
Hispanics in the U.S. labor market

One-third of all Hispanics of labor-market age are immigrants. Many concerns have been voiced about the impact of this influx upon the U.S. labor market. Do Hispanic immigrants take jobs away from native-born Americans? To what extent do they perform labor that no one else is willing to perform? Are they exploited? Has their employment situation improved over the years? What happens to their wages and job opportunities from one generation to the next? How do they compare with other minorities and with non-Hispanic whites?

Hispanics in the U.S. Economy, edited by George J. Borjas and Marta Tienda, explores some of these questions. This task is both complicated and sharpened by the fact that the Hispanic groups differ in their social, economic, and demographic characteristics. Furthermore, within each group, men, women, and youth face different problems in the labor market. That the immigration process is dynamic adds to the complexity of analysis, since ongoing immigration continuously alters the composition of the Hispanic groups and their proportions in the population. Few generalizations can be made about Hispanics, therefore, though they are commonly lumped together for policy purposes.

The book addresses a number of specific issues. The key determinants of the wage differentials between Hispanics and non-Hispanics are isolated. The incidence and duration of unemployment among Hispanic groups are compared. The extent of labor market discrimination against Hispanics is explored. Differing labor outcomes between Hispanic men and women are measured. Our understanding of local labor markets is enlarged.

The monograph is divided into five sections that reflect the perspectives of the various contributors.

- *Studies of Earnings and Labor Supply*

Cordelia W. Reimers finds that the low wage levels of Hispanics in the U.S. labor market do not result primarily from the type of "wage discrimination" usually found in black-white or male-female comparisons. Rather, they appear to result from the low level of human capital characteristics of Hispanics, particularly education.

John M. Abowd and Mark R. Killingsworth, using a different methodological approach, have findings qualitatively similar to those of Reimers. Large wage differentials between Hispanics and non-Hispanics appear to result from differences in education rather than discrimination.

Gregory DeFreitas explores the effects of immigration, education, and other socioeconomic variables on the likelihood of unemployment among Hispanics. His analysis suggests that discrimination plays an important role in generating the higher unemployment rates of Hispanics.

- *Youth Employment and School Enrollment*

Neil Fligstein and Roberto M. Fernandez examine the high drop-out rates that are characteristic of Mexican-American teenagers. They find that problems with the English language are the principal cause of failure to complete high school and of delay in grades. The absence of a high school diploma is the chief barrier to further education, as those who graduate from high school go on to college at higher rates than non-Hispanic whites.

Stanley P. Stephenson, Jr., focuses on how individual and market characteristics influence the unemployment rates of Hispanic youth. He finds that the high jobless rates are due to long spells of nonwork after the loss of a job. This delay in finding a new job is 50 percent greater for young women than for young men. His conclusion corroborates earlier findings that the level of formal schooling has a pronounced effect on unemployment among Hispanic youth. Family income, marital status, post-school vocational experience, age, and local unemployment rates also significantly influence the propensity to be unemployed.

- *Labor Supply and Occupational Allocation of Women*

Frank D. Bean, C. Gray Swicegood, and Allan G. King test a hypothesis that labor force participation and the raising of children are incompatible, and find that the high fertility of Hispanic women does reduce their labor supply. The presence of young children appears to have a greater effect than the total number of children, reflecting the time required for

care of babies. Other variables, such as level of education and husband's income, appear to interact with fertility in determining labor supply.

Marta Tienda and Patricia Guhleman confirm again the importance of education as the dominant determinant of women's occupational status, though their findings reveal that Hispanic groups differ in their ability to make use of the resources—such as education—that lead to higher-status occupations. Their results suggest that labor market discrimination may partly explain the disadvantaged occupational position of Hispanic women compared to white women. Pre-market discrimination may also play a role.

• *Labor Market Case Studies*

Harley L. Browning and Nestor Rodríguez examine the lives of workers without entry papers who come to two Southwestern cities to find employment. These illegal immigrants are particularly vulnerable to exploitation and have little opportunity for advancement in the labor market. The values of short-term residents appear to differ markedly from those who become permanent residents. Unable to advance to more prestigious jobs, immigrants without papers value the social status conferred by ownership of a car and other material objects.

Saskia Sassen-Koob analyzes the New York City industrial and occupational structure. She finds that low-wage jobs in declining industries are only a partial explanation of growing Hispanic employment. Immigrants, especially those from Central and South America, who may soon outnumber Puerto Ricans, also take the low-wage service and manufacturing jobs that support both the highly specialized New York service sector and the high-income professional work force that runs it. Banking, hotels and restaurants, new offices and luxury residential buildings, for example, provide low-wage jobs that only immigrants are willing to take.

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And while it is true that some manufacturing jobs are declining, a recomposition is taking place in which sweatshops and industrial homework make wages in specialized manufacture competitive with Third World wages.

Roger Waldinger explores the ethnically organized small businesses in New York City, where family ownership and the recruitment and employment of fellow nationals enable apparel firms to be flexible enough (working long hours if need be) to compete in a market that requires rapidly changing products and quick turnaround times.

The most important general finding in the volume is that a large fraction of the wage, occupation, and unemployment differentials between Hispanics and non-Hispanics can be directly attributed to the relatively low educational attainment of Hispanics. ■

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