

The Diversity Dynamic: Revisiting the “Faces of Inequality” in the States:

Continuity and Change in the Effects of Racial Diversity on Minority Income and Homeownership Rates and Ratios

Robert R. Preuhs¹

Associate Professor
Department of Political Science
Metropolitan State University of Denver
Campus Box 43, PO Box 173362
Denver, CO 80217-3362
Phone: 303-615-2031
Email: rpreuhs@msudenver.edu

Rodney E. Hero

Raul Yzaguirre Chair and Professor
School of Politics and Global Studies (SPGS)
Arizona State University
Coor Hall 6754 P.O Box 873901
975 S. Myrtle Ave.
Tempe, AZ 85287-3902
Office phone: 480-965-3034
Email: rhero@asu.edu

¹ Robert R. Preuhs will serve as the contact author for this paper.

Academics, politicians and the informed public share a general, and often detailed, understanding of how the demographic context in the U.S. has shifted and the future trajectory of our population's characteristics. Yet the numbers are remarkable and worth noting yet once again. Over the last forty-plus years, the United States has transformed from a nation with just over 203 million residents to over 325 million, about a 60% increase in total population. Accompanying this growth, vast differences in the racial and ethnic composition emerged. In 1970, 83.5% of the population were non-Hispanic Whites. Forty-six years later, that number dropped to 61.3%. Blacks accounted for 11.1% of the population in 1970 with relative population increasing modestly to 13.3% in 2016. The largest contributors to overall growth during these decades have been Latinos (Hispanics), accounting for just over 40 million of the roughly 120 million increase in population. Latinos now represent just under 18% of the population (in 2016), and significantly more than the 4.4% of the population in 1970. Asians also contributed to this growth, and while still rather small in numbers, increased in population share from 0.8% in 1970 to 5.7% in 2016. According to projections, white non-Hispanics will no longer be a majority by 2050. In short, the nation is larger and remarkably more diverse than it was about a half of a typical lifespan ago, and will continue on a path of transformation for years to come.

While the national context holds importance for a wide array of political and policy concerns, the national figures mask a tremendous amount of variation in the racial and ethnic dynamics occurring in the states. This variation means that while all Americans reside within a diversifying nation, the experiences of the residents within fifty semi-sovereign states, and the politics and policies affected by the racial/ethnic context, vary as well. In other words, political, economic and social life, and policies affecting each aspect, differ between Michigan and

Mississippi, California and Texas, Florida and Massachusetts, and so on. The point is simple. If the racial/ethnic context affects politics and policy, and those contexts vary across the states, then politics and policy vary across the states in a systematic fashion. This general argument, and one we endorse, is important since it suggests a cycle where demographics lead to policy decisions which in turn disproportionately affect minority groups' experience within the overall political system.

Twenty years ago, Hero (1998) advanced the argument that political consequences emerge from the racial/ethnic context in the states in the award-winning book, *Faces of Inequality*. Three major insights emerged. First, the racial diversity of a state (not simply the relative size of one minority group) was correlated with substantive political and policy outputs and outcomes. Understanding state politics meant recognizing the impact of diversity. Second, diversity's impact was broad and often outperformed other factors in explanatory models. From school performance to incarceration, to public opinion and political culture, and a variety of other measures, racial diversity's effects held after accounting for general political explanations such as public opinion and political culture. Finally, and perhaps the most prominent advancement to the literature, two "faces of inequality" were discovered, with higher racial diversity associated with lower overall measures of well-being (or minority interests) as one "face" which had been previously documented (Blalock 1967; Key 1949; Myrdal 1944). The second "face," the relative well-being of minorities to whites, displayed an opposite relationship, with more cross-group equity associated with more diverse states. Combined, the insights from *Faces of Inequality* (Hero 1998) suggest that Americans' lives are affected by the growing racial and ethnic diversification across the country, but that the impact is not universal, with more

diversity constraining potential improvements in overall outcomes, particularly for minorities, but also leveling playing fields in a wide array of indicators.

In this study, which is part of a larger project that revisits the breadth of issues explored in *Faces of Inequality*, we report on results of an initial extension of Hero’s (1998) findings to a broader indicator of well-being—income and homeownership rates. Moreover, we move the empirical timeframe up almost 30 years, evaluating data from 2009 and 2016, to test if the basic relationships still hold in a period where racial and ethnic contexts have extensively shifted to greater diversity across most, but not all, states. And finally, we begin to explore what diversification means for major racial/ethnic groups from a national perspective, including non-Latino Whites, by recognizing the variation across state-level experiences imposes different outcomes for different proportions of each group given the geographic variation in residential patterns.

Our major finding is to confirm that the racial context still matters, and extends to measures of income and homeownership. However, the nature of the relationships does not comport directly with Hero’s findings. Instead, curvilinear relationships are most pronounced, with income levels following a U-shaped curve for both income and minority-white income ratios. Homeownership tends to follow an inverted-U shape, for both levels and ratios, but only for Blacks. Changes in homeownership rates correlated with racial diversity in a U-Shaped pattern. Moreover, indicators of economic well-being for White non-Latinos are rarely affected by the racial context, and thus suggests experiences distinct from people of color.

In what follows, we first present the rationale for a new look at Hero’s (1998) findings. The study then presents the empirical analysis of racial diversity’s association with income and homeownership rates, ratios and first difference models for Blacks, Latinos and non-Hispanic

Whites. We then present estimates, based on the previous analysis, of how each group's population at the national level experiences differential patterns of racial diversity and the implications of such differences in a dynamic demographic context. We conclude with a brief discussion of the larger project.

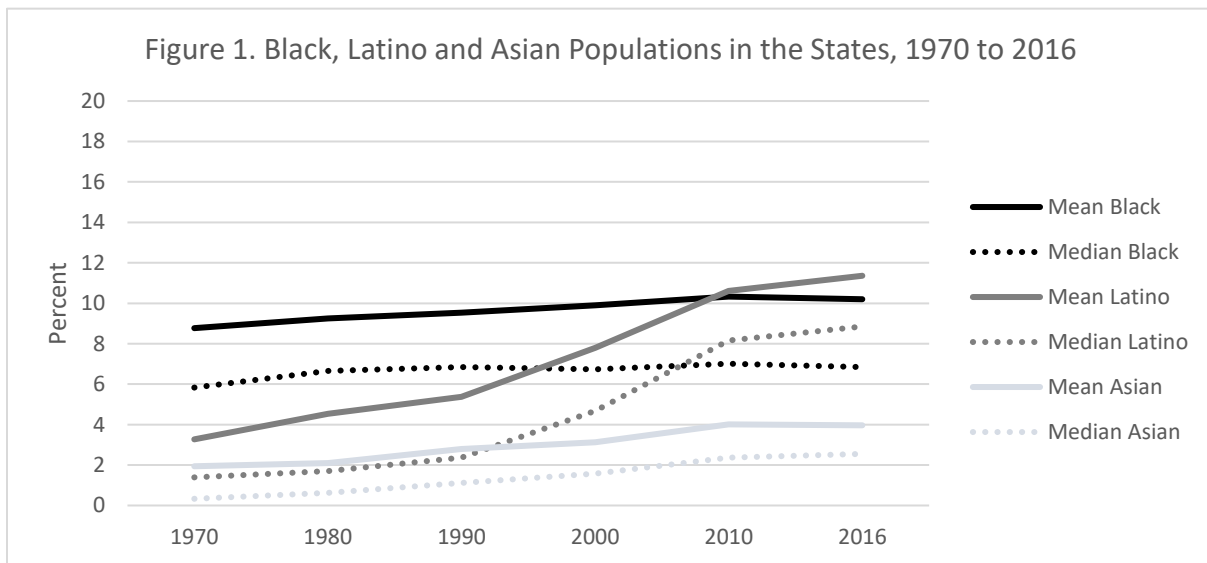
The Rationale for Renewed Reflection

A number of reasons undergird our desire to revisit the theory and hypotheses related by the Faces of Inequality argument. The study has become a major foundation and oft-cited basis for a variety of investigations of the effect of the racial/ethnic context on politics and policy in the American States. Averaging 22 Google Scholar citations a year since its publication twenty years ago, the study has become intertwined with the literatures on state politics and racial/ethnic politics.

Its prominence, however, is also coupled with several aspects that seemingly require renewed attention. Less critiques than recognitions of a changing racial and ethnic context and a need for a broader investigation of both outcomes and groups included in the analysis, the following provide additional justification for renewed reflection of the work. First, most of the indicators of outcomes of policy (incarceration rates and ratios, for instance), while labeled "minority" in the original work, exclusively measure the levels and ratios of African Americans and outcomes relative to Whites. Models applied to at least Latinos, given the share of Latinos in the country's population, seem necessary to more fully understand the implications for diversification across the states. Second, the original analyses generally overlook the impact of diversity on White residents and associated outcomes. This omission was warranted, but also limited the analysis in terms of the sources of variation in the ratios between minority (Black) groups and Whites (one or both of which may be affecting ratios). Third, while the political and

policy indicators are likely the most proximate to the influence of state political processes, some broader measures of well-being, such as income and homeownership, were not investigated. And finally, and perhaps most important, the data reported in *Faces of Inequality* were observed, at the latest, in the 1990 Census. Given the substantial degree of change in the demographic composition of the nation in what has been almost three decades, testing the propositions in different contexts allows for replication in a meaningfully different timeframe. In sum, numerous substantive reasons spur the present endeavor.

While the analysis that follows addresses the inclusion of Latinos, and an effort to examine the effects of racial context on Black, Latino and White’s economic well-being, perhaps the most compelling reason to revisit the propositions in *Faces of Inequality* are the demographic transformations across the states that may best be described as a continuing diversity dynamic.



Summarizing the dynamics of the states’ racial and ethnic composition may be useful at this point as a more succinct and accessible way to understand the dramatic changes. In other words, what does the typical state look like in terms of the racial/ethnic composition and how it

has that changed over time. Figure 1 addresses this question by presenting the mean and median of the fifty state observations for the percentage of Black, Latino and Asian populations from 1970 to 2016. The mean is a simple, straightforward measure but is of limited utility when the distribution is skewed (as is the case for the states, with a few states' having very large minority group populations). The median's measure of the 50th percentile of states for each population (or where 25 states fall below and 25 states fall above) underscores the breadth of change across the states. One can also compare the median to the mean. When the latter is higher than the former, it implies that there are relatively few states with high concentrations of the minority group.

Overall, as Figure 1 demonstrates, the typical state in 2016 is far from the typical state forty years prior. The median state's Asian population was 0.33% in 1970 and 2.55% in 2016. The median state's Black population rose from 5.83% to 6.85%, not dramatic, but important nonetheless, as it indicates a dispersion of Black populations to states outside of the traditional concentration in Southern states. Latino populations, as implied in the above discussion, rose and dispersed dramatically. In 1970, a Latino population of above 3.26% qualified a state to be in the top half of the fifty states. By 2016, a state would have to have a Latino population of at least 8.85% of its total population to do so. While the means are sensitive to a few outliers, the general trend is similar to the trend in medians—an increasing state mean minority populations across all decades. Each decade exhibited a mean above the median, indicating a few states with relatively high group populations, but the ratio of means to medians has diminished over time and thus states' Latino populations are more normally distributed. In sum, typical states now have a much larger Latino and Asian population than decades ago, and modestly higher Black populations, while fewer states have disproportionately high concentrations of each group

(although the more technical skewness statistic remains positive for each group and across all decades).

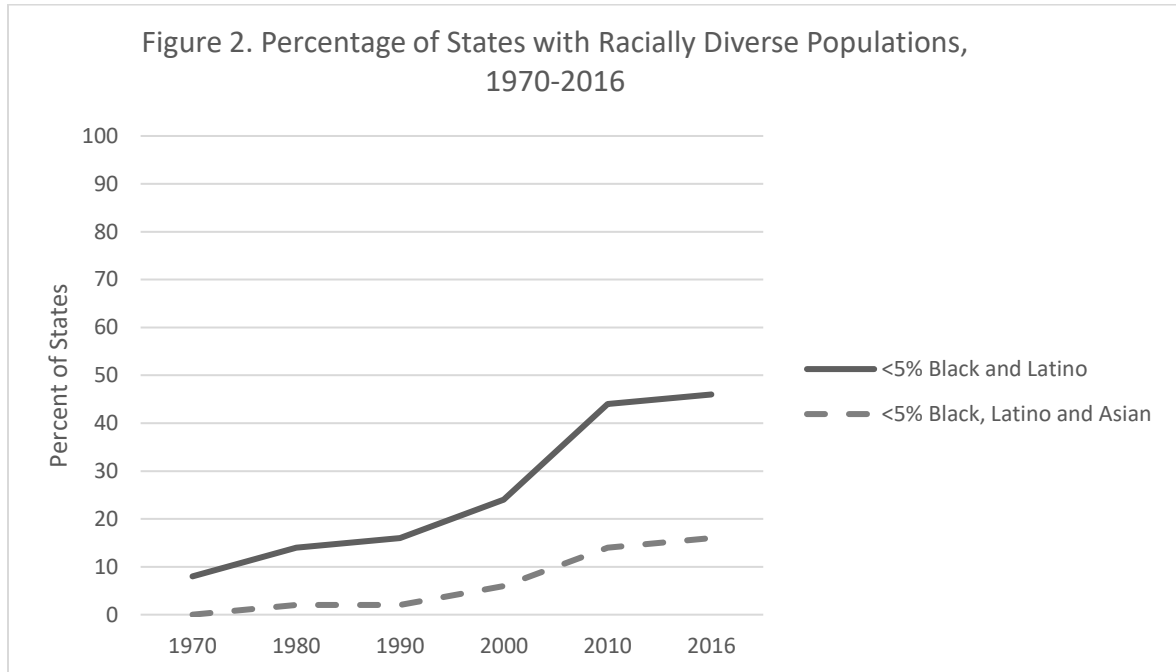


Figure 2 highlights the diversity dynamic as it shifted over the last forty-plus years from one of primarily bifurcated (Black-White or Latino-White) contexts to a relatively more heterogeneous or multiracial context in more and more states. The most striking shift over the forty years is found in Black and Latino populations, as each are expanding from traditional population centers and are less concentrated in specific regions. The 1970 to 2016 period witnessed an increase from just four states with at least 5% Black and Latino populations each, to twenty-three states, with a ten-state increase from 2000 to 2010 alone. If we use an alternative measure requiring even more diversity, where states' populations are at least 10% for each group, the number grows from one state in 1970 to five in 2016. The states, while still largely bifurcated, are much less so now with many more acting within a heterogeneous context. Adding a 5% threshold for Asian as well as Latino and Black populations reduced the number of states tremendously, but further underscores the diversification of the states. In 1970, no states

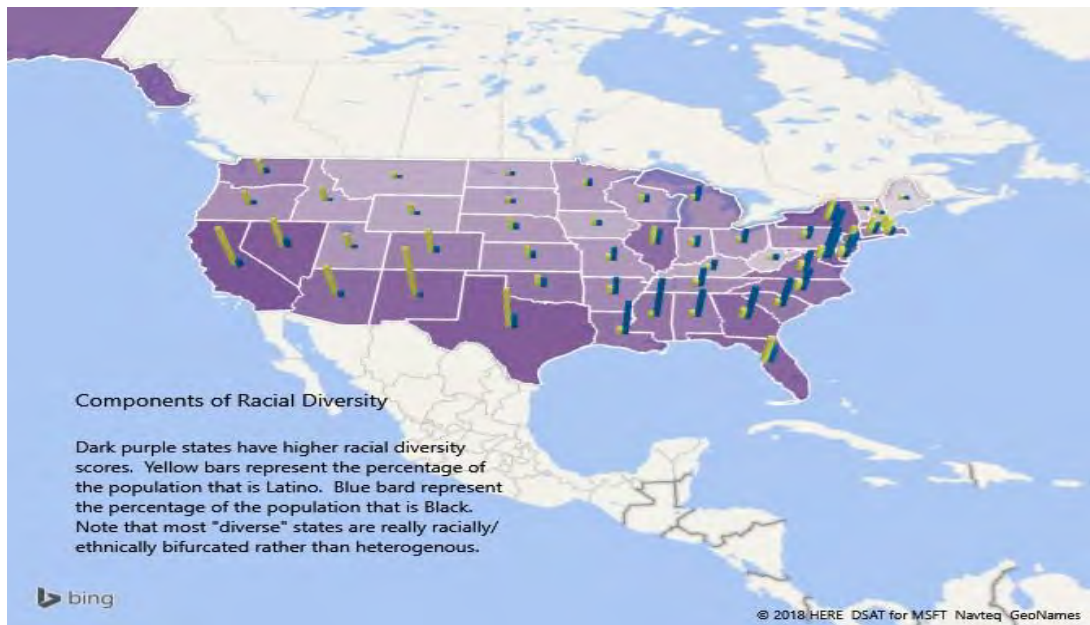
had 5% of all three groups, and only one state met the criteria in 1980 and 1990, with the number increasing to three in 2000. However, by 2016, eight states met this more expansive multiracial criteria.

Related to the expansion of a racially diverse context, understanding that even in 2016, most diverse states remain somewhat "bifurcated" in that the level of diversity tends to be driven by one major minority group (relative to Whites) rather than exhibiting equally large populations of multiple minority groups that are more proportionate to White populations. Hero (1998) utilized a modified Herfindahl Index to measure minority diversity (what we term racial diversity below). We utilize the same metric which is the sum of the squares of proportions of each racial group (White Non-Latino, Black, Latino, Asian, Hawaiian and Pacific Islander, and American Indian) subtracted from 1. This provides a 0 to 1 range for Racial Diversity, with higher values indicated more diverse populations. This measure is utilized throughout the following analysis.

Figure 3 presents a heat map of the states' racial diversity, along with vertical bars in each state representing the percentage of the state's population that is either Black (blue bars) or Latino (yellow bars). Note that the pattern of diversity continues to reflect a fairly bifurcated context in many of the states considered most diverse, even as fewer and fewer are as bifurcated as they were 40 years ago. The current nature of bifurcation changes across geographic regions, with Black-White bifurcation maintaining itself in much of the South and Latino-White bifurcation in the West and Southwest. Only a few states maintain fairly similar Latino and Black population. This bifurcated state of the states may provide fodder for future analyses of the underlying causes of the effects of racial diversity on minority well-being. But for now, we are mostly concern with the broader measure's impact, and full details of the Racial Diversity

Measure for each State, including Hero's (1998) original measure and updated measures for 2009 and 2016 are included in Table A1 in the Appendix.

Figure 3. Racial Diversity in the States



All of the measures of diversity and the population data presented above point in a singular direction. The racial/ethnic context in the states evolved over the last forty years to a much more diverse context and one that is experienced in a larger proportion of states. The diversity dynamic, in and of itself, merits scholarly and popular attention (as it has in many ways, [cf. Frey 2015]). But as a central focus, or key explanation, for the dynamics of state policy and politics, the changing contexts within and across the states calls for revisiting our understanding of the role of the racial/ethnic context on state policy and politics. Hero's (1998) insights were gleaned from 1990 data, a time marking the very beginning of the accelerating diversity and when Black-White or Latino-White relations reasonably dominated the focus of racial and ethnic politics in the states. Now, many, even if not most states, present minimally

multiracial contexts from which we can evaluate the effects of this new dynamic, and test for continuities with prior research.

Theoretical Expectations

Hero's (1998) major thesis was that the racial context mattered to public policy outputs and outcomes, and that is the overarching argument we address in this study. Subsequent research over the last several decades has included the basic measures of racial diversity, whether with explicit modified Herfindahl Indices (cf. Hawes 2017; Hawes and Rocha 2011, Hero 2003; Hero 2007; Matsubayashi and Rocha 2012), or with what is now the common addition of simple measures of proportions or percentages of Black, Latino or Asian populations within a state. Recognizing this general effect, the potential for changing dynamics over since the 1990 data utilized, and an initially agnostic position on how diversity affects state outcomes, our first hypothesis (H1) is simply the expectation that minority outcomes and minority to white ratios on those outcomes, will vary by the state's level of racial diversity.

Hero's thesis, however, predicts two distinct directions for the relationships between overall or aggregate outcomes and minority outcomes relative to whites (specifically ratios between minority group outcomes and white outcomes). The theory suggests outcomes that are generally accepted to be "better" (ie. more income or homeownership in our study) are associated with less racial diversity. This is perhaps the most established element of the thesis, and documented primarily by the Southern states' tendency to higher poverty, incarceration, and drop-out rates coupled with lower income levels, graduation and political participation rates relative to, say, midwestern states, for not only minorities but also the broader population. Thus, our second hypothesis (H2) is that states with more diversity will have lower (worse) minority outcomes than states with less racial diversity.

The second “face of inequality” is found in the impact of racial diversity on the relative measure of minority outcomes to non-minority outcomes. Hero (1998) showed that racial diversity was not only related to traditional measures of outcomes as above, but linked to relative equity across groups as well. However, an important insight was that unlike its relationship with general levels of policy outcomes, racial diversity was positively associated with “better” minority outcomes relative to Whites. In other words, while racially diverse states tended to be worse off in many overall respects, minorities experienced a greater degree of equity in diverse states. The process for such a reversal is reflected in state politics that may undermine better outcomes overall (driven in part by worse minority outcomes) in racially diverse states, but large enough minority populations to induce some degree of equity as political pressure is exerted in a group conflict paradigm. The result is our third major hypothesis, H3, which anticipates that racially diverse states will have higher (better) minority to white ratios than less racially diverse states.

Analysis

To test the three hypotheses presented above, the analysis focuses on the relationships between racial diversity (as measured by the modified Herfindahl Index presented above with values presented in Appendix Table A1) and two measures of economic well-being—median household income and homeownership rates. The economic well-being measures serve as the dependent variables in a variety of specifications that examine the correlation between racial diversity and economic well-being in 2009 and 2016, as well as first differences over this time-period. The timeframe is necessarily limited for two reasons. First, the period can evaluate the relationships at both the front- and back-end of the Great Recession. Second, Census Bureau data changed their question wording since the 1990 data used by Hero (1998), and newer

American Community Survey (ACS) data on these economic variables and racial/ethnic group background are thus not clearly compatible with the earlier data.

With economic well-being variables and their respective first differences as dependent variables, and racial diversity and first differences as key independent variables, we first model the dependent variables as solely a function of racial diversity and subsequently as a function of a model with a battery of state-level control variables. The controls include the following: Median age; Education measured as the percentage of the state's adult population with a college degree; Foreign-Born is the percentage of the state that is foreign-born; the Unemployment rate; the Median Home Price in the state; Conservatism is measured as the mean of the upper and lower legislative chamber's mean ideology using the Shor and McCarty (2015) legislative ideology dataset; Population density is measured as people per square mile; and overall Population. In addition, we include the median White income in the minority income models, and the median income (or ratio) for each respective group for models of respective group's homeownership rates (or ratios). Differenced models simply replace the major levels with first differences between 2009 and 2016 for each variable.

For each key indicator of economic well-being, we conducted the analyses for Black, Latino, and White populations. Other groups populations outside of a few states remain too small to maintain confidence in our estimates. With two indicators of well-being for Latinos, Blacks, and Whites, as well as ratios to Whites for Blacks and Latinos, over two time periods and difference models, we estimated a total of thirty final models. For each of these models, the functional form of the relationship between the economic well-being indicator and racial-diversity (if one was detected using the usual $p < .05$ level of significance in a two-tailed test), which could be positive, negative or curvilinear, was determined by first testing for linear and

then curvilinear forms in the OLS models with and without controls. Those functional forms were then utilized as the basis for our interpretations. A summary of the final results is presented in Table 1. Full results are presented in the Appendix.

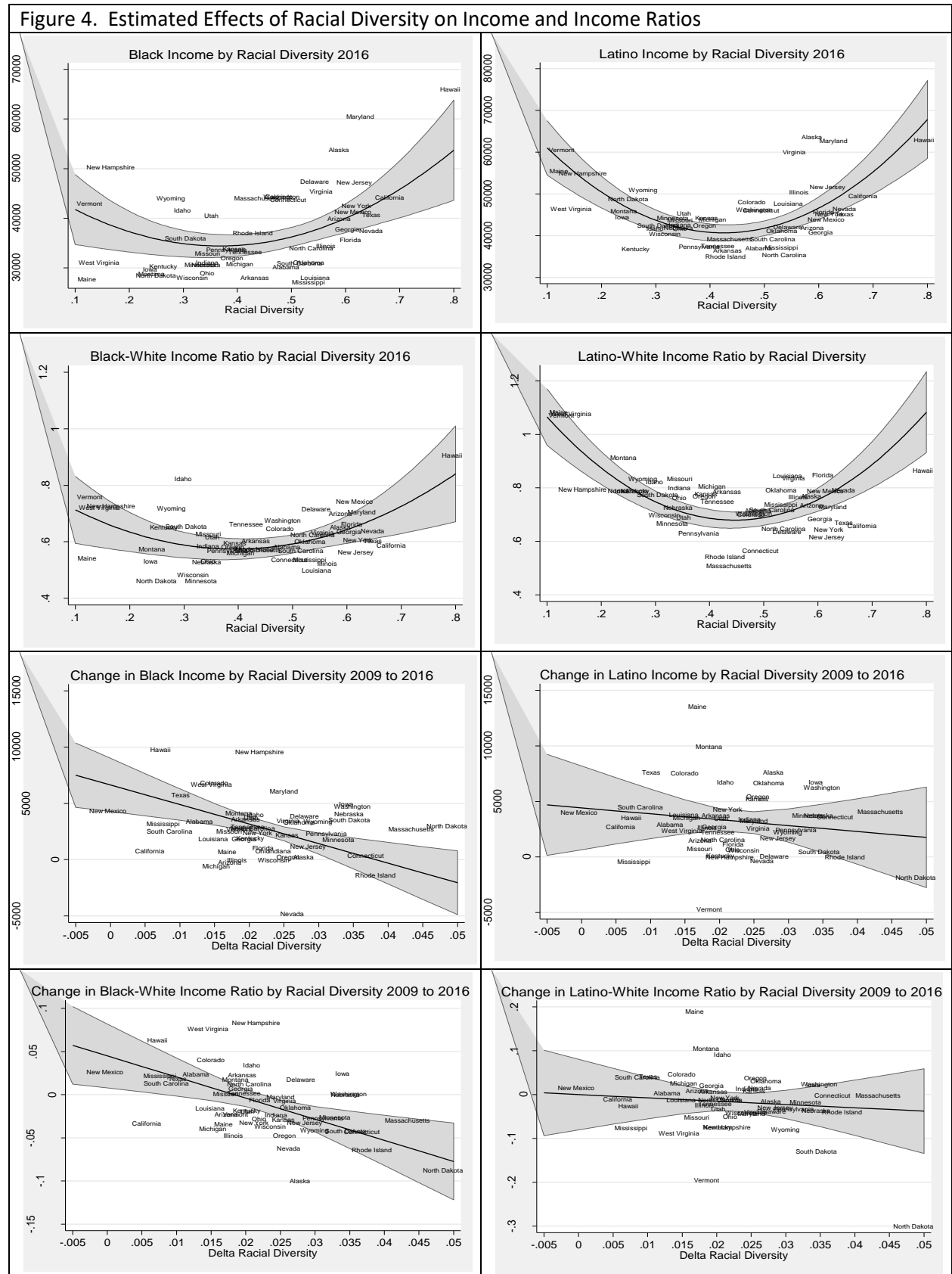
Table 1. Summary of Income and Homeownership Relationships with Racial Context, By Racial Group.					
Dependent Variable	Black	Latino	White	Differing Effects btw Black and White	Differing Effects btw Latino and White
Income 2016	U-Shaped	U-Shaped	n/s	Yes	Yes
Income 2009	U-Shaped	U-Shaped	Positive (p<.051)	Yes	Yes
Δ Income	Negative	n/s	n/s	Yes	No
Income Ratio 2016	U-Shaped	U-Shaped			
Income Ratio 2009	U-Shaped	U-Shaped			
Δ Income Ratio	Negative	n/s			
Homeownership 2016	Inverted-U	n/s	n/s	Yes	No
Homeownership 2009	Inverted-U	n/s	n/s	Yes	No
Δ Homeownership	U-Shaped	U-Shaped	Negative	Yes	Yes
Homeownership Ratio 2016	Inverted-U	n/s			
Homeownership Ratio 2009	Inverted-U	n/s			
Δ Homeownership Ratio	U-Shaped	U-Shaped			

Overall, the evidence suggests that the racial context is correlated with the economic well-being indicators for each group, but to varying degrees and often different functional forms. However, the functional forms rarely matched previous research, suggesting a potential change

in nature of the effect of racial diversity on minority well-being. Moreover, the relationship between racial context and the economic well-being of Whites was less clear. Nevertheless, the bulk of the results support the first hypothesis—racial diversity in the states is associated with the economic well-being of Black and Latino residents.

The most consistent results emerged from the relationships between income indicators and racial diversity. Figure 4 presents the estimated effects and 95% confidence intervals for the 2016 and first difference models plotted along with the actual values for each state across the observed range of racial diversity. For both Black and Latino income and their ratios, respective to White median income, a clear U-Shaped curve emerges over the levels of racial diversity. Both Blacks and Latinos tend to have higher median incomes and income ratios relative to Whites at both the low and high levels of diversity. These findings differ from the expectations of H2 and H3, which predict differential relationships across levels and ratios. However, the relationships for these cross-sectional models are fairly strong, with adjusted R^2 's for models of just the racial diversity indicators ranging from .22 in the Black-White Income Ratio to .50 for the Latino-White Income ratio models in 2016 (and larger, of course, for full models).

The first difference models reveal less consistent results across Black and Latino income and income ratio models (Figure 4). The only significant effects of changing racial diversity on changing income levels are found for African Americans. Changes in both levels of income and the Black-White income ratio are negatively associated with increases in racial diversity. For Latinos, neither indicator was significantly associated with changing levels of racial diversity, although both had a slight negative slope in the OLS estimates.

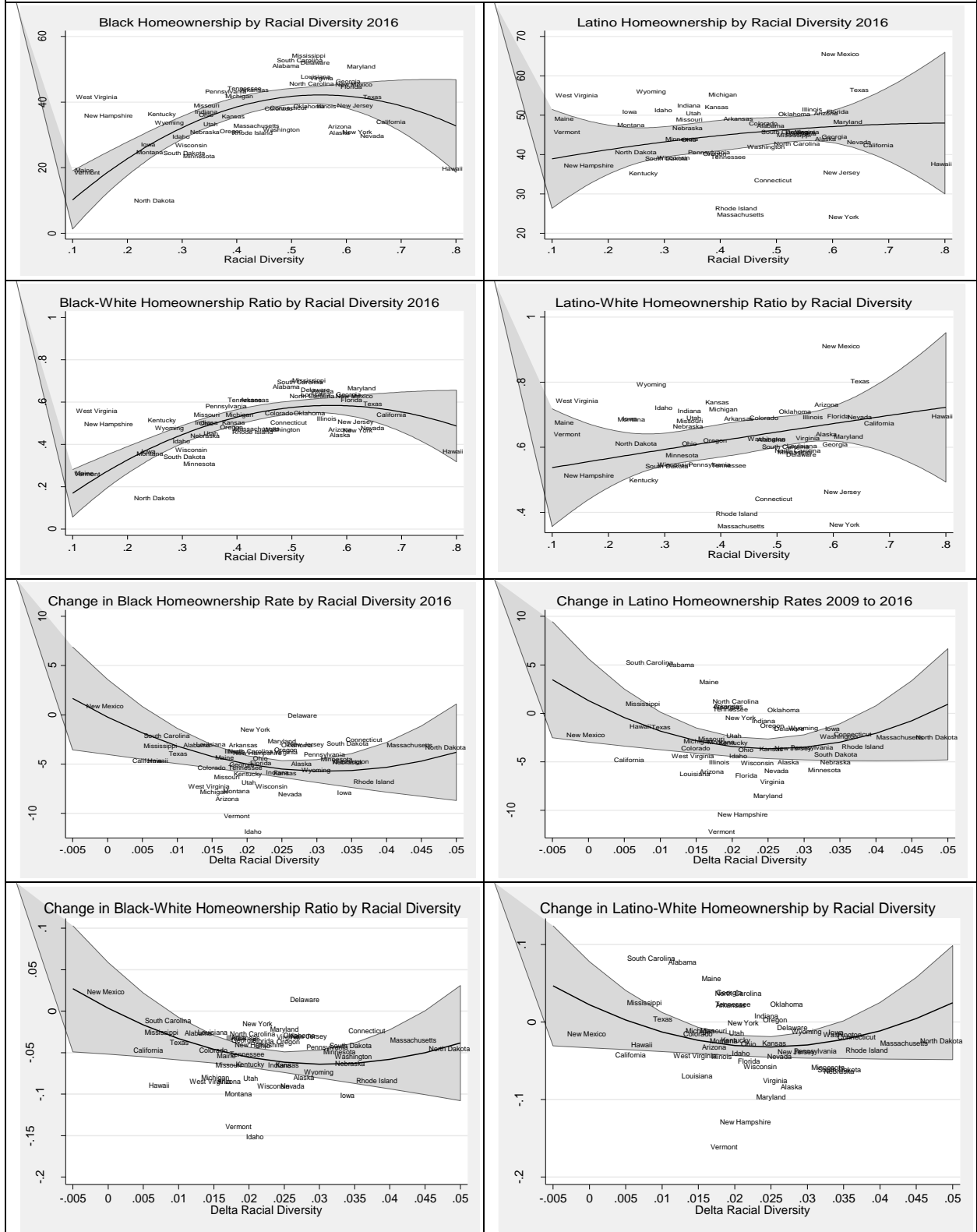


While not presented in Figure 4, but noted in Table 1, the analyses found no relationships between income and racial diversity for Whites. The only relationship approaching the standard for statistical significance was a modest positive relationship between White median income and racial diversity in 2009. Thus, we see clear differences in the effect of racial diversity across groups in terms of income, one reason that we may have seen variation between levels and ratios. It is also important to note that the null results for Whites helps trace the variation in income ratios across levels of racial diversity to minority groups’ income rather than White income.

Table 1 also presents summaries of the result for the homeownership measures, while Figure 5 depicts the estimated effects, confidence intervals and observed values for homeownership rates for Blacks and Latinos. Here, the data reveal a rather different pattern than emerged from the income data. For Blacks, an Inverted-U relationship was observed for Black homeownership rates and ratios, with homeownership increasing and then dropping off slightly as racial diversity increases. For Latinos, while there was a slight positive relationship between Latino homeownership levels or ratios, neither approached standard levels of statistical significance.

Figure 5 also presents the first difference models’ estimated effects, and here, the relationships between homeownership rates or ratios and racial diversity are the same across both Black and Latino households—a U-shaped relationship with diminishing changes in rates and ratios as racial diversity increases, with slight positive increases at higher ends of the racial diversity indicator. For Whites, increasing diversity was associated with reductions in homeownership rates between 2009 and 2016.

Figure 5. Estimated Effects of Racial Diversity on Homeownership and Homeownership Ratios



It is also important to note that the direct effect of racial diversity on minority income levels (and ratios) indirectly affects homeownership rates (and ratios). Reported in the full models included in the Appendix, income levels and ratios for both Blacks and Latinos tended to be positively correlated with homeownership indicators. The relationships were particularly robust across years and specifications (ratios and differences) for Latinos. Thus, while racial diversity did not directly affect Latino homeownership rates and ratios (although first difference models did display a U-Shaped relationship), racial diversity maintained a role, albeit indirectly.

Overall, the analyses reveal a rather complex set of relationships between racial diversity and our set of indicators of economic well-being. Not only is there variation in the relationship across indicators of levels and models of change, but also across racial and ethnic groups. In an attempt to summarize these findings, several points can be made. First, the racial diversity of a state continues to be related to group outcomes and our analysis extends this conclusion to measures of economic well-being. Second, African Americans are the most consistent group for which racial diversity has such an effect. Third, for all possible comparisons, Whites were affected in a different manner than Blacks, and in meaningful ways distinct from Latinos as well. Finally, we found little support for the differential predictions for levels and ratios derived from the original *Faces of Inequality* analysis. Instead, our findings are dominated by curvilinear relationships, with a few notable negative effects found in changes in Income and Income ratios for Blacks and for changes in homeownership for Whites.

What might explain these deviations from the *Faces of Inequality* argument? Our indicators of economic well-being are a bit removed from the more policy-specific indicators utilized by Hero (1998). It may be that economic well-being simply does not follow the same underlying mechanism as, say, incarceration rates and ratios. However, given that clear

relationships exists for both Latinos, and particularly Blacks, it seems that state racial diversity continues to affect the well-being of minority groups even with these broad measures. Another possible explanation is that the shift in levels of racial diversity has allowed for the detection of effects at the upper end of racial diversity measures. That is, the effects of racial diversity are static, but the states simply did not have adequate levels of racial diversity for the higher-end effects to materialize. But this explanation is unsatisfactory as both levels and ratios tended to exhibit similar functional forms for income (but not homeownership). Moreover, the first difference models tended to produce similar effects (when significant) for both levels and ratios. We are thus still left with a finding that differs from our expectations, at least in terms of the functional forms of the relationships.

Different Groups, Different Experiences

While Hero's (1998) work highlighted the ubiquitous nature of the effects of racial diversity on outcomes for minorities (almost exclusively in terms of African Americans), and something we find here as well, an important insight from this present study is the diverging effects of racial diversity across groups. While our state-level indicators of economic well-being were always related to racial diversity of Blacks, Latinos' experiences were more inelastic, while Whites' economic well-being generally does not shift across levels of racial diversity, with the exception of changes in homeownership rates.

These findings suggest that as the diversity dynamic plays out over time, and the above results resemble future relationships, the economic well-being of each group will differ. In terms of income, Blacks and Latinos will may see improvements as states pass the rough value of .4 in diversity as indicated in Figure 4, in terms that are both absolute and relative to Whites. But if the dynamics reflect the first difference findings, then we may see worse outcomes for Blacks

and static outcomes for Latinos and Whites across the range of racial diversity. Homeownership results suggest that until states reach about a .6 in racial diversity, the inflection point from Figure 5, Blacks should experience increased homeownership rates and ratios relative to Whites. Latinos and Whites should not be affected. However, changes are greatest for states with small and large changes in racial diversity, while states with middling changes are correlated with reductions in homeownership rates and ratios for both Latinos and Blacks.

The effect of the diversity dynamic also plays out disproportionately across the national populations of each group. As Hero (1998) noted in his conclusion, the relative size of each group within states produces little insight into the effected populations from a national perspective. We thus now change the focus to present the proportions of each group's national population that experience various levels of racial diversity.

To do so, we categorized states in 2016 into low, medium and high diversity states, reflecting the bottom 25% (racial diversity of less than .3312), the middle 50% (racial diversity of at least .3312 but less than .563), and the top 25% of states (racial diversity above .563). Within the U.S. population that is White non-Latino, 12.4% live in low racial diversity states, 48.7% reside in medium diversity states, and 39.6% reside in high diversity states. Among Latinos in the United States, 2.5% reside in low diversity states, 18.7% reside in medium diversity states, and a large majority of 76.5% reside in high diversity states. For Blacks, 2.9% reside in low diversity states, 42.2% reside in medium diversity states, and another 46.3% reside in high diversity states (numbers may not add to 100% due to estimates utilized in the calculation based on the inclusion of D.C. and Puerto Rico, rounding and multi-racial categories).

While the pattern is in part explained by the generally small state populations of low diversity states (ie. Iowa, Idaho, and Maine are included), and the presence of multiple

racial/ethnic groups, it is still important to note that majorities of Latinos and pluralities of Blacks live in high diversity states. A majority of Whites, on the other hand, reside in medium or low diversity states. What this means for group's economic well-being is not entirely clear. On one hand, if the relationship between levels or ratios of income continue, then African Americans may see gains in these two facets as their states become more diverse or they (potentially) move to more diverse states. Latinos, on the other hand, may not witness much movement in terms of gains for the overall population since most currently reside in high diversity states. Whites should see little difference as their states diversify. On the other hand, if migration leads to more diversity, the process itself may benefit Blacks and some Latinos as they affect diversity levels by their migration decisions. However, changing levels and ratios of diversity do not seem beneficial to changing economic well-being measures, as they remained static or diminished in states with the greatest increases in diversity from 2009 to 2016.

For homeownership, rising levels of diversity will again most affect African Americans as states move from medium to high diversity categories. But the effect is less clear for Latinos, who once again tend to reside in already high diversity states. The only result that suggests a negative consequence for Whites is the negative relationship between change in diversity and homeownership.

Since future movements in diversity and economic well-being emerge from many moving parts, it is important to emphasize that the discussion above includes a great deal of caveats. What is clear, however, is that the experience of residing in a diverse state is much more common for Latinos than other groups in the nation. Whites, on the other hand, tend to live in less diverse states relative to both Blacks and Latinos. As states racially diversify, it is likely Whites who will experience the greatest change in terms of their populations' overall

experience with the diversity dynamic. Given few observable effects on the economic well-being of this group at the state level, the implication is that while shrinking in relative population, Whites may not experience any meaningful economic changes while the bulk of Latinos and Blacks in the nation may benefit, particularly in states moving from medium to high diversity levels.

Conclusion

Revisiting the role that racial diversity plays in the economic outcomes for racial and ethnic groups formed the basis for the study. Expanding upon the work of Hero (1998) by evaluating the correlation between racial diversity and various indicators of economic well-being for Blacks, Latinos and Whites, we demonstrated that while racial diversity seems to manifest in a different functional form than found by Hero (1998), it remains a consistent correlate of economic well-being for Blacks in particular, and in a variety of ways for Latinos as well. Moreover, the associations between racial diversity and economic well-being of Blacks and Latinos often differs from the generally null relationships for Whites. In short, racial diversity seems to matter, and in systematic ways that diverge across racial/ethnic groups.

The variety of functional forms estimated between racial diversity and indicators of economic well-being are somewhat surprising. U-Shaped curves dominated the relationships between income or income ratios and diversity for both Blacks and Latinos. Change in Black income, however, was negatively related to change in diversity. Change in diversity did not affect Latinos. Inverted U-Shaped curves were present for Black homeownership rates and ratios, but not for Latinos or Whites. U-Shaped curves were discovered across changes in homeownership rates and ratios for both Blacks and Latinos. Whites experienced a reduction in

homeownership rates as racial diversity increased within a state. In all, the findings are complex and provide ample fruit for further investigation.

The diverging effects could reasonably be assigned to a variety of causes. For one, with observations 20 years removed from the original study, the relationships may simply have evolved. This could be a systemic change in racial/ethnic group outcomes. But given the consistency of racial/ethnic patterns at the national level, it is hard to argue that both a shift in group well-being and differential effects of racial diversity across indicators of well-being are present. Another possible scenario is that the economic well-being indicators function in ways outside of the mechanisms associated with other indicators. Perhaps, but both of our indicators are reasonably connected to public policy (and have been the subject of discriminatory policy in the past) and still seem connected to racial diversity in some way. A third possibility is that rates of change may be driving the results, but after including such a measure, we found no substantive changes in our results. Finally, the curvilinear relationship has been found in other research addressing the impact of descriptive representation (Preuhs 2007), an alternative specification we hope to test in future models.

Examining institutional incorporation's conditioning effects are part of the larger project of which this study represents a small preliminary segment. The larger goal is to evaluate the role racial diversity plays in state outcomes and the politics underlying them relative to minority groups, but also the general population—all of which will share, to varying degrees, a lifetime of diversifying state contexts. What that means for education, health, carceral and economic policy effects provide a variety of indicators which future segments of this project will address. What diversity means for the future of the nature of politics, political incorporation and political coalitions are another set of issues we hope to address. And finally, how those aspects link to

national politics in what is indeed a geographically-based electoral process, will be addressed. In short, while there are clear limits to this present study, viewed in the wider lens of the potential breadth of correlates with racial diversity, it provides a strong argument for the continuation of research into the role that state-level racial diversity plays in the lives of Americans experience the diversity dynamic.

References

- Blalock, Hubert M. Jr. 1967. *Toward a Theory of Minority-Group Relations*. New York: John Wiley and Sons, Inc.
- Frey, William H. 2015. *Diversity Explosion: How New Racial Demographics Are Remaking America*. Washington, DC: Brookings Institution Press.
- Hawes, Daneil P. 2017. "Social Capital, Racial Context, and Incarcerations in the American States." *State Politics and Policy Quarterly*, 17(4): 393-417.
- Hawes, Daniel P., and Rene R. Rocha. 2011. "Culture, Capital, and Diversity: Assessing the Determinants of Civic and Economic Equity in the American States." *Political Research Quarterly* 64: 924-937.
- Hero, Rodney E. 1998. *Faces of Inequality: Social Diversity in American Politics*. New York: Oxford University Press.
- Hero, Rodney E. 2003. "Multiple Theoretical Traditions in American Politics and Racial Policy Inequality." *Political Research Quarterly* 56:401-408.
- Hero, Rodney E. 2007. *Racial Diversity and Social Capital*. New York: Cambridge University Press.
- Key, V. O. 1949. *Southern Politics in State and Nation*. New York: Knopf.
- Matsubayashi, Tetsuya, and Rene R. Rocha. 2012. "Racial Diversity and Public Policy in the States." *Political Research Quarterly* 65: 602-616.
- Myrdal, Gunnar. 1944. *An American Dilemma: The Negro Problem and Modern Democracy*. New York: Harper & Brothers.

APPENDIX

The appendix contains several items, including a list of states and their racial diversity measures, full OLS results that were summarized in Table 1 and, in part, presented in Figures 3 and 4. For the regression models, significance levels are indicated by $*p < .05$, $**p < .01$ and $***p < .001$ in a two-tailed test of significance. Variable labels and summary statistics, along with sources for each, are presented at the end of the Appendix.

State	Racial Diversity 1990	Racial Diversity 2009	Racial Diversity 2016	Change in Racial Diversity 1990 to 2016	Change in Racial Diversity 2009 to 2016
Alabama	0.403	0.477	0.490	0.087	0.013
Alaska	0.472	0.560	0.588	0.116	0.028
Arizona	0.577	0.571	0.588	0.011	0.017
Arkansas	0.305	0.413	0.432	0.127	0.020
California	0.732	0.676	0.682	-0.050	0.006
Colorado	0.412	0.462	0.477	0.065	0.015
Connecticut	0.339	0.458	0.494	0.155	0.037
Delaware	0.363	0.515	0.543	0.180	0.028
District of Columbia	n/a	0.612	0.635	n/a	0.023
Florida	0.463	0.586	0.608	0.145	0.022
Georgia	0.446	0.584	0.603	0.157	0.019
Hawaii	0.542	0.787	0.794	0.252	0.007
Idaho	0.202	0.277	0.298	0.096	0.021
Illinois	0.475	0.545	0.563	0.088	0.018
Indiana	0.205	0.320	0.344	0.139	0.024
Iowa	0.087	0.205	0.238	0.151	0.034
Kansas	0.249	0.368	0.393	0.144	0.025
Kentucky	0.158	0.243	0.263	0.105	0.020
Louisiana	0.481	0.529	0.544	0.063	0.015
Maine	0.044	0.105	0.122	0.078	0.017
Maryland	0.468	0.602	0.627	0.159	0.025
Massachusetts	0.269	0.393	0.437	0.168	0.043
Michigan	0.319	0.390	0.405	0.086	0.015
Minnesota	0.130	0.298	0.331	0.201	0.033
Mississippi	0.478	0.524	0.532	0.054	0.008
Missouri	0.241	0.328	0.345	0.104	0.017
Montana	0.167	0.223	0.241	0.074	0.019
Nebraska	0.161	0.308	0.342	0.181	0.034
Nevada	0.437	0.621	0.647	0.210	0.026
New Hampshire	0.058	0.145	0.166	0.108	0.022
New Jersey	0.484	0.588	0.617	0.133	0.029
New Mexico	0.712	0.614	0.614	-0.098	0.000
New York	0.572	0.599	0.620	0.048	0.021
North Carolina	0.398	0.516	0.537	0.139	0.021
North Dakota	0.118	0.201	0.249	0.131	0.048
Ohio	0.240	0.322	0.344	0.104	0.022
Oklahoma	0.361	0.505	0.532	0.171	0.027
Oregon	0.208	0.364	0.390	0.182	0.026
Pennsylvania	0.241	0.349	0.380	0.139	0.031
Rhode Island	0.238	0.390	0.429	0.191	0.038
South Carolina	0.446	0.507	0.515	0.069	0.009
South Dakota	0.175	0.270	0.304	0.129	0.034
Tennessee	0.297	0.395	0.414	0.117	0.020
Texas	0.673	0.637	0.647	-0.026	0.010
Utah	0.206	0.332	0.352	0.146	0.020

Table A1. Racial Diversity and Change in Racial Diversity in the States, 1990, 2009 and 2016.					
State	Racial Diversity 1990	Racial Diversity 2009	Racial Diversity 2016	Change in Racial Diversity 1990 to 2016	Change in Racial Diversity 2009 to 2016
Vermont	0.044	0.108	0.127	0.083	0.019
Virginia	0.403	0.529	0.555	0.152	0.026
Washington	0.286	0.448	0.482	0.196	0.035
West Virginia	0.081	0.130	0.145	0.064	0.015
Wisconsin	0.180	0.294	0.317	0.137	0.024
Wyoming	0.216	0.248	0.278	0.062	0.030

Table A2. Racial Diversity and Black Income in the States, 2009 and 2016				
	2009		2016	
	Model 1	Model 2	Model 3	Model 4
Racial Diversity	-42744.67 (27129.72)	-48111.89* (21640.23)	-82680.89** (30756.91)	-75580.57** (27120.89)
Racial Diversity ²	83147.34* (32295.68)	59787.48* (25782.33)	125890.99*** (35213.39)	102925.74** (31872.30)
Median Age		-72.56 (304.85)		44.21 (389.00)
Education		-32.51 (232.87)		383.21 (304.67)
Foreign-born		114.67 (210.77)		-51.30 (249.45)
White Income		0.60*** (0.13)		0.35* (0.14)
Unemployment		334.60 (427.66)		921.33 (855.28)
Median Home Price		0.03* (0.01)		0.03* (0.01)
Conservatism		3433.79* (1419.27)		4254.23 (2285.28)
Population Density		0.04 (0.04)		0.05 (0.04)
Population		-0.00* (0.00)		-0.00* (0.00)
Constant	36028.18*** (5282.30)	5803.14 (13751.92)	46406.35*** (6281.05)	3857.80 (18592.56)
Adj. R ²	0.328	0.815	0.352	0.749
N	50	50	50	50

Table A3 Racial Diversity and Latino Income in the States, 2009 and 2016				
	2009		2016	
	Model 1	Model 2	Model 3	Model 4
Racial Diversity	-1.21e+05*** (25640.30)	-1.45e+05*** (31391.66)	-1.34e+05*** (25104.38)	-1.64e+05*** (25050.73)
Racial Diversity ²	151585.73*** (30522.65)	174872.50*** (37400.25)	161469.90*** (28741.84)	192818.15*** (29439.45)
Median Age		325.75 (442.22)		-16.15 (359.31)
Education		221.95 (337.81)		416.84 (281.41)
Foreign-born		-346.50 (305.75)		-261.14 (230.41)
White Income		0.64** (0.18)		0.41** (0.13)
Unemployment		34.50 (620.37)		784.78 (790.00)
Median Home Price		-0.01 (0.02)		-0.00 (0.01)
Conservatism		3907.84 (2058.82)		5073.28* (2110.84)
Population Density		0.04 (0.06)		0.04 (0.04)
Population		-0.00 (0.00)		-0.00 (0.00)
Constant	62292.85*** (4992.30)	18810.84 (19948.75)	69108.48*** (5126.72)	37011.51* (17173.37)
adj. <i>R</i> ²	0.321	0.560	0.382	0.693
<i>N</i>	50	50	50	50

Table A4. Racial Diversity and Black-White Income Ratios in the States, 2009 and 2016				
	2009		2016	
	Model 1	Model 2	Model 3	Model 4
Racial Diversity	-0.76 [*]	-0.85 [*]	-1.20 ^{**}	-1.27 ^{**}
	(0.30)	(0.41)	(0.35)	(0.46)
Racial Diversity ²	1.03 ^{**}	0.99 [*]	1.50 ^{***}	1.61 ^{**}
	(0.35)	(0.49)	(0.40)	(0.54)
Median Age		-0.00		-0.00
		(0.01)		(0.01)
Education		0.00		0.01
		(0.00)		(0.01)
Foreign-born		0.00		0.00
		(0.00)		(0.00)
White Income		-0.00		-0.00 [*]
		(0.00)		(0.00)
Unemployment		0.01		0.02
		(0.01)		(0.01)
Median Home Price		0.00		0.00
		(0.00)		(0.00)
Conservatism		0.06 [*]		0.06
		(0.03)		(0.04)
Population Density		0.00		0.00
		(0.00)		(0.00)
Population		-0.00 [*]		-0.00 [*]
		(0.00)		(0.00)
Constant	0.74 ^{***}	0.75 ^{**}	0.82 ^{***}	0.76 [*]
	(0.06)	(0.26)	(0.07)	(0.31)
adj. R^2	0.151	0.298	0.218	0.318
N	50	50	50	50

Table A5. Racial Diversity and Latino-White Income Ratios in the States, 2009 and 2016				
	2009		2016	
	Model 1	Model 2	Model 3	Model 4
Racial Diversity	-2.40 ^{***}	-2.69 ^{***}	-2.28 ^{***}	-2.87 ^{***}
	(0.41)	(0.58)	(0.36)	(0.41)
Racial Diversity ²	2.43 ^{***}	3.13 ^{***}	2.27 ^{***}	3.22 ^{***}
	(0.49)	(0.69)	(0.42)	(0.48)
Median Age		0.01		-0.00
		(0.01)		(0.01)
Education		0.00		0.01
		(0.01)		(0.00)
Foreign-born		-0.00		-0.00
		(0.01)		(0.00)
White Income		-0.00		-0.00 [*]
		(0.00)		(0.00)
Unemployment		-0.00		0.02
		(0.01)		(0.01)
Median Home Price		-0.00		-0.00
		(0.00)		(0.00)
Conservatism		0.06		0.07
		(0.04)		(0.03)
Population Density		0.00		0.00
		(0.00)		(0.00)
Population		-0.00		-0.00
		(0.00)		(0.00)
Constant	1.29 ^{***}	1.08 ^{**}	1.27 ^{***}	1.38 ^{***}
	(0.08)	(0.37)	(0.07)	(0.28)
adj. R^2	0.467	0.551	0.496	0.686
N	50	50	50	50

Table A6. First Difference in Black and Latino Income Rates and Ratios, 2009 to 2016.				
	Δ Black Income	Δ Latino Income	Δ Black-White Income Ratio	Δ Latino-White Income Ratio
Δ Racial Diversity	-1.74e+05** (50199.51)	-53096.45 (79881.40)	-2.45** (0.79)	-0.76 (1.71)
Δ Median Age	324.30 (765.03)	80.83 (1217.37)	0.00 (0.01)	0.01 (0.03)
Δ Education	1723.58* (650.82)	794.99 (1035.64)	0.03* (0.01)	0.01 (0.02)
Δ Foreign-born	912.34 (901.29)	-311.32 (1434.21)	0.01 (0.01)	0.00 (0.03)
Δ White Income	0.32 (0.22)	-0.01 (0.35)	-0.00 (0.00)	-0.00 (0.00)
Δ Unemployment	510.15 (289.27)	623.04 (460.30)	0.01 (0.00)	0.01 (0.01)
Δ Median Home Price	0.03 (0.02)	0.02 (0.04)	0.00 (0.00)	0.00 (0.00)
Δ Conservatism	419.79 (1326.62)	1257.84 (2111.02)	0.01 (0.02)	0.03 (0.05)
Δ Population Density	0.22 (0.23)	0.31 (0.36)	0.00 (0.00)	0.00 (0.00)
Δ Population	-0.00 (0.00)	0.00 (0.00)	-0.00 (0.00)	0.00 (0.00)
Constant	-861.04 (2299.93)	2611.18 (3659.82)	-0.01 (0.04)	0.02 (0.08)
adj. R^2	0.397	-0.052	0.291	0.089
N	50	50	50	50

Table A7. Racial Diversity and Black Homeownership in the States, 2009 and 2016				
	2009		2016	
	Model 1	Model 2	Model 3	Model 4
Racial Diversity	123.74 ^{***}	78.51 ⁺	136.55 ^{***}	172.35 ^{***}
	(31.53)	(40.01)	(35.97)	(36.87)
Racial Diversity ²	-126.02 ^{**}	-60.04	-129.41 ^{**}	-155.72 ^{**}
	(37.53)	(47.91)	(41.19)	(44.57)
Black Income		0.00		0.00 ^{***}
		(0.00)		(0.00)
Median Age		0.35		1.23 [*]
		(0.53)		(0.48)
Education		-0.05		-0.06
		(0.41)		(0.39)
Foreign-born		-1.08 ^{**}		-1.02 ^{**}
		(0.37)		(0.31)
White Income		0.00		-0.00
		(0.00)		(0.00)
Unemployment		2.20 ^{**}		1.49
		(0.75)		(1.08)
Median Home Price		-0.00		-0.00 ^{**}
		(0.00)		(0.00)
Conservatism		-3.11		-4.42
		(2.65)		(2.96)
Population Density		-0.00		-0.00
		(0.00)		(0.00)
Population		0.00		0.00 ^{**}
		(0.00)		(0.00)
Constant	14.64 [*]	-10.50	4.49	-61.10 [*]
	(6.14)	(23.97)	(7.35)	(23.05)
adj. R^2	0.272	0.552	0.293	0.693
N	50	50	50	50

Table A8. Racial Diversity and Latino Home Ownership in the States, 2009 and 2016				
	2009		2016	
	Model 1	Model 2	Model 3	Model 4
Racial Diversity	-36.39	-15.74	-13.06	28.30
	(35.50)	(55.33)	(35.75)	(55.50)
Racial Diversity ²	38.70	28.52	11.42	-17.02
	(42.26)	(66.20)	(40.93)	(65.27)
Latino Income		0.00**		0.00**
		(0.00)		(0.00)
Median Age		-1.41*		-1.14*
		(0.63)		(0.55)
Education		0.16		0.19
		(0.48)		(0.44)
Foreign-born		0.22		-0.16
		(0.44)		(0.36)
White Income		-0.00		-0.00*
		(0.00)		(0.00)
Unemployment		-0.17		0.29
		(0.87)		(1.22)
Median Home Price		-0.00**		-0.00*
		(0.00)		(0.00)
Conservatism		-4.30		-3.47
		(3.04)		(3.44)
Population Density		0.00		0.00
		(0.00)		(0.00)
Population		0.00		0.00
		(0.00)		(0.00)
Constant	55.32***	98.64**	48.24***	80.16**
	(6.91)	(28.46)	(7.30)	(27.64)
adj. R^2	-0.016	0.317	-0.036	0.414
N	50	50	50	50

Table A9. Racial Diversity and Black-White Home Ownership in the States, 2009 and 2016				
	2009		2016	
	Model 1	Model 2	Model 3	Model 4
Racial Diversity	1.31 ^{***}	1.04 [*]	1.61 ^{***}	2.13 ^{***}
	(0.36)	(0.47)	(0.43)	(0.46)
Racial Diversity ²	-1.22 ^{**}	-0.79	-1.43 ^{**}	-1.87 ^{**}
	(0.43)	(0.56)	(0.49)	(0.54)
Black-White Income Ratio		0.38 [*]		0.54 ^{***}
		(0.18)		(0.15)
Median Age		0.00		0.01 [*]
		(0.01)		(0.01)
Education		-0.00		-0.00
		(0.00)		(0.00)
Foreign-born		-0.01 ^{**}		-0.01 ^{**}
		(0.00)		(0.00)
White Income		0.00		0.00
		(0.00)		(0.00)
Unemployment		0.02 [*]		0.02
		(0.01)		(0.01)
Median Home Price		-0.00		-0.00
		(0.00)		(0.00)
Conservatism		-0.04		-0.05
		(0.03)		(0.04)
Population Density		-0.00		-0.00
		(0.00)		(0.00)
Population		0.00		0.00 ^{**}
		(0.00)		(0.00)
Constant	0.26 ^{***}	-0.13	0.11	-0.93 ^{**}
	(0.07)	(0.31)	(0.09)	(0.31)
adj. R^2	0.311	0.536	0.355	0.691
N	50	50	50	50

Table A10. Racial Diversity and Latino-White Home Ownership Ratios in the States, 2009 and 2016				
	2009		2016	
	Model 1	Model 2	Model 3	Model 4
Racial Diversity	-1.03*	-0.57	-0.64	0.29
	(0.45)	(0.74)	(0.48)	(0.77)
Racial Diversity ²	1.24*	0.88	0.77	-0.03
	(0.54)	(0.88)	(0.55)	(0.88)
Latino-White Income Ratio		0.45**		0.73***
		(0.17)		(0.20)
Median Age		-0.02*		-0.02**
		(0.01)		(0.01)
Education		0.00		0.00
		(0.01)		(0.01)
Foreign-born		0.00		-0.00
		(0.01)		(0.00)
White Income		0.00		-0.00
		(0.00)		(0.00)
Unemployment		-0.01		-0.01
		(0.01)		(0.02)
Median Home Price		-0.00		-0.00
		(0.00)		(0.00)
Conservatism		-0.04		-0.02
		(0.04)		(0.04)
Population Density		0.00		0.00
		(0.00)		(0.00)
Population		-0.00		0.00
		(0.00)		(0.00)
Constant	0.84***	1.33**	0.74***	0.87
	(0.09)	(0.42)	(0.10)	(0.44)
adj. R^2	0.063	0.314	0.001	0.444
N	50	50	50	50

Table A11. First Difference in Black and Latino Homeownership Rates and Ratios, 2009 to 2016.				
	Δ Black Homeownership Rate	Δ Latino Homeownership Rates	Δ Black-White Homeownership Ratios	Δ Latino-White Homeownership Ratios
Δ Racial Diversity	-350.09*	-390.51*	-4.35*	-4.41*
	(138.32)	(165.04)	(2.02)	(2.13)
Δ Racial Diversity ²	5572.11*	7653.61*	70.33	89.25*
	(2649.16)	(3289.17)	(38.59)	(42.26)
Δ Black Income	0.00			
	(0.00)			
Δ Latino Income		0.00***		
		(0.00)		
Δ Black-White Income Ratio			0.13	
			(0.16)	
Δ Latino-White Income Ratio				0.36***
				(0.08)
Δ Median Age	0.04	-1.02	-0.00	-0.02
	(0.84)	(1.02)	(0.01)	(0.01)
Δ Education	-0.38	0.82	-0.00	0.01
	(0.80)	(0.90)	(0.01)	(0.01)
Δ Foreign-born	1.03	-1.55	0.01	-0.03
	(1.01)	(1.21)	(0.01)	(0.02)
Δ White Income	0.00	-0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)
Δ Unemployment	-0.34	-1.12**	-0.01	-0.01*
	(0.33)	(0.40)	(0.00)	(0.01)
Δ Median Home Price	-0.00	-0.00	-0.00	-0.00
	(0.00)	(0.00)	(0.00)	(0.00)
Δ Conservatism	-1.63	-4.81*	-0.02	-0.06*
	(1.46)	(1.78)	(0.02)	(0.02)
Δ Population Density	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)
Δ Population	-0.00	-0.00	0.00	-0.00
	(0.00)	(0.00)	(0.00)	(0.00)
Constant	-2.15	-2.29	-0.02	-0.00
	(2.72)	(3.31)	(0.04)	(0.04)
adj. R^2	0.150	0.360	0.090	0.417
N	50	50	50	50

Variable Name	Description	Mean/SD	Source
Racial Diversity	Herfindahl Index: 1-(Proportion White ² + Proportion Black ² + Proportion Latino ² + Proportion Asian ² + Proportion Hawaiian-Pacific Islander ² + Proportion American Indian ²)	<u>2009</u> .42/.16 <u>2016</u> .44/.16	2009 and 2016 American Community Survey. (Four Year Average)
Black, Latino and White Income	Median Household Income in Dollars Only Means Reported Here	Black 2009: 34815; 2016: 37523 Latino 2009: 42311; 2016: 45529 White 2009: 55206; 2016: 60700	2009 and 2016 American Community Survey. (Four Year Average)
Black, Latino and White Homeownership	Percent of households owning homes Only Means Reported Here	Black 2009: 41; 2016: 36 Latino 2009: 48; 2016: 45 White 2009: 73; 2016: 71	2009 and 2016 American Community Survey. (Four Year Average)
Black-White Income Ratios	Ratio of Black Income to White Income	<u>2009</u> .63/.08 <u>2016</u> .62/.09	2009 and 2016 American Community Survey. (Four Year Average)
Latino-White Income Ratios	Ratio of Latino Income to White Income	<u>2009</u> .78/.14 <u>2016</u> .76/.12	2009 and 2016 American Community Survey. (Four Year Average)
Black-White Homeownership Ratio	Ratio of Black Homeownership to White Homeownership	<u>2009</u> .56/.10 <u>2016</u> .51/.12	2009 and 2016 American Community Survey. (Four Year Average)
Latino-White Homeownership Ratio	Ratio of Latino Homeownership to White Homeownership	<u>2009</u> .65/.11 <u>2016</u> .63/.11	2009 and 2016 American Community Survey. (Four Year Average)
Education	Percent of Adults with a College Degree	<u>2009</u> 27.3/4.8 <u>2016</u> 30.5/5.1	2009 and 2016 American Community Survey. (Four Year Average)
Foreign-Born	Percent of State Population that is Foreign Born	<u>2009</u> 8.6/6.1 <u>2016</u> 9.2/6.3	2009 and 2016 American Community Survey. (Four Year Average)
Unemployment	Percent of Adults Unemployed	<u>2009</u> 7.5/1.8 <u>2016</u> 5.5/1.2	2009 and 2016 American Community Survey. (Four Year Average)
Age	Median State Age	<u>2009</u> 37.4/2.3 <u>2016</u> 38.2/2.5	2009 and 2016 American Community Survey. (Four Year Average)

Variable Name	Description	Mean/SD	Source
Median Home Price	State Median Home Value (\$)	<u>2009</u> 198554/88406 <u>2016</u> 214742/91845	2009 and 2016 American Community Survey. (Four Year Average)
Conservatism	Mean of 2015 or 2009 Upper and Lower Chamber Legislative Ideology Score. Higher values indicate more conservative states	<u>2009</u> -.05/.60 <u>2016</u> .04/.49	Shor, Boris; McCarty, Nolan, 2015, "Aggregate State Legislator Shor-McCarty Ideology Data, June 2015 update", doi:10.7910/DVN/K7ELHW , Harvard Dataverse. Mapped to the state identified in C361.
Population Density	Residents Per Square Mile	<u>2009</u> 2260/13851 <u>2016</u> 2453/15156	2009 and 2016 American Community Survey for population estimates and calculated by authors.
Population	State Population	<u>2009</u> 6122923/6794574 <u>2016</u> 6448927/7271769	2009 and 2016 American Community Survey. (Four Year Average)