent Form

You are invited to participate as a subject in a research study concerning the success of your company in the Atlanta construction industry. The purpose of this study is to find out the related techniques used to gain success (i.e., attitudes associated with running a business, the effect of current events on your business, etc.) and to discuss your hiring practices. There will also be discussions about your take on race and ethnic relations in Atlanta and how this has affected your business. If you agree to participate, you will participate in a non-directive interview that will last about an hour and a half, or longer, if you so desire. Unlike a directive interview or standard survey where there is a set number of questions that must be asked, a non-directive interview only consists of a few questions that are prescribed beforehand. However, most of the questions flow from the direction that the conversation takes (e.g., "Can you say more about that" or "What makes you feel that way about [this or that situation]?").

There are no reasonably foreseeable physical discomforts or risks associated with your participation in this study, though answering questions about sensitive topics, such as issues of racial discrimination, which might make you feel a little uncomfortable. Still, you should understand that the direction of the conversation is, to some degree, in your hands.

Participating in this project is not likely to directly benefit you, but the knowledge that the researcher gains about you and your business practices will be used in the researcher's dissertation and subsequent publications of any and all findings gathered from the interview.

The interview will be audiotaped and listened to later by the interviewer. The tape is confidential and will not be shared with anyone else. Once the research study is over, the tape will be stored in an appropriate place to disallow discovery.

You will not be identified personally. Your name as well as your company's name will not be mentioned in any write-ups about this study. I will use a pseudonym for your name and your company's name (for example: Bill would become "Glenn"). I will also not provide any information within my write-ups that would identify you or your company specifically.

Participation in this study is voluntary. You have the right to refuse to be in this study. If you decide to be in the study and change your mind, you have the right to drop out at any time. You may skip questions or discontinue participation at any time. However, any information already used to the point when you withdraw consent will not be removed. Whatever you decide, you will not lose any benefits to which you are otherwise entitled.

You can find out more about this project by contacting the researcher, graduate student Cameron Lippard, or his advisor, Dr. Charles Gallagher of the Sociology Department at Georgia State University (phone: 404-651-2285). The GSU Research Office (404-651-4350) can give you general information about the rights of human subjects in research.

I will provide you a copy of this consent form for you to keep. If you wish to participate in this study and understand the above statements, please sign below.

\_\_\_\_\_  
Subject's Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Principal Investigator

\_\_\_\_\_  
Date