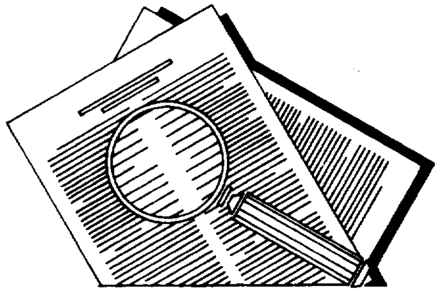

Research Summaries

Hispanic men: divergent paths in the U.S. labor market

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Hispanics are defined by the Census Bureau as individuals whose own origin or ancestral origin is a Spanish-speaking country. The unifying element among the numerous nationalities is purely linguistic. Hispanics are a rapidly growing component of the population and labor force of the United States. They were 4.5 percent of the population in 1970 and 6.4 percent by 1980. This growth is due in part to a high rate of natural increase. Hispanics tend to have higher fertility rates than other whites, even when variables (such as income, schooling, and marital status) are the same. More important, however, is the high proportion of Hispanics among immigrants to the United States. Hispanics now account for about 30 percent of the annual total of about 600,000 legal immigrants. An untold number of additional Hispanics have settled illegally in the United States. About $2\frac{1}{4}$ million Hispanics obtained legal status under the two major amnesty provisions of the 1986 Immigration Reform and Control Act.

The 1980 Census of Population is the most recent data that can be used to study Hispanics in the labor market by type of Hispanic origin and place of birth. This census indicated that among Hispanic men ages 25 to 64 in the labor force, 59 percent were of Mexican origin, 7 percent of Cuban origin, 11 percent of Puerto Rican origin, and 23 percent of other Spanish speaking origin. (See table 1.) This article shows that by combining distinct ethnic groups under one Hispanic rubric, much important insight is lost.

Hispanic immigrants

Among Hispanic men responding to the 1980 census, half were born in the 50 States or the District of Columbia, and 50 percent were born in a foreign country or a U.S. territory (such as Puerto Rico). The proportions vary substantially among the Hispanic groups, reflecting sharp differences in migration histories.

The foreign born accounted for only 38 percent of those of Mexican origin in 1980. The small community of Mexicans (about 50,000) who remained in Texas and the Southwest after these areas were annexed by the United States has been augmented by periodic influxes of Mexican migrants. The Mexican Civil War of 1910 and the periods of tight labor markets in the United States (for example, World War I, the 1920's, and World War II) saw increased Mexican migration. The net flow of Mexican nationals was toward Mexico during the Great Depression. For the past two decades, there has been increasing migration of legal and illegal aliens from Mexico. In fiscal year 1987, for example, more than 72,000 Mexican nationals became permanent resident aliens under regular U.S. immigration law.

The 1980 census data indicate that, on average, men born in Mexico have little formal education, 7.5 years of schooling compared to the 11.6 years for white foreign-born men. (See table 1.) Among those who migrated between 1975 and 1980, the average educational level is even lower, less than 7 years of schooling. This suggests that the relative skill level of Mexican migrants may be declining.[1]

In summary, Mexican migration is best characterized as international migration (either legal or illegal), motivated by economic factors. It is composed disproportionately of low-skilled workers, who receive low income and reside primarily in urban and rural areas of the Southwest from Texas to California. There is substantial to and fro migration.

Of men of Cuban origin, more than 90 percent were born in Cuba. Although Cuba had close commercial and other ties to the United States, there was little migration to the U.S. mainland during the 60 years following Cuban independence in 1898. Castro's coming to power in January 1959 changed the situation and sparked massive waves of primarily middle-class migration. The size and timing of these waves were determined primarily by political relations between the United States and Cuba, rather than by economic forces. Cuban-born men averaged 11.8 years of schooling in 1980, about the same as the average for all white immigrants. (See table 1.)

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Cuban migration since 1959 may be characterized as international migration, with many political refugees and members of the middle class. These migrants have settled mainly in the urban areas of south Florida and there is virtually no return migration.

Nearly 80 percent of the adult male Puerto Ricans residing on the U.S. mainland in 1980 were born in Puerto Rico. The island became a territory of the United States as a result of the Spanish-American War, and now has "commonwealth" status. Its residents became U.S. citizens through legislation enacted in 1917. Because of their citizenship, Puerto Rican migration to the U.S. mainland is internal migration—there are no legal barriers, quotas, or visa requirements. Puerto Rican migration was small until the 1950's when it increased sharply to the major urban areas in the Northeast, primarily the New York metropolitan area. The *net* migration rate declined in the 1970's and is now virtually zero. Return migration is easiest for the Puerto Ricans, and they appear to experience the highest circular migration rate among Hispanic migrants. The Puerto Rican migrants have a relatively low level of educational attainment. Their average level of schooling in the 1980 census was 9.9 years. (See table 1.)

Several factors are apparently responsible for the different patterns of migration from Puerto Rico and Mexico to the States between the 1970 and 1980 censuses. The slower economic growth in the Northeast than in the Southwest is partly responsible. In addition, the Mexican economy did worse than that of Puerto Rico, especially after the passing of the Mexican "oil bonanza" in the 1970's. The extension to the island of some mainland income transfer programs (such as food stamps in 1973) also altered relative incentives to migrate.

Table 1. Comparison of mean earnings and earnings-related characteristics for Hispanic and white men, by birth place, 1980[1]

Group	Earnings (dollars)	Schooling (years)	Age (years)	Years since migration	Percent of hispanic population
White	$19,440	13.04	41.3	—	—
Native	19,507	13.13	41.2	—	—
Foreign	18,312	11.57	42.5	17.53	—
All Hispanic	13,652	10.41	38.7	—	100.0
Native	14,630	11.34	38.4	—	50.2
Foreign	12,667	9.49	39.0	[2]12.92	49.8
Mexican	12,984	9.60	38.0	—	59.1
Native	14,146	10.88	38.4	—	36.7
Foreign	11,075	7.50	37.3	13.04	22.4
Cuban	16,104	11.88	44.4	—	7.1
Native	17,455	13.32	38.4	—	.5
Foreign	16,000	11.77	44.9	15.0	6.6
Puerto Rican	12,409	10.51	38.1	—	11.3
Mainland born	13,700	12.59	33.9	—	2.4
Puerto Rican born	12,055	9.94	39.2	([3])	8.9
Other Hispanic	15,261	12.04	39.1	—	22.5
Native	16,403	12.55	39.6	—	10.5
Foreign	14,259	11.60	38.6	11.52	12.0

[1]Men age 25 to 64 in 1980 who worked and had earnings in 1979. White includes persons who indicated a Hispanic origin in the race question. The data are from a 2/1,000 sample of the population for whites, and a 2/100 sample for the Hispanic-origin groups.
[2]Excludes persons born in Puerto Rico.
[3]Year of migration to the mainland not asked of persons born in Puerto Rico.
SOURCE: *1980 Census of Population*, Public Use Sample, B and C Samples.

Puerto Rican migration is best characterized as an internal, economic, and often cyclical migration of low-skilled workers. Puerto Rican migrants have a higher rate of to and fro return migration, generally receive low income, and live mainly in the New York metropolitan area.

The historical and institutional factors that have influenced the demographic and economic characteristics of Mexicans, Cubans, and Puerto Ricans are responsible for the considerable heterogeneity across these groups.[2] Among the foreign-born Hispanic men in 1980, the Cubans are the oldest (45 years) and the Mexicans, the youngest (37 years). Reflecting their refugee characteristics, the average age at migration of the Cubans (30 years) exceeds that of the Mexicans (24 years).[3] Schooling levels also differ sharply. The average of 11.8 years of schooling for the Cubans is about the same as that of all white male migrants (11.6 years), but exceeds that of the Puerto Ricans by 2 years and exceeds the Mexican level by more than 4 years.

The Cuban immigrants exhibit labor market characteristics that are typical of political refugees.[4] Pre-immigration schooling and labor market experience have a smaller impact on earnings in the United States for Cuban immigrants than for other white immigrants or Mexican immigrants. However, U.S. labor market experience has a larger impact on Cuban immigrant earnings and occupational status, and the Cubans appear to be more likely to enroll in school while in the United States.

Mexican immigrants, however, demonstrate characteristics typical of economically motivated, low-skilled migration. Whether legal or illegal aliens, the Mexican migrants do experience increases in skill levels and earnings in the United States. However, despite these improvements, their starting point is so low that they often remain low-skilled, low-income workers relative to white immigrants.

Many of the Mexican migrants are illegal aliens, and the Census Bureau estimates that about 1 million Mexican illegal aliens were enumerated in the 1980 census. In contrast, there are no Puerto Rican illegal aliens because they are citizens by birth. There are few Cuban illegal aliens because they are virtually assured legal status as political refugees or parolees. An exception are the few hundred criminals in the 1980 Mariel boat-lift who are being detained until they can be returned to Cuba.

Mexican illegal aliens tend to have been in the United States a short period of time and like legal Mexican immigrants, tend to have low skill levels and earnings.[5] Yet they do not appear to be at a significant disadvantage because of their illegal status. Mexican illegal aliens earn about the same as legal Mexican migrants with the same skills and experience in the U.S. labor market.

Hispanics born in the 50 States

The proportion of men born in the United States by Hispanic group varies sharply as a consequence of the different migration histories. Nearly three-fourths of all native-born Hispanic men are of Mexican origin. (See table 1.) An additional 20 percent are of other Spanish-speaking origin, 5 percent of Puerto Rican origin, and only 1 percent of Cuban origin.

Among men born in the United States, Mexican-Americans tend to have a low level of schooling, an average of 10.9 years, in contrast to the 13.1 years for the white native born. (See table 1.) This 2-year difference in schooling, greater rural residence, and fewer years of labor market experience account for some of the 30-percent difference in annual earnings; in 1979, less than $14,200 for the Mexicans and $19,500 in 1980 dollars for the white native born. Yet, even after controlling for their lower measured skill level, fewer annual workweeks, and demographic differences, U.S.-born men of Mexican origin still earn about 18 percent less than other native-born white men. About one-third of this differential is attributable to poorer fluency in English.[6]

Hispanics are more likely to retain their mother tongue than other ethnic groups. In the 1970 census, among second-generation Americans age 14 and over, 95 percent of those of Mexican origin and 84 percent of those of Cuban origin reported a "mother tongue" other than English, in contrast to only 70 percent for non-Hispanic, second-generation Americans from non-English speaking countries.[7] Among the native-born men in the 1980 census, 79 percent of the Mexicans, 69 percent of the Puerto Ricans, and 49 percent of the Cubans reported a language other than English was currently spoken in the home, in contrast to only 3 percent for non-Hispanic native-born white men.

Foreign language retention in itself need not be a cause of labor market disadvantage. However, to the extent that the mother tongue is used in place of English among those not yet fluent in English, it may impede the development of English language skills, thereby having an important indirect effect on labor market success. Among Mexican origin men born in the United States those who speak Spanish at home and those who have poor English receive 5 and 7 percent lower earnings, respectively, other variables the same. Similar patterns for the effect of language on earnings exist within other Hispanic ethnic groups.

Because of migration histories, adult Cubans and Puerto Ricans born on the mainland are relatively few in number. They tend to be relatively young and many are still making investments in training. The available data suggest, however, that the Cubans are faring far better than the Puerto Ricans. According to the 1980 census, the Puerto Ricans, living predominantly in the urban Northeast, an area with a relatively high number of more highly educated persons, had 12.6 years of schooling on average, in contrast to the 13.3 years for the Cubans, and the 13.1 years for all native-born white men. The discrepancies in earnings, however, are even greater. The mainland-born Puerto Ricans earned an average of $13,700 in 1979, in contrast to the $17,500 for the Cubans. (See table 1.) Still, even the Cuban average annual income was significantly less than the $19,500 for adult white native-born men.

The disparities in the migration and demographic histories, the level of investment in human capital (such as schooling, job training, language skills), and the labor market experiences among men of Mexican, Cuban, Puerto Rican, and other Spanish-speaking origins is enormous. Two of the groups under consideration do share one important, unenviable characteristic. The Mexicans and Puerto Ricans acquire fewer skills on average, than do others and as a consequence have lower levels of occupational attainment and earnings. □

FOOTNOTES

[1] Barry R. Chiswick, "Is the New Immigration Less Skilled Than the Old?" *Journal of Labor Economics*, April 1988, pp. 168–92.

[2] The "other Spanish" group is also heterogeneous, not only in country of origin but also in demographic and economic characteristics. The variances of demographic and economic variables are greatest for the "other Spanish."

[3] Because the Census Bureau treats Puerto Rican migration to the mainland as internal migration, data are not available on year or age of migration.

[4] Barry R. Chiswick, "Hispanics in the United States Labor Market," *Journal of American Ethnic History*, Fall 1987, pp. 30–58.

[5] Barry R. Chiswick, *Illegal Aliens: Their Employment and Employers* (Kalamazoo, MI, W. E. Upjohn Institute, 1988).

[6] Chiswick, "Hispanics in the United States."

[7] Many relevant questions for the study of the Hispanic experience vary from census to census. Parental nativity was asked in 1970 but not 1980. "Mother tongue," a language other than or in addition to English spoken in the home when the respondent was a child, was asked in 1970. In 1980, this was replaced by a question on languages currently spoken in the home. Changes in these and other questions make inter-census comparisons difficult.

Foundry wages advance as employment retreats

Production and related workers in iron and steel foundries averaged $9.53 an hour in October 1986, according to a study by the Bureau of Labor Statistics.[1] The October 1986 average was 33 percent higher than the $7.16 average hourly wage recorded by a September 1979 survey.[2] This average annual increase of 4.2 percent compares with an increase of 5.9 percent per year in the Bureau's Employment Cost Index for durable goods manufacturing industries over the same period. Cost-of-living pay adjustments, based on the Consumer Price Index, were received by about 25 percent of the foundry workers.

As pay levels rose, production employment in the industry fell by more than 50 percent between September 1979 and October 1986. Increased foreign competition and weak domestic demand contributed heavily to cutbacks in the work force, though the impact varied by industry branch.

Nationwide averages for production workers were usually higher in firms that had labor-management contracts, or were larger in size (250 workers or more), or in captive foundries.[3] This pattern varied, however, among industry branches. For example, in the gray iron pipe and fittings foundries, these pay advantages were reversed—average earnings were higher in firms that were nonunion, smaller in size (20–249 workers), or in commercial foundries.

Regionally, October 1986 pay levels in the industry varied considerably, ranging from $7.75 an hour in the Southeast to $11 an hour in the Great Lakes—the largest center of foundry employment. Averages in most other regions fell between $8 and $9 an hour.

Among the four industry branches studied separately, nationwide average hourly wages were $8.50 for steel foundries, $8.77 for gray iron pipe and fittings foundries, $10.04 for gray iron foundries, except pipe and fittings, and $10.83 for malleable iron foundries (table 1). While the overall pay level rose 4.2 percent per year from 1979 to 1986, average annual gains among industry branches ranged from 2.8 percent in steel foundries to 5.6 percent in gray iron pipe and fittings foundries.

Pay averages for industry branches were heavily influenced by the regional distribution of workers. For example, the Southeast, a relatively low-paying region, accounted for one-half of the workers in gray iron pipe and fittings foundries. On the other hand, the Great Lakes, a relatively high-paying region, accounted for three-fifths of the work force in gray iron foundries, except pipe and fittings, and four-fifths of the workers in malleable iron foundries.

The 42 occupations surveyed accounted for two-thirds of the production force. Among these, pay levels ranged from $12.98 an hour for metal patternmakers to $7.54 for guards (table 1). Chippers and grinders, the largest occupational group studied, averaged $9.07 an hour. Most of the remaining occupations had average wages between $8 and $10 an hour.

Nationwide, 15 percent of the foundry workers received incentive wages, usually on a piecework basis. Wages for incentive workers typically were 15 to 25 percent higher than the wages of their time-rated counterparts, who usu-

Table 1. Average hourly earnings in iron and steel foundries, selected occupations, October 1986[1]

Occupation	All firms	Gray iron foundries, except pipe and fittings	Gray iron pipe and fittings foundries	Malleable iron foundries	Steel foundries
All production workers[2]	$9.53	$10.04	$8.77	$10.83	$8.50
Maintenance					
Electricians	12.20	13.03	10.47	12.95	10.72
Mechanics, general	9.90	9.79	9.85	9.50	10.31
Patternmakers, metal	12.98	13.87	10.93	10.62	12.55
Patternmakers, wood	11.02	11.33	10.26	10.10	11.10
Processing					
Chippers and grinders	9.07	9.38	8.46	10.70	8.02
Coremakers, hand	8.87	8.81	8.12	9.47	9.09
Furnace tenders, electric	9.61	9.79	8.59	10.04	9.30
Pourers, metal	9.00	8.98	9.24	10.45	8.28
Shakeout workers	9.16	9.31	8.50	9.81	8.32
Shell-mold and shell-core machine operators	9.50	9.89	8.81	9.24	8.41
Material movement					
Crane operators, electric bridge	9.87	10.38	9.13	11.15	9.31
Laborers, general foundry	8.27	8.68	7.27	9.67	7.42
Power truck operators	9.65	9.96	8.54	10.44	8.46
Truckdrivers	8.64	8.77	8.60	10.04	7.89
Custodial					
Guards	7.54	8.27	7.52	—	6.77
Janitors, porters, and cleaners	8.70	9.51	7.45	11.35	6.89

[1] Excludes premium pay for overtime and for work on weekends, holidays, and late shifts. Incentive payments, such as those resulting from piecework or production bonus systems, and cost-of-living increases (but not bonuses) were included as part of regular pay. Excluded are performance bonuses and lump-sum payments, as well as profit-sharing payments, attendance bonuses, Christmas or yearend bonuses, and other nonproduction bonuses.

[2] Includes data for workers in occupations not shown here. The comprehensive bulletin on this survey provides separate wage information for 26 additional occupations.

NOTE: Dash indicates that no data were reported or that data did not meet publication criteria.

ally were paid under formal systems providing single rates for specified occupations.

At the time of the survey, foundries typically scheduled their production staff to work 40 hours per week. One-fifth of the workers were employed on second shifts and one-eighth on third shifts. Although shift differentials varied widely, second-shift average wages were commonly 15 to 25 cents per hour above day rates. Third-shift wages were as much as 20 to 35 cents above first-shift wages.

Virtually all workers were employed by firms providing paid holidays and paid vacations. One-third of the workers received 9 or 10 paid holidays annually while another third received 11 or 12 days, and one-fifth received 13 or 14 days. Vacations usually were granted after qualifying periods of service. The most common provisions were 1 to 2 weeks of leave after 1 year of service, 2 to 3 weeks after 3 years, 3 to 4 weeks after 10 years, 4 to 5 weeks after 20 years, and 5 weeks or more after 25 years. Vacation and holiday provisions varied significantly by industry branch and by region.

Almost all production workers were offered life and accidental death and dismemberment insurance, and health insurance including hospitalization, surgical, and basic medical benefits. About 80 percent were offered major medical insurance, and 59 percent were covered by dental insurance. Firms offered short-term protection against loss of income due to illness or accident to 85 percent of the work force, and provided long-term disability insurance to 26 percent. About 88 percent of the workers were covered by retirement plans. Most health, insurance, and retirement pension plans were financed entirely by the employers.

Among other benefits studied and the proportions of production workers covered were: supplemental unemployment (one-fourth); vacation bonus plans (one-eighth); and work-related clothing allowances (one-half).

Also studied were four types of plans which guarantee a level of pay when the employer determines sufficient work is not available. Guaranteed minimums for reporting to the job applied to almost three-fourths of the work force. Call-in (or callback) pay covered 60 percent of the workers and earnings protection plans and guaranteed weekly wage (or weekly hour) plans covered 10 and 15 percent of the workers, respectively.

Two-thirds of the firms had collective bargaining agreements that covered a majority of the production workers. Regionally, the proportion of workers under union contracts ranged from one-sixth in the Southwest to four-fifths in the Great Lakes. By industry branch, the union proportion was about one-half of the workers in gray iron pipe and fittings and steel foundries; three-fourths in gray iron foundries, except pipe and fittings; and nine-tenths in malleable iron foundries.

Major unions in the industry are the United Steelworkers of America; the International Molders and Allied Workers Union of North America; and the United Automobile, Aerospace, and Agricultural Implement Workers of America (all AFL-CIO affiliates).

A comprehensive bulletin on the study, *Industry Wage Survey: Iron and Steel Foundries, October 1986* (Bulletin 2292), may be purchased from the Bureau of Labor Statistics Publications Sales Center, P.O. Box 2145, Chicago, IL 60690, or from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. The bulletin provides additional information on occupational pay by characteristics such as size of firm, union status, and location. An analysis using multiple regression to isolate the independent effects of these characteristics on pay is included. Also reported is information on the incidence of contracting out selected services, such as trucking, maintenance, and accounting functions. □

FOOTNOTES

[1] Earnings data exclude premium pay for overtime and for work on weekends, holidays, and late shifts. Incentive payments, such as those resulting from piecework or production bonus systems, and cost-of-living pay increases (but not bonuses) were included as part of regular pay. Excluded were performance bonuses and lump-sum payments, as well as profit-sharing payments, attendance bonuses, Christmas or year-end bonuses, and other nonproduction bonuses.

[2] For an account of the earlier survey, see *Industry Wage Survey: Iron and Steel Foundries, September 1979*, Bulletin 2085 (Bureau of Labor Statistics, 1981). The results of the two surveys are not strictly comparable because the 1986 survey had a lower minimum firm size of 20 rather than 50 workers. Firms with fewer than 50 workers accounted for 7 percent of the 1986 survey work force in iron and steel foundries.

[3] Captive foundries produce castings for use in a final product of a parent company; commercial foundries produce castings for sale to other firms on a job or order basis.