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Supported Work: End of the era of social experiments

Sometimes termed "the last of the great social experiments," it does appear to mark the close of an era, for it is unlikely that we will soon again see efforts directed in this fashion toward the severely disadvantaged. The National Supported Work Demonstration,¹ which provided supervised work and support for groups of the disadvantaged, culminated a series of social policy demonstrations and yet stands apart from most of them in two respects: it focused on hard-core problem groups, and it followed a more rigorous research plan. The results of that research are now available in a Final Report series (see p. 7), which gives a rounded view of the demonstration. Here we present a selected view, highlighting a few of the studies prepared by affiliates of the Institute for Research on Poverty. To set the scene, we begin with an overview of the era of social experiments, a number of which have closely involved the Institute.

A decade of experiments

Soon after the federal government began a concerted effort during the 1960s to finance programs to better the lives of the poor, it undertook a series of trials to gauge relative costs and effects. Tests were designed to reveal the ways in which different policy choices—cash trans-

fers, job training subsidies, housing allowances—affect family stability, schooling achievement, housing choices, and job performance.

The New Jersey Income Maintenance Experiment, the first social experiment, was designed and implemented by the Institute. It lasted from 1968 to 1972. (A detailed description and the results are given in the three-volume study in the Institute's Monograph Series; see Related reading.) It was a large-scale evaluation of a negative income tax, and it was an *experiment*—the behavior of a treatment group, whose members received cash income supplements of varying amounts, was compared with the behavior of a control group, intended to be similar to the first group in every way except that its members did not receive the supplements. A *demonstration*, as opposed to an experiment, may also use controls, but the particular form of treatment is less well specified and less uniformly applied, as was the case among the dispersed and varied sites of Supported Work.

Both the New Jersey experiment and the subsequent (1969-73) Rural Income Maintenance Experiment, also conducted by the Institute, were intended to find out whether the poor will work less if given cash benefits, and if so, how much less. The central findings from New Jersey were that men heading households worked slightly

less when they received cash transfers; wives worked less to a greater degree, but the overall work effort of wives in both groups was low; and youths in experimental families had substantially higher school enrollment. The rural experiment yielded less straightforward results but generally showed some work reduction. Next came the Gary, Indiana, experiment; and then the Seattle-Denver Income Maintenance Experiments (SIME/DIME; 1971-78), whose results, particularly the reported increase in breakups among married couples receiving income maintenance, are the subject of current debate.

Income maintenance was not the only policy option tested by experimentation. The SIME/DIME experiments contained components to test the effect of training subsidies and subsidized jobs, in line with earlier government efforts to determine what results could be gained from employment training programs. Other experiments involved housing—whether different types of cash subsidies could be used to increase use of better housing by low-income families—and the effects of varying types of administrative structures in welfare.

A product of the period of generous public spending to improve the fortunes of the economically handicapped, the experiments and demonstrations have come to an end. Their findings are still being argued, but their large budgetary cost is a fact not disputed.

What have we learned? The scorecard on Supported Work is now being filled in.

Goal of Supported Work: To employ the unemployable

Supported Work was directed toward the seriously disadvantaged—termed by some the hard core, by others the underclass, by still others the “tail of the tail”; all are terms whose definitions depend on the view of the beholder. The program intended to build a bridge across which its participants could travel toward jobs and ultimate success in finding a permanent place in the labor market. Its designers hoped that long-term recipients of welfare (AFDC) could go off the rolls, that ex-addicts could regain membership in society, that ex-offenders could find legitimate means of support, and that delinquent youth could be turned to a straighter path. The overriding goal was to find ways to redistribute income through gainful work rather than government transfer.

The demonstration covered four different target groups and took place from 1975 to 1980 at fifteen different sites across the country. The first group (they are listed here in terms of the relative success of the program) contained women who had received Aid to Families with Dependent Children for most of the preceding three years and whose

youngest children were of school age. The ex-addict group consisted of men and women over 18 who had enrolled in a drug treatment program within the past six months. The ex-offenders were also over 18 and had been imprisoned within the last six months. The problem youths were aged 17 to 20, lacked a high school degree, had not been in school in the last six months, and had a record of delinquency. All of the participants were unemployed at time of enrollment; all had had little or no recent work experience.

As well as work, the program provided support. The work consisted of jobs requiring skills that were within reach of the participants—service activities such as building maintenance or day care, construction work, manufacturing. The support had two components. First, work groups operated under supervisors who in theory acted as teachers, helpers, and role models. Second, workers operated under conditions of “graduated stress,” meaning that standards for work performance started out low and were gradually increased over the 12 months (sometimes 18) of the subsidized job. Each participant was guaranteed employment under the program for a year and would then, it was hoped, continue working outside the program framework.

The program was operated nationally by Manpower Demonstration Research Corporation, a nonprofit management organization funded by several government departments (Labor, HEW, Justice, HUD, Commerce) and the Ford Foundation. MDRC contracted with a nonprofit local corporation at each site to implement the demonstration. Some of the corporations were formed for this special purpose; others were organizations already in existence, such as an Urban League chapter or a public housing agency.

Ten sites were utilized for the evaluative research, which was conducted by the Institute and by Mathematica Policy Research, Inc. In addition to tracking the experience of program participants, the research followed a group of controls who had also applied voluntarily but who were not given work or support. Applicants were randomly assigned to either the experimental or the control group, an important element in the research design to ensure unbiased results. Of the study sample of 6616 individuals, half were participants and half were controls. Interviews were conducted at regular intervals for up to three years.

The purpose of the evaluation was to assess the demonstration's effect on employment, earnings, welfare dependency, drug use, and criminal behavior. An additional, and important, part of the research was a benefit-cost analysis, using the detailed financial and other data that were collected. This analysis focused primarily on four types of costs and benefits: (1) postprogram earnings of participants and the correlative reduction in transfers to them, and increase in income taxes paid by them; (2) reduced criminal activity; (3) project costs (for operating

the work sites) and project output (the value of goods and services produced by the supported workers); and (4) the overhead cost, covering all aspects of starting up projects, enrolling and supporting workers, and managing the program. The budgetary cost of the experiment as a whole, supported by public, philanthropic, and private agencies, was \$82.4 million. What results did this investment produce?

Outcomes

A bare-bones summary of some of the results is presented in Table 1. The program was most effective among the AFDC women: they had significantly higher postprogram employment and earnings rates than their control group. Next came the ex-addicts, who had higher earnings and a lower arrest rate than their controls. The ex-offenders did

Table 1

**Comparison of Supported Work Experimental and Control Groups over Time,
Using Employment and Other Measures**

Measure	Experimental Group	Control Group	Difference	Measure	Experimental Group	Control Group	Difference																																																																																																																																																																																																																																																																												
<i>AFDC Target Group</i>																																																																																																																																																																																																																																																																																			
Percent employed				Percent employed																																																																																																																																																																																																																																																																															
Months 1-9	96.3	36.5	59.8**	Months 1-9	95.9	58.7	37.2**																																																																																																																																																																																																																																																																												
10-18	76.5	39.4	37.1**	10-18	66.0	59.2	6.8***																																																																																																																																																																																																																																																																												
19-27	49.1	40.6	8.5**	19-27	56.5	53.3	3.2																																																																																																																																																																																																																																																																												
Average monthly earnings (\$)				28-36	59.0	57.8	1.2																																																																																																																																																																																																																																																																												
Months 1-9	400.44	78.28	322.16**	<i>Ex-Offender Target Group</i>																																																																																																																																																																																																																																																																															
10-18	274.06	131.08	142.98**	19-27	242.89	165.88	77.01	Percent employed				Percent receiving cash welfare payments ^a				Months 1-9	378.74	178.38	200.36**	Months 1-9	93.8	97.7	-3.9**	10-18	285.99	260.83	25.16	10-18	82.4	90.1	-7.7**	19-27	269.17	254.18	14.99	19-27	71.4	85.1	-13.7**	28-36	366.80	304.20	62.60	<i>Ex-Addict Target Group</i>								Percent employed				Percent using any drug (other than marijuana or alcohol)				Months 1-9	95.0	50.2	44.8**	Months 1-9	30.0	34.2	-4.2*	10-18	63.9	53.1	10.8**	10-18	26.0	29.0	-3.0	19-27	56.5	53.0	3.5	19-27	22.8	24.1	-1.3	28-36	64.0	53.9	10.1*	28-36	17.0	28.2	-11.2**	Average monthly earnings (\$)				Percent arrested				Months 1-9	361.23	159.79	201.44**	Months 1-18	47.2	46.2	1.0	10-18	259.62	220.42	39.20*	1-36	56.8	64.8	-8.0	19-27	277.75	261.33	16.42	<i>Youth Target Group</i>								28-36	326.09	224.36	101.73**	Percent using any drug (other than marijuana or alcohol)				Percent employed				Months 1-9	36.1	38.2	-2.1	Months 1-9	98.1	52.5	45.6**	10-18	34.1	32.7	1.4	10-18	68.9	62.7	6.2*	19-27	28.0	27.5	0.5	19-27	62.6	62.6	0.0	28-36	23.4	20.7	2.7	28-36	74.9	66.2	8.7	Percent arrested				Average monthly earnings (\$)				Months 1-18	25.3	33.5	-8.2**	Months 1-9	350.68	123.95	226.73**	1-36	35.0	53.1	-18.1**	10-18	235.96	205.25	30.71					19-27	268.28	248.98	19.30					28-36	301.05	342.58	-41.53					Percent using any drug (other than marijuana or alcohol)								Months 1-9	11.3	14.2	-2.9					10-18	10.5	10.2	0.3					19-27	11.0	10.6	0.4					28-36	16.8	11.0	5.8					Percent arrested								Months 1-18	26.7	27.0	-0.3					1-27	30.5	39.3	-8.8*
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Source: Manpower Demonstration Research Corporation, *Summary and Findings of the National Supported Work Demonstration* (Cambridge, Mass.: Ballinger, 1980), Tables 9-1 to 9-4 (pp. 153, 155, 158, 160).

^a Includes AFDC, General Assistance, Supplemental Security Income, and other unspecified cash welfare.

* Statistically significant at the 10 percent level.

** Statistically significant at the 5 percent level.

not reduce their criminal activities overall, but had slightly better earnings than their controls. Finally, problem youths evidenced little overall positive effect.

The benefit-cost analysis is too detailed to be adequately summarized here, but a few salient findings deserve to be mentioned: long-term benefits exceeded costs by an estimated \$8000 per AFDC recipient (measured primarily in increased earnings) and \$4000 per ex-addict participant (measured by earnings plus reduced criminal activity); on the other hand, costs exceeded benefits for youths. The cost-benefit results for the ex-offenders varied too widely, depending on the assumptions used, to permit a clear conclusion.

These simple highlights do not sufficiently illuminate the deeper, subtler, more varied influences that the program seems to have exerted on particular persons and subgroups. The reports of Institute affiliates (see pp. 6-7) have revealed effects of varying dimensions on participants' lives. We describe here a few—by no means all—of the studies.

The findings of Masters and Maynard

To be eligible to participate in Supported Work as a member of the AFDC group, a woman had to be on AFDC for 30 of the previous 36 months, have no children under 6, and be currently unemployed with only limited recent work experience. Among those selected, less than one-third were high school graduates, 14 percent had never worked, and an additional 61 percent had not held a full-time job during the last two years; their earnings during the past year had averaged \$240, and their stay on welfare averaged over 8.5 years. On the face of it a not very promising crew. Yet it was among this group, 95 percent of whom were black or Hispanic, that Stanley Masters and Rebecca Maynard found the most significant results. The experimentals not only worked more than the controls, both during the study and afterwards, but they also worked more hours and at higher wages than those among the controls who got jobs, thus suggesting that Supported Work helped participants to find jobs of a higher quality. In months 25-27, long after the period during which the experimentals held guaranteed jobs, the employment rate of experimentals was 20 percent above that of controls, hours worked were 35 percent higher, and earnings were almost 50 percent higher.

A further study by Masters and Thomas McDonald, based on an additional year of follow-up data, showed that the increase in postprogram employment and earnings did not diminish over time.²

Masters and Maynard found as well that the impact of Supported Work was particularly large for older women (between 36 and 44 years old when the program started) and for women who had never worked before.

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Written by Jan Blakeslee and Elizabeth Evanson; edited by E. Uhr.

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The results of the program are especially striking when it is remembered that AFDC mothers who work are faced with financial disincentives. Because they lose not only AFDC payments but food stamps and Medicaid, it is estimated that only 50 percent of what they earn is an increase in real income. It would appear that female heads of households will work—when given the opportunity—in preference to receiving support from the government.

The findings of Piliavin and Masters

Irving Piliavin and Masters analyzed the data on three target groups: ex-offenders, ex-addicts, and problem youth. Their overall findings are discouraging. During the first nine months the contrast between employment of experimentals and of controls of course tilted in favor of the former—since the experimentals were guaranteed jobs. Yet even though they could continue to work for up to a year, ex-addicts and youths dropped out on average after seven months, ex-offenders after six. Differences among the controls and experimentals soon faded: by months 16 to 18, comparative employment showed little or no benefit from the program for any of the three target groups, although some favorable effects did appear later for the ex-addicts and ex-offenders.

In terms of arrests, no reliable experimental-control differences showed up among the ex-offenders—not even in the early stages of program participation, when a halo effect (the positive response that often accompanies a new endeavor) might be expected to appear. More encouraging is the finding that ex-addicts did have fewer arrests than controls, over time. Among youths, a reduction in

the arrest rate showed up about two years after program entry: 9 percent more in the experimental group remained arrest-free.

Discouraging, on the whole? Not entirely, for Piliavin and Masters have found that these gross figures mask some important differences among participants. Within the youth group, experimentals with no history of arrests before they joined Supported Work were much more likely relative to controls to remain arrest-free afterward. Among ex-offenders participating in the program, those who at the beginning reported that they were regular heroin users later had fewer arrests and more employment hours than the controls. And, most important, among both addicts and offenders there were significant age effects parallel to those found among the AFDC mothers. Those ex-offenders who were over 35 consistently had a larger arrest-free rate than their controls. Surprisingly, this difference was observed even though the employment records of the two groups did not differ from one another after 18 months. Arrest rates for ex-addicts were similarly mediated by age.

A plausible conclusion from these results is that employment programs like Supported Work may find a more receptive audience among older rather than younger people. This inference stands in sharp contrast with assumptions traditionally underlying job-training programs. These programs have devoted the major share of their attention to young people with a longer working life ahead of them on the premise that an investment in (young) human capital would reap rewards for the nation when youth was guided into the labor force and society's mainstream. The Piliavin-Masters analysis points policy in another direction—to those of middle age who may be ready to change.

Danziger's qualitative study: Conversations with participants

Supported Work was a large-scale quantitative study that took over five years and collected masses of data which are still in the process of being analyzed. Yet it does not tell us how the people in the program looked, felt, and acted, how individual lives were touched and altered. Sandra Danziger, an Institute affiliate, in her interviews with AFDC women at the two demonstration sites of Oakland and Newark, reveals the human perspective.

In openly structured interviews lasting one to two hours, Danziger and Martha Ritter talked individually with 34 women who had completed the Supported Work program one to two years earlier. With few exceptions the women talked freely of the changes made in their lives by the experiment—in employment, in family finances, in feelings of satisfaction and accomplishment as well as disappointment.

The sample included women who had moved on to other jobs afterward and those who had stayed the full program term but had not subsequently found jobs. To half of this sample (who are not statistically representative of the total AFDC target group), the experience brought not only economic but also psychological strength.

In analyzing the interview results, Danziger found that the sample divided into four groups. The first one contained the eleven women who had gained economic independence and a strong sense of self-pride through better jobs than they had ever held before. They were determined to maintain that level of employment, which had brought stability to their lives:

They helped me to develop work habits . . . I built up confidence in myself and I knew what being a crew chief meant to the rest of the crew. So I had to be almost perfect to make them want the same thing. I feel now that I can go any place and work.³

In the second group were seven women who had experienced difficulties in their job, such as racial prejudice or a disabling accident, but had surmounted their problems—one by finding another job, another by resolving to return to work when cured—in a way indicating that they would continue to pursue economic independence. They saw themselves as able to overcome barriers that had seemed insurmountable prior to their Supported Work experience.

The other two groups did not fare so well. The ten women in group three lacked self-confidence and were critical of the program. They all had a previous history of short-term jobs, had a low tolerance for work stress, and viewed themselves as perpetual victims of circumstance. After Supported Work, they returned to low-paying jobs supplemented by welfare. Group four faced prospects as bleak after the program experience as before. Unable to cope with everyday working life, they returned to total welfare dependence, even though they found that it made their lives tedious, empty, often lonely. They viewed themselves as victimized—before the program, by their surroundings; during the program, by Supported Work itself: “Just starting you out working, and then they cut you off in a year.”⁴

Whether the program’s “failures” were victims of forces outside of themselves or were fated to self-defeat because of personal incapacities is an issue that runs like a repeated theme in the literature on Supported Work. Danziger writes:

Some women appeared to discriminate rather finely between the societal and personal calamities in their lives, acknowledging both their own liability and their victimization. In other words, they claimed some responsibility and credit for what happened to them and they also saw their lot in life cast in part by their race,

sex, age, physical health, family status, upbringing, neighborhood.⁵

Did the success or failure (however those terms are defined) of Supported Work depend upon the personal balance of these external and internal forces? Those who benefited had not only to be *offered* an opportunity, but also to *seize* the opportunity. What made some do so? As mentioned earlier, analysis of the AFDC group shows that older women were more likely to benefit. Thus it again seems that success depended in part on age, the older being perhaps more capable of self-realization, willing to strike out in a new direction.

Report on ex-offenders by Piliavin and Gartner

Just as Danziger's work focuses on one particular target group, the AFDC recipients, so Irving Piliavin and Rosemary Gartner, also affiliated with the Institute, have analyzed the overall effect of the program on the ex-offenders. They are the authors of a volume in the final report series published by MDRC.

Their negative findings concern employment, arrest rates, and drug use. Employment was not ultimately increased by Supported Work: after twelve months, those in the experimental sample were neither employed more nor, naturally, did they earn more than the controls. And even in the early participation period, when most of the experimentals were employed, they were no more likely than controls to be arrest-free. Apparently, simply being employed was not effective in reducing involvement in criminal activity. Finally, the offender group did not exhibit sustained and general reduction in drug use.

Nevertheless, the burnout effect was there: the older experimentals—those over 35—were consistently more likely than controls to remain arrest- and drug-free throughout a three-year observation period. This pattern of consistency also held in relation to the older controls, who were themselves more likely than younger controls to be free of arrests and drugs. Older experimentals were not, however, employed more than the older controls, and older controls worked less than younger controls. Perhaps employers are reluctant to hire this class of job applicants, the older ex-offender, regardless of how much he wants to work.

Piliavin and Gartner conclude on a note of pessimism tinged with regret for what might, but probably will not, be done for this segment of our society:

The payoffs of Supported Work may not have been enough to wean [ex-offenders] away from engaging in crime. But then what is enough? We do not have sufficient knowledge to answer this question. However, we suggest that the answer may not be merely the increase of wages above those supplied by Supported Work. Perhaps what is required as well is the opportunity for

secure and better employment, in effect an opportunity to participate in what is called the primary labor market. This may require longer job guarantees, more formal training, as well as better wages than were supplied by Supported Work. It may, in fact, require a price that the American public may not be willing to pay.⁶

What is that price? In dollars, a very large sum. In human lives and social benefit, it is not so easy to measure. If lives can be changed for the better—if at least some members of the underclass can be brought out from under—and society's health can be improved by reducing antisocial behavior, an investment may bring considerable rewards. Research indicates that the AFDC rolls can be reduced through a program like Supported Work and that older ex-offenders and addicts are receptive to help. But a program of this nature *does* require investment. What agency, public or private, is willing in the present economic climate to put forth the capital? The question is perhaps more likely to be begged than answered.■

⁵This program sparked renewed interest after a series of articles appeared last fall in the *New Yorker* (Nov. 16, Nov. 23, Nov. 30, 1981).
⁶Stanley Masters, "The Effects of Supported Work on the Earnings and Transfer Payments of its AFDC Target Group," *Journal of Human Resources*, 16 (Fall 1981), 600-636.

⁷M. Ritter and S. K. Danziger, "Life After Supported Work for Welfare Mothers: AFDC Follow-up Interviews," report prepared for Manpower Demonstration Research Corporation, New York, Sept. 1981, mimeo.
⁸S. K. Danziger, "From Welfare to Work: Women's Experiences in a Public Job Program," Institute for Research on Poverty Discussion Paper no. 612-80, p. 35.

⁹Ibid., p. 12.

¹⁰I. Piliavin and R. Gartner, *The Impact of Supported Work on Ex-Offenders*, Final Report on the Supported Work Demonstration, Vol. 2 (New York: Manpower Demonstration Research Corporation, Jan. 1981), p. 138.

Institute publications

Irving Piliavin and Stanley Masters, "The Impact of Employment Programs on Offenders, Addicts, and Problem Youth: Implications for Supported Work." Institute for Research on Poverty Discussion Paper no. 665-81.

Sandra K. Danziger, "Postprogram Changes in the Lives of AFDC Supported Work Participants: A Qualitative Assessment." Institute for Research on Poverty Reprint no. 445.

Sheldon Danziger and George Jakubson, "The Distributional Impact of Targeted Public Employment Programs." Institute for Research on Poverty Discussion Paper no. 628-80.

Related reading

Final Report Series, Manpower Research Demonstration Corporation (New York):

Vol. 1: *The Impact of Supported Work on Young School Dropouts*, by Rebecca A. Maynard. 1980.

Vol. 2: *The Impact of Supported Work on Ex-Offenders*, by Irving Piliavin and Rosemary Gartner. 1981.

Vol. 3: *The Impact of Supported Work on Long-Term Recipients of AFDC Benefits*, by Stanley H. Masters and Rebecca A. Maynard. 1981.

Vol. 4: *The Impact of Supported Work on Ex-Addicts*, by Katherine Dickinson and Rebecca A. Maynard. 1981.

Vol. 5: *The Supported Work Evaluation: Final Benefit-Cost Analysis*, by Peter Kemper, David A. Long, and Craig Thornton. 1981.

Manpower Demonstration Research Corporation, *Summary and Findings of the Supported Work Demonstration*. Cambridge, Mass.: Ballinger, 1980.

The New Jersey Income-Maintenance Experiment. Vol. I: *Operations, Surveys, and Administration*, ed. David Kershaw and Jerilyn Fair, 1976. Vol. II: *Labor-Supply Responses*, ed. Harold W. Watts and Albert Rees, 1977. Vol. III: *Expenditures, Health, and Social Behavior; and the Quality of Evidence*, ed. Harold W. Watts and Albert Rees, 1977. New York: Academic Press.

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Hispanic labor conference

Social scientists have in the past paid scant attention to the experience of Hispanic workers in the United States. That situation will be altered if the goals of a newly formed research group, the Hispanic Labor Research Network, are met.¹ This network, which has ties to the Institute for Research on Poverty, plans to provide analytic studies of Hispanics in the U.S. labor market and to translate their basic findings into policy recommendations for what has come to be a sizable minority of the U.S. population.

In 1976 the Hispanic population was 11 million. By 1980 it was estimated to have grown to 14.6 million: 6.4 percent of the nation's citizens. At current rates of growth it could reach 16.5 million by 1986. Many in this large population are disadvantaged. In 1979, 20 percent of Spanish-origin people fell below the poverty line, compared with a national percentage of about 11 percent. The mean 1978 household income for Hispanics was \$14,000, in contrast to \$18,400 for non-Hispanic whites. Unemployment is a growing problem for Hispanics. In 1979 the unemployment rate for non-Hispanic white men was 4.4 percent, compared to 6.9 percent for Hispanic men; by 1980 the comparative figures were 6.1 and 9.7 percent.²

Despite these telling statistics, and despite the fact that other disadvantaged groups—principally blacks and women—have been the subject of intensive study by social scientists, Hispanics have not ranked high on the scholarly research agenda. To begin to remedy this neglect, Marta Tienda, a sociologist and Institute research affiliate—as well as a founder of the Hispanic Labor Research Network—and George Borjas, an economist at the University of California, Santa Barbara, co-directed a conference that brought together scholars specializing in Hispanic problems and those whose field is labor market problems. The conference, sponsored by the National Commission for Employment Policy and the Institute for Research on Poverty, was held at Santa Barbara on February 4–5, 1982.

Session 1: Wages

Employment, Wages, and Earnings of Hispanics in the Federal and Non-Federal Sectors: Methodological Issues and Their Empirical Consequences, by John Abowd, University of Chicago, and Mark Killingsworth, Rutgers-The State University.

Relative Earnings of Hispanic Youth in the U.S. Labor Market, by Steven Myers and Randall King, The University of Akron.

(continued on p. 14)