HISPANICS AND THE AMERICAN DREAM: AN ANALYSIS OF HISPANIC MALE LABOR MARKET WAGES 1940-1980

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I. INTRODUCTION

Given the rather unique position of America as an immigrant nation, the current concern with the ability of hispanic immigrants to assimilate socially and economically in the United States is an echo of a long historical issue. One difficulty in constructing sound policy regarding immigration issues is the limited data available on the contemporary experience of recent immigrants. For very recent hispanic immigrants, there has been insufficient time to monitor the areas of success and to isolate those behaviors that appear to point to long-run national problems. The United States has served as an historical laboratory, continuously conducting experiments absorbing massive numbers of immigrants from different cultures throughout its history. Over the last 50 years, hispanics have played a critical role in America's immigrant history. It is the abundance of this historical experience that serves as the basis of this research project.

Although the hispanic population in the United States now rivals that of black Americans in size, we know far less about how hispanic workers are faring than we do about the changing economic status of blacks. For example, there is no hispanic counterpart to Myrdal's classic book, *The American Dilemma*, which traced with grand scope the economic history of blacks. While in earlier times this neglect could be justified by the much smaller numbers of hispanic workers, that is no longer the case. The goal of this report will be to document in as comprehensive a way as possible what has happened to the relative economic status of hispanic male workers in the decades between 1940 and 1980. This documentation will include all the major hispanic ethnic groups: Mexicans, Puerto Ricans, Cubans, and "other Hispanics." In particular, we will also investigate the ability of the growing numbers of hispanic immigrants to assimilate economically into the American labor market as they attempt to secure a better economic lot for themselves and their children.

The remainder of this report is divided into five sections. Section II describes major trends in hispanic-white male wage ratios from 1940 to 1980. The concern here centers not only on how the typical hispanic male is faring relative to the typical white male, but also on the distribution of wage gains and losses around the average. The remaining sections attempt to isolate some causes of these trends. Section III describes differential trends in schooling accomplishments for hispanic and white men. The effect of immigration on these differential trends receives special attention in this section. Section IV summarizes trends in nativity for each of the major hispanic ethnic groups. My summary includes a number of dimensions of place of birth and current residence. Section V deals with the controversial and thorny issue of the ability of hispanic immigrants to assimilate into the American labor market. Our concern here centers on both assimilation across an immigrant's working life-cycle and intergenerational assimilation as the immigrant's children and grandchildren continue to live and work in the United States. Section VI summarizes the results of our statistical analysis of the determinants of male hispanic wages using the decennial Census files from 1940 to 1980.

II. HISPANIC MALE WAGES: 1940-1980

How has the typical hispanic male worker fared in the labor market between 1940 and 1980? Did some segments of the male hispanic workforce do significantly worse than average? How much of the changing position of hispanic male workers was due to aggregate labor market trends and how much has a distinctly hispanic component? In this chapter, I attempt to answer these questions by first describing the changing labor market conditions for white male workers. This aggregate labor market context sets the stage for depicting trends in the hispanic male wage gap compared to white men. A particular concern of this chapter involves the question of whether all segments of the hispanic male workforce did equally well over the last four decades. To this end, I describe the distribution of hispanic male wage growth across all segments of the hispanic male wage distribution.

HISPANIC MALE WAGES 1940-1980

Table 2.1 depicts my estimates of hispanic-white male weekly wage ratios for each of the five decennial Census tapes. This table contains relative wages for all hispanics and separately for the numerically large hispanic ethnic groups.[1] To provide a point of comparison with

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[1]Our numbers are ratios of arithmetic means of weekly wages. Income is defined as the sum of wages and salary and self-employment income. Weekly wages are calculated as income divided by weeks worked. Our sample consists of men 16 to 64 years old who did not live in group quarters. A number of additional sample restrictions were imposed. We excluded men (1) who worked less than 50 weeks in the previous year and are now attending school; (2) who worked 26 weeks or less in the previous year; (3) who were in the military; (4) who were self-employed or working without pay if they were not employed in agriculture; (5) whose weekly wages put them below the following values: 1940 = $1.50, 1950 = $3.75, 1960 = $6.25, 1970 = $10.00, 1980 = $19.80; (6) whose computed weekly wages put them above the following values: 1940 = $125, 1950 = $250, 1960 = $625, 1970 = $1250, 1980 = $1875; (7) who were in the open-ended, upper income interval and who did work at least 40 weeks last year. In addition, in the 1950 Census only sample line people (who were asked income questions) were included.

another minority group, the final two rows list black male wages relative to those of white males and hispanic males.

Table 2.1 points to a relatively constant wage gap between hispanics and whites across this 40-year time span. In 1940, the typical hispanic male worker earned almost two-thirds as much as his white counterpart.[2] By 1980, the average hispanic man in the labor force earned 71 percent as much as the typical white man. Indeed, the smallest wage gap (73.8 percent) was registered in 1950, after which there was a 4 percent fall in the wages of hispanic men compared to those of white men. Since 1960, there has been remarkably little change in the hispanic-white male wage gap.[3]

Table 2.1

MINORITY MALE WAGES AS A PERCENT
OF WHITE MALE WAGES

Minority Group	1940	1950	1960	1970	1980
All Hispanics	64.2	73.8	70.2	73.7	70.7
Mexicans	55.6	71.3	70.0	70.1	68.0
Puerto Ricans	82.9	71.5	61.3	66.7	66.1
Cubans	n.a.	n.a.	n.a.	75.6	82.8
Other Hispanics	82.1	85.4	82.3	82.7	77.6
Blacks	43.3	55.2	57.5	64.4	72.6
Blacks as a percent of Hispanics	67.4	74.8	81.9	87.4	1.03

[2]Throughout this report, calendar year indexes the Census survey year. The wage data refers to the year proceeding the Census.

[3]In 1980, Hispanic classification is based on a Spanish origin question where the respondents identified themselves as (1) Mexican, Mexican-American, Chicano, (2) Puerto Rican, (3) Cuban, or (4) Other Spanish/Hispanic or not Spanish/Hispanic. The 1970 hispanic classification is based on a self identification question similar to the 1980 question. The categories in the 1970 question are (1) Mexican, (2) Puerto Rican, (3) Cuban, (4) Central or South American, or (5) Other Spanish or none of these. For these analyses, the Central and South

The ethnic-specific trends in Table 2.1 attest to the considerable economic heterogeneity within the hispanic population. Among the major hispanic subgroups, Mexicans have always fared the worse economically. In 1940, while the all-hispanic wage gap was 64 percent, Mexican men

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American category is combined with the Other Spanish category.

Classification of hispanics in 1940-1960 is more complicated than in 1970 and 1980 because no direct question on hispanic ethnicity is asked. In 1960, respondents are determined to be Hispanic using criteria that depended on their generation. First generation hispanics were born in hispanic countries (e.g., Central or South America, Spain, Mexico, Cuba, Puerto Rico, or the Spanish-speaking Caribbean). Second generation hispanics' parents were born in any of the above countries. Those whose country of birth or whose parents' country of birth were not ascertained were allocated as hispanics and non-hispanics in proportion to the relative fraction of hispanics among the identified countries on a state by state basis. Within the selected hispanics group, ethnicity was imputed using the relative fraction of each state's hispanic population in each generation in each ethnic group.

A number of criterion were used to identify third generation hispanics in 1960, including whether a person lived in one of the five southwestern states (Arizona, California, Colorado, New Mexico, or Texas) and had a Spanish surname, or whether Spanish is or was spoken in the home. Because many Spanish surname persons are not hispanics, we used the second generation fraction of Spanish surname individuals who are hispanic in each state to scale the Spanish surname population to the hispanic population. Individual ethnicity classifications in the third generation were determined by the following allocation rule. In each state they were allocated in proportion to the ethnicity that existed in the second generation in that state. The only exception to that rule was in New Mexico and Colorado, where there exists a largely non-Mexican third generation hispanic population. Third generation hispanics in these two states are placed in the non-hispanic population.

The 1950 classification of hispanics is similar to 1960. First and second generation hispanics and their ethnicity were identified exclusively through their parents' country of birth, and the not ascertained group is handled the same way it was in 1960. However, for third generation hispanics there are two Spanish surname questions, and no language spoken in the home question in 1950. These variables were used to select the potential third generation hispanic population in 1950. Once again this population was scaled down to the hispanic population using the fraction of Spanish surname individuals in the second generation who were hispanics (using their parent's country of birth). Individual ethnicity was imputed using the fraction of the second generation hispanics who were members of each ethnic group.

The 1940 classification of Hispanics also uses criteria similar to the 1960 process. First and second generation hispanics and their ethnicity were identified exclusively through their parents' country of

were earning 56 percent of white men. Between 1940 and 1980, however, wages of Mexican men rose 20 percent relative to the white male majority. However, these wage gains were entirely concentrated in the 1940s. By 1950, the Mexican wage gap was 71 percent, a ratio close to that which prevailed in 1980. Indeed, Mexican male relative wages have declined slightly since 1960.

The situation for Puerto Rican men was almost precisely the opposite of that just described for Mexicans. Their wage gap with whites was 19 percent in 1940 when Puerto Ricans earned 40 percent more than Mexicans. In contrast to Mexicans, Puerto Rican male relative wages declined sharply during the 1940s with their wage disparity with white men expanding to almost 33 percent by 1950. This deterioration continued during the 1950s, plateauing at a 61 percent wage ratio in 1960. In that year, Mexican men actually outearned their Puerto Rican male counterparts by 14 percent. After 1960, the Puerto Rican wage gap narrowed slightly, reaching 66 percent in 1980. By 1980, there was little difference in the average labor market wages of Puerto Ricans and Mexicans.

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birth. Those whose country of birth or whose parents' country of birth were not ascertained were once again allocated as hispanics and non-hispanics in proportion to the relative fraction of hispanics among the identified countries. However, in the third generation several of the criteria were collected for a broader population in 1940, which increased the scope of hispanic identification. Spanish surnames were identified for everyone in the 1940 Census rather than only for respondents in the five southwestern states. This Spanish surname identification used the same 1980 list used for one of the 1950 measures. Also, everyone was asked the Spanish language in the home question, unlike 1960 where only foreign-born respondents were asked a language question. These Spanish surname and Spanish language questions were used to define the potential third generation hispanic population. Using the fraction of Spanish surname and language persons who were second generation hispanic, this potential hispanic population in the third generation was scaled down to the actual hispanic population. Again, the individual ethnicity classifications were decided using area-specific fractions in each ethnic group in the second generation.

Throughout all the imputations in 1940, 1950, and 1960 that decided whether a Spanish surname respondent was hispanic or not and to which ethnic group a particular hispanic respondent belonged, random number generators were used to label individual respondents.

The most dramatic trend in Table 2.1 involves the contrast between hispanic men and black men. Fifty years ago, the economic status of the typical hispanic worker far exceeded that of the average American black male worker. Black men in 1940 earned 67 percent of the wages of hispanic men. Between 1940 and 1980, black male wages increased 42 percent faster than those of hispanics. Across these 40 years, there was a steady and impressive erosion of the income disparities between hispanics and blacks. By 1980, blacks actually earned three percent more than hispanic men did. This remarkable labor market transformation reflects the steady relative improvement in black economic status while that of hispanics was basically stagnant.

The series of Tables 2.2A to 2.2D illustrate trends in the hispanic wage gap, stratified by potential years of labor market experience. Quite often, younger, less-experienced workers serve as important barometers of future trends. Among all hispanics (Table 2.2A), since 1940 the hispanic wage gap has generally narrowed among men with 20 or more years of potential work experience.[1] Among workers with less than 20 years of potential work experience, however, the 1980 wage gap was quite similar to that which prevailed in 1940. There is even some evidence of an expanding wage gap since 1950 for these younger workers, particularly during the 1970s.

The remaining tables in this series summarize ethnic specific trends. Although Mexican men at all experience levels participated in the wage gains during the 1940s, the largest improvement took place among more experienced Mexican men. After 1950, the Mexican wage gap arrayed by years of potential work experience was remarkably stable. We have seen that the post-1940 Puerto Rican trends can be divided into two quite distinct eras--the large increase in their wage gap between 1940 and 1980, followed by a more modest closing of the wage gap after 1960. The pre-1960 wage deterioration was more rapid among younger workers.

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[1]There has been little change in the wage gap since 1960 for these more experienced workers.

Table 2.2A

HISPANIC MALE WAGES AS A PERCENT OF WHITE MALE WAGES

Years of Market Experience	Calendar Years				
	1940	1950	1960	1970	1980
1-5	76.9	86.5	76.9	81.4	80.9
6-10	71.4	80.8	73.8	77.7	75.0
11-15	69.2	74.1	70.4	75.6	70.6
16-20	65.1	70.8	73.2	73.4	70.5
21-25	59.7	70.8	70.0	71.9	68.4
26-30	58.2	69.5	69.6	71.7	68.6
31-35	53.4	73.7	67.8	69.5	67.8
36-40	51.2	71.6	67.3	69.0	68.6
All	64.2	73.8	70.2	73.7	70.7

Table 2.2B

MEXICAN MALE WAGES AS A PERCENT OF WHITE MALE WAGES

Years of Market Experience	Calendar Years				
	1940	1950	1960	1970	1980
1-5	70.3	86.7	76.2	73.6	79.7
6-10	65.5	79.2	73.7	72.4	73.7
11-15	61.0	72.4	71.3	73.0	68.3
16-20	58.9	70.0	72.9	70.7	67.7
21-25	53.4	63.3	70.7	68.7	65.8
26-30	50.5	69.2	68.0	69.6	67.3
31-35	40.5	70.9	66.9	66.7	66.4
36-40	42.1	66.9	63.3	62.8	66.3
All	56.0	71.3	70.0	70.1	68.0

Table 2.2C

PUERTO RICAN MALE WAGES AS A PERCENT OF WHITE MALE WAGES

Years of Market Experience	Calendar Years				
	1940	1950	1960	1970	1980
1-5	116.2	87.5	75.4	83.7	78.2
6-10	88.2	70.3	65.1	70.5	69.3
11-15	81.8	82.1	60.6	66.3	67.6
16-20	68.1	69.2	65.2	65.0	61.6
21-25	82.4	69.1	59.4	64.2	60.9
26-30	79.3	64.3	58.4	67.3	59.5
31-35	75.1	82.3	60.9	62.6	62.7
36-40	77.6	71.3	67.4	62.9	66.2
All	82.9	71.5	61.3	66.7	66.1

Table 2.2D

OTHER HISPANIC MALE WAGES AS A PERCENT OF WHITE MALE WAGES

Years of Market Experience	Calendar Years				
	1940	1950	1960	1970	1980
1-5	96.7	84.0	83.6	90.1	83.7
6-10	88.1	97.8	87.7	86.2	79.5
11-15	87.0	76.8	81.3	84.3	76.1
16-20	80.3	75.1	83.6	83.7	79.0
21-25	71.3	109.2	78.3	80.6	77.6
26-30	68.1	73.1	85.9	80.9	73.4
31-35	78.6	81.4	78.0	79.6	72.6
36-40	67.7	80.8	81.5	80.2	76.1
All	82.1	85.4	82.4	82.7	77.6

For example, the average relative wage decline for workers with less than 10 years in the labor market was 32 percent compared to 17 percent for workers with 30 or more years of work experience. On a more promising note, Puerto Rican male wage gains post-1960 were concentrated among the young.

The final ethnic comparison involves the "other hispanic" group. The decline in economic status among "other hispanics" took place after 1960. Between 1960 and 1980, relative wages of "other hispanics" fell by 6 percent. While this decline was slightly larger among older "other hispanics," all segments of the age distribution shared in this rapid deterioration.

THE DISTRIBUTION OF WAGE GAINS

The Poor, the Affluent and the Middle Class

To this point, I have described labor market outcomes for the typical or average hispanic male worker. But such comparisons do not address the question of whether all segments of the hispanic workforce have fared equally well over the last four decades. In fact, not all hispanic male workers are described well by the average, with significant numbers experiencing much smaller wage advances than that achieved by the typical hispanic worker.

Table 2.3 summarizes the extent to which hispanic men made economic progress at different segments of the complete wage distribution. To produce this table, annual earnings of hispanic men at each percentile of the hispanic income distribution were calculated relative to the annual earnings of white men at the same percentile of the white male earnings distribution.[2] Among all hispanic men and for Mexicans alone, wage gains tended to be somewhat higher in relative wage changes in the upper half of the wage distribution. For example, between 1940

[2]In Tables 2.3 and 2.4, the distributions were restricted to workers who worked at least 27 weeks during the previous year. This restriction was imposed in order to confine the evaluation to wage changes only.

and 1980, hispanic wage gains were 6.1 percent, 8.7 percent, and 15.9 percent at the 20th, 50th, and 80th percentiles.

The two groups for which the median is not an adequate summary statistic are Puerto Ricans and "Other Hispanics" where wage losses were much larger among low wage workers. For example, across the full 40 years after 1940, relative Puerto Rican wages fell by 42.5 percent at the 20th percentile. During that same period, their relative median and 80th percentile wages fell by 21 percent. Similarly, after 1960, when Puerto Ricans began to make up some of the ground that they lost, wage growth was larger above the median. Between 1960 and 1980, Puerto Rican wages expanded relative to white men by 9.5 percent at the 80th percentile, while relative wages at the median increased by 7.3 percent and by only 0.4 percent at the 20th percentile. A similar pattern emerges, especially during the 1970s, within our "Other Hispanic" group. Their relative wages at the 20th percentile fell by 32 percent after 1960. Evaluated at the median and the 80th percentile, relative wages of "Other Hispanics" declined by 10.9 percent and 3.4 percent.

The issue of the distribution of hispanic labor market progress is next addressed in Table 2.4. Building on the simplicity of the poverty line, I divided all workers into three earnings classes--the poor, the middle class, and the affluent.[3] Using this simple three-way division, we can first track overall labor market trends using white men as our benchmark.

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[3]From the first attempts to measure poverty, debate has continued on whether poverty is an absolute or relative concept. To count the poverty population, I have adopted a middle ground using elements of both absolute and relative definitions. It turns out that my definition also corresponds more closely to people's notions of what poverty means. When asked in surveys over time about the income required not to be poor, the poverty threshold has increased roughly fifty cents by every dollar increase in real income. Based on that observation, my definition of poverty increases the poverty threshold income by half a percent for every one percent growth in real income.

The setting of the initial poverty threshold is arbitrary. I selected as the initial criteria an income level such that 11 percent of white male earnings were poor in 1979. This poverty threshold was then adjusted for any real income growth or contraction relative to that

Table 2.3

RATIOS OF ANNUAL EARNINGS AT SELECTED PERCENTILES

(Reference Group: White Males)

Percentile	1940	1950	1960	1970	1980
			All Hispanic Men		
10	68.5	65.2	65.9	71.8	63.7
20	60.0	67.6	67.2	72.3	63.8
30	61.5	72.1	64.6	72.8	66.7
40	61.9	76.5	67.0	71.0	67.8
50	62.6	72.9	70.3	75.2	68.3
60	64.6	77.8	73.0	77.9	70.0
70	64.1	74.7	75.6	80.1	71.8
80	63.2	75.3	74.5	76.1	74.1
90	65.0	72.3	72.3	71.3	74.3
			Mexican Men		
10	61.4	65.2	61.0	60.6	63.7
20	52.0	56.7	63.9	64.4	63.2
30	51.3	67.4	62.0	64.8	63.4
40	53.6	72.6	67.0	67.7	64.3
50	54.4	69.5	70.3	75.2	65.8
60	57.7	74.6	74.8	74.6	67.5
70	57.7	74.7	78.9	75.2	71.4
80	56.8	75.3	74.5	71.9	74.1
90	58.3	70.3	72.3	68.6	72.5
			Puerto Rican Men		
10	157.8	108.7	80.5	85.9	71.7
20	108.3	83.8	70.5	80.2	70.8
30	100.6	86.1	64.6	72.8	66.7
40	88.2	80.4	62.6	69.7	67.9
50	83.5	76.3	60.4	67.7	65.0
60	84.0	74.6	62.6	66.9	64.8
70	84.6	74.7	62.6	70.1	66.7
80	82.1	75.3	60.3	65.0	66.3
90	83.3	68.3	58.4	61.8	67.6

(continued)

year. My definition of the elite is asymmetric. To be a member of the elite, one must have a income of 4/3 of the white median in that year.

"Other Hispanic" Men

10	93.2	85.2	100.0	85.9	66.4
20	78.3	85.4	94.6	82.2	68.4
30	74.4	87.2	95.4	80.8	67.0
40	74.2	92.5	98.3	83.5	71.4
50	78.3	81.9	83.1	87.6	74.5
60	76.9	93.9	87.3	87.9	75.8
70	76.9	89.0	85.9	87.1	80.7
80	79.0	90.1	85.2	84.5	82.3
90	83.3	86.1	82.8	82.3	80.6

Table 2.4

INCOME GROUP STATUS OF WORKERS

	1940	1950	1960	1970	1980
White Men					
Poor	31	18	13	9	11
Middle Class	38	59	63	65	61
Affluent	31	23	24	26	28
Hispanic Men					
Poor	57	32	27	17	23
Middle Class	34	61	66	75	66
Affluent	9	7	7	8	11
Mexican Men					
Poor	63	37	29	21	24
Middle Class	31	57	64	70	65
Affluent	6	6	7	9	11
Puerto Rican Men					
Poor	33	23	27	15	21
Middle Class	49	71	70	80	70
Affluent	18	6	3	5	9
Other Hispanics					
Poor	45	19	18	13	21
Middle Class	40	68	70	73	64
Affluent	15	13	12	14	15

Coming out of the depression, even 31 percent of working white men had jobs that placed them in poverty in 1940. But the situation then for hispanics was far worse. More than half of hispanic men worked in jobs that confined them within the ranks of the poor, and only one in three hispanic men earned middle class wages. Within the hispanic community, Mexicans fared the worst. Almost two-thirds of working Mexican men earned wages below the poverty threshold. In contrast, the 1940 Puerto Rican community was distinctly middle class, with working male poverty rates only slightly above those of white men.

The subsequent changes have been dramatic. Driven by persistent economic growth and improvements in the skills of the workforce, poverty rates declined rapidly for the white male majority. Between 1940 and 1970, white male poverty rates fell by 70 percent until one in every 11 white workers fell below the poverty threshold. Since the relative size of the white affluent class also declined, the 30 years after 1940 witnessed the emergence of a sizable white middle class. By 1970, almost two in every three white male workers earned middle class incomes. These historic trends reversed during the 1970s. The stagnant economic conditions of that decade combined with expanding wage inequality led both to an increase in both the fraction of white men who were poor and those who were affluent.

Table 2.4 indicates that, in large part, hispanic men were equal co-participants in these trends. The percentage reductions in hispanic male poverty between 1940 and 1970 were almost identical to that achieved by white men. Fully 23 percent of hispanic men in 1980 still languished within the poor underclass. However, the real story for hispanics over these 40 years has been the impressive reductions in the ranks of the hispanic working male poor alongside the emergence of an hispanic middle class. By 1970, only one in six hispanic men had wages below the poverty threshold compared to more than one in two 30 years earlier. Similarly, Mexican male poverty rates fell to one in five by 1970 from two in every three Mexican workers in 1940. Table 2.4 attests to the primacy of economic growth in reducing hispanic poverty. Between

1940 and 1970, median white wages grew by 3.2 percent per year, a growth that was fairly uniform across the full wage distribution. In this case at least, a rising tide did lift all boats, moving large numbers of hispanic male workers out of poverty.

Because of the diverse experiences among the major hispanic ethnic groups, summarizing secular changes for the hispanic affluent class is more complex. Mexicans constitute the most clear cut evidence of progress. During the 40 years covered in Table 2.4, the odds of a Mexican working male having an affluent job almost doubled. Since the white male affluent rate actually declined over that period, for the first time, a sizable number of Mexican men are in jobs that are better than those of middle-class whites.

No such story of steady progress towards affluence can be told among all hispanic workers. The reason is that both Puerto Ricans and other hispanic groups had, in relative terms, a more sizable affluent class in 1940. The Puerto Rican case is the most dramatic. In 1940, I classify almost one in five Puerto Rican male workers as affluent. By 1960, this proportion had fallen to one in every 25 Puerto Rican workers. The end result is that the overall hispanic affluent rate of 11 percent in 1980 is slightly less than the 14 percent rate in 1940. In the 20 years after 1960, however, the affluent rate even among all hispanic men increased.

As was the case for whites, the gains in reducing hispanic poverty ended in 1970. However, the subsequent deterioration was much more severe among hispanic workers. Between 1970 and 1980, the fraction of hispanic working male poor grew by more than 40 percent, twice the increase in white male poverty during that decade. By 1980, almost one in every four hispanic workers were poor, little different than the rate 20 years earlier. Between 1940 and 1970 progress in reducing overall hispanic and Mexican male poverty moved lock-step with the advances made by white male workers. These parallel advances ceased during the 1970s. Discovering the reason for this unlocking of hispanic progress from that of white men will be one of the goals of this paper.

Not all hispanic ethnic groups moved in parallel with white male progress. In 1940, Puerto Rican working men were almost indistinguishable from whites. Of all the groups listed in Table 2.4, subsequent progress was less evident among them. Between 1940 and 1960 in particular, Puerto Rican male poverty declined only slightly (from 33 to 27 percent), while poverty among white working men was cut by almost 60 percent. These 20 years were the period of large-scale Puerto Rican immigration of low-skill workers. This immigration most likely diluted the typical benefits of economic growth by expanding the relative numbers of unskilled Puerto Rican workers.

The other group with a distinctive trend is "other hispanics." The heterogeneous collection includes the very poor immigrants from Central America as well as the rather well-to-do European hispanics. This heterogeneity is reflected in both the initially high rates of affluence and poverty among "other hispanics." Over the course of these 40 years, the relative numbers of Central Americans in this group has risen, leading to a decline in the affluent rate and a subsequent increase in poverty rates. The group that fared the worst during the 1970s were other hispanics. During that decade, their poverty rates increased by almost 60 percent, almost three times the relative increase observed among white men. Increasingly during this decade this fraction of Central and South American immigrants within the group rose.

THE DISTRIBUTION OF WAGE GAINS AND LOSSES

In this section, I describe the distribution of hispanic male wage gains and losses across the full wage distribution in more detail. To accomplish this aim, workers were first ranked (within each ethnic group) from lowest to highest based on their labor market earnings. At each percentile of that ranking, the percentage wage growth across Census decades was calculated.

To set the overall context of the labor market in which hispanics were participating, Figure 2.1 highlights the results for white males. The decade of the 1970s was characterized by modest average wage growth

and a significant increase in wage inequality. Between 1970 and 1980, there was essentially no wage growth for the median white worker. White workers with wages above the median enjoyed significantly higher wage growth, while those below the median were experiencing large wage losses. To illustrate, at the 80th percentile, white male wages grew by 4.1 percent in the 1970s while wages of white men at the 20th percentile fell by 7.8 percent. The upward sloping curve of white weekly wage growth by percentile indicates that during the 1970s the higher the initial wage, the more rapid the subsequent wage growth.

These two salient characteristics of white wage growth --modest average wage growth and expanding inequality--were unique to the 1970s.[4] With the exception of the bottom third of the wage distribution, white male wage growth was roughly uniform across percentiles during the 1960s. Moreover, the median wage growth was 24 percent during the decade (or equivalently 2.4 percent wage growth a year). Similarly, the 1950s were also characterized by roughly uniform wage growth alongside an even larger median growth for white men of 3.4 percent per year. Finally, coming out of the depression, white wage growth was negatively correlated with initial white wage levels during the 1940s.[5] Between 1940 and 1950, white male wages expanded by 6.9 percent per year at the 20th percentile, by 4.4 percent at the median, and by 2.2 percent per year at the 80th percentile. The 1940-1950 wage growth was so severely negatively sloped that it determined the shape of the full 1940-1980 curve. From 1960-1980, there was a slight positive slope after the 30th percentile, largely the consequence of the inequality trends increasing during the 1970s.

Figure 2.2 depicts the distribution of wage growth among hispanic workers. While hispanic workers did not do as well as white workers during the 1970s, the distribution of wage gains within hispanic male workers was similar to that of whites. While average white male weekly

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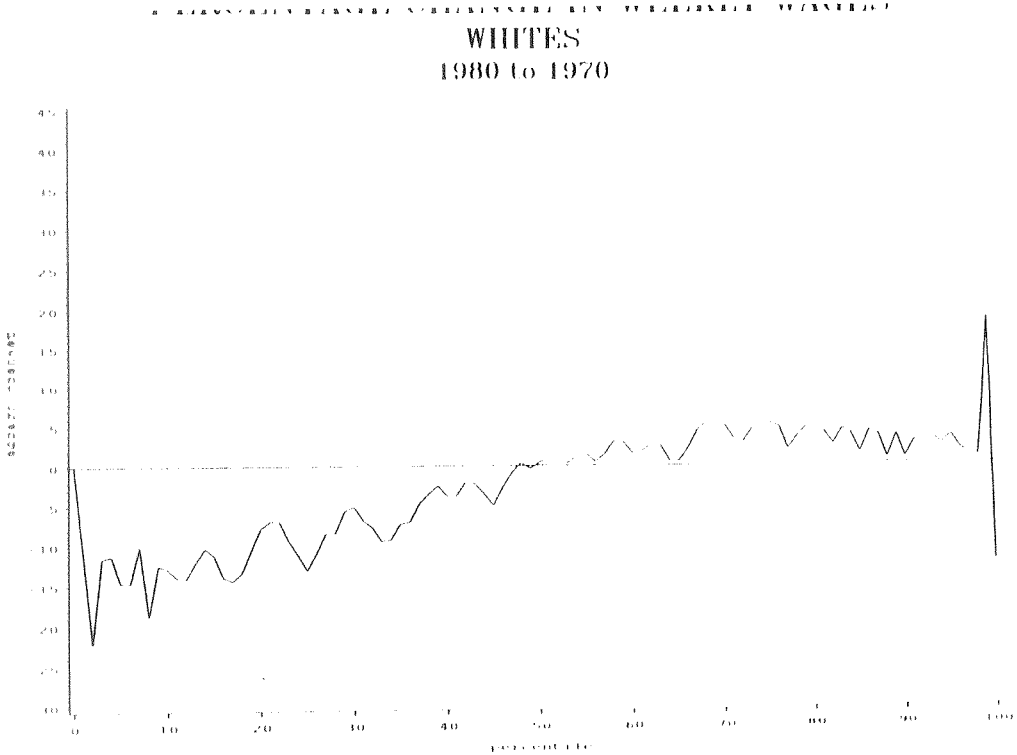
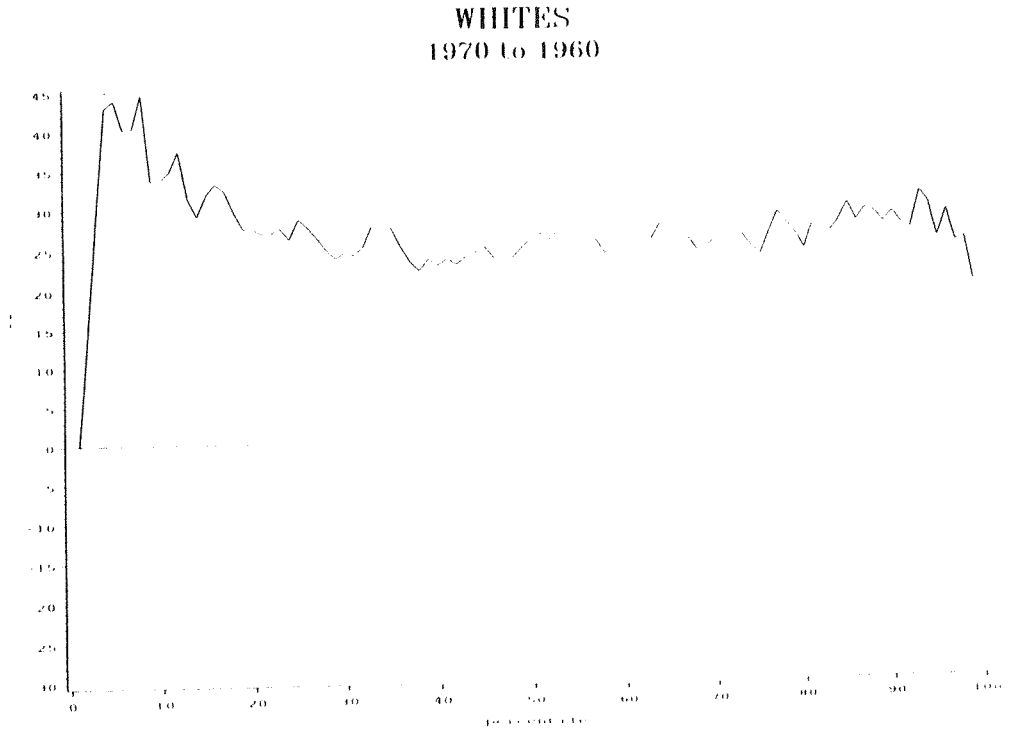
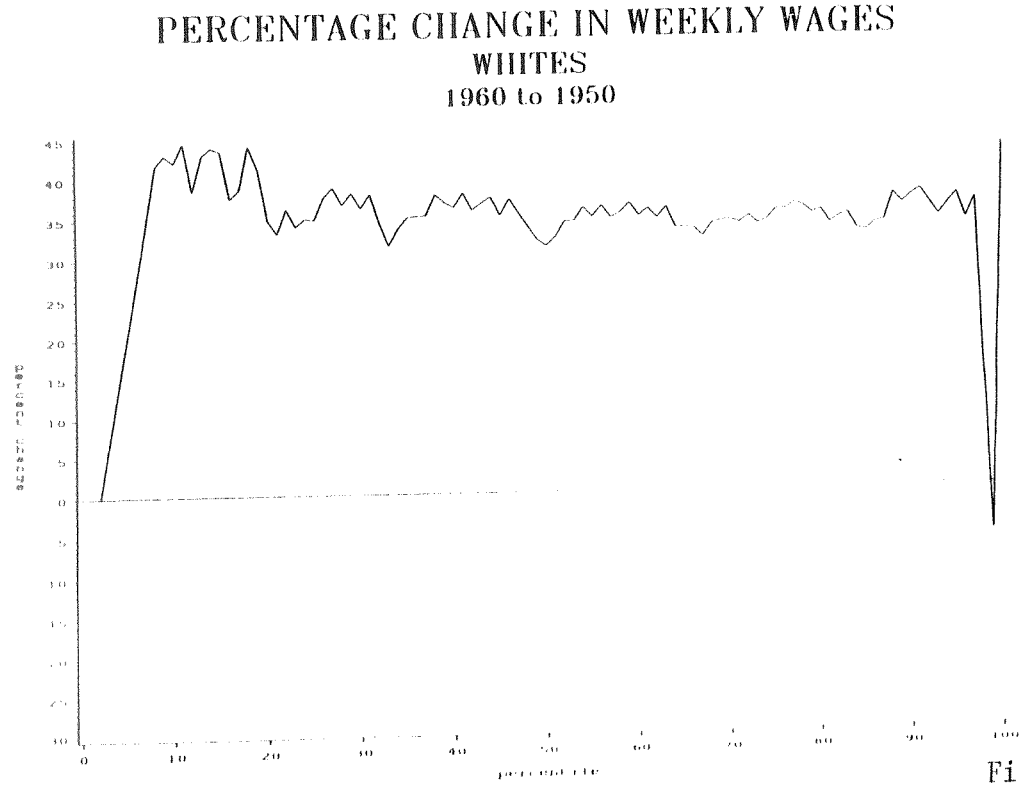
[4]However, these trends did continue into the 1980s.

[5]Note that the scale for the 1940-1950 curve is different than those for the other decades.


PERCENTAGE CHANGE IN WEEKLY WAGES
WHITES
1980 to 1970


PERCENTAGE CHANGE IN WEEKLY WAGES
WHITES
1970 to 1960


PERCENTAGE CHANGE IN WEEKLY WAGES
WHITES
1960 to 1950

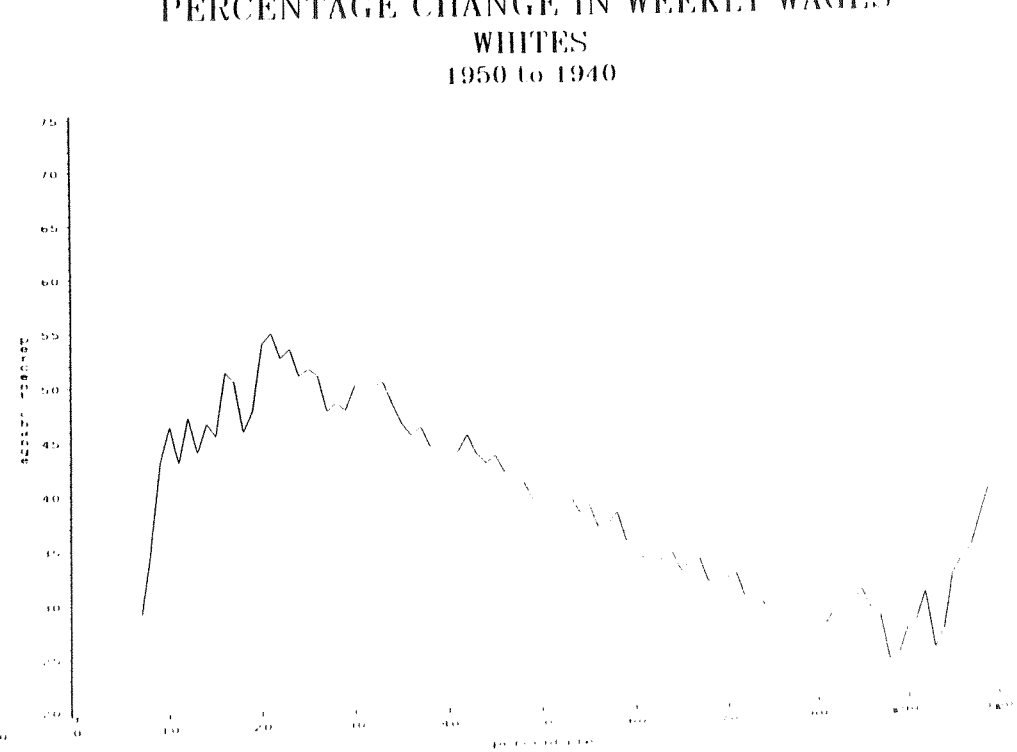
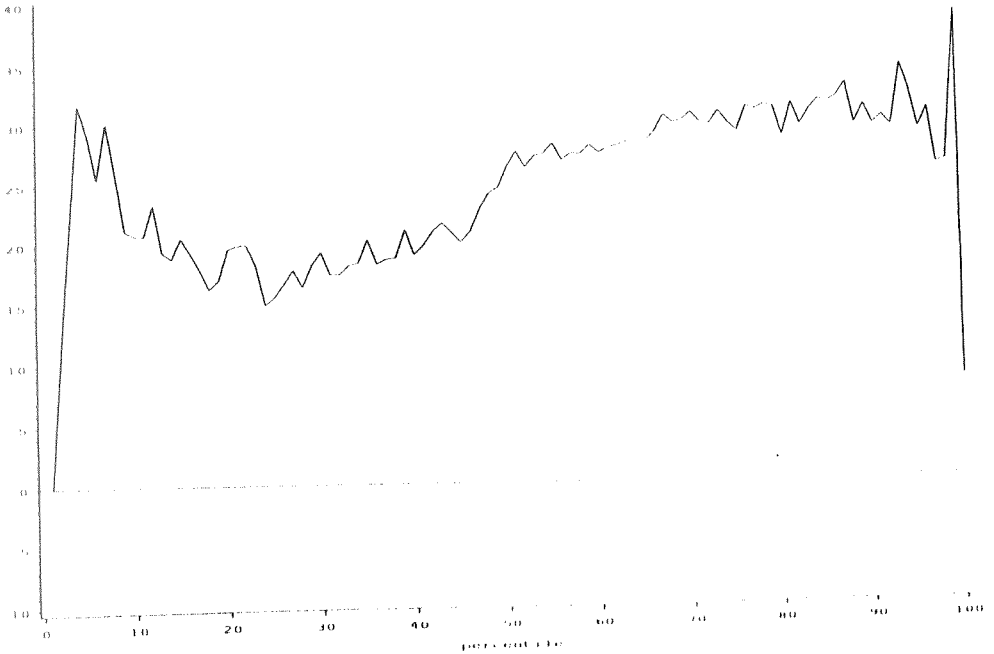

PERCENTAGE CHANGE IN WEEKLY WAGES
WHITES
1950 to 1940

Figure 2.1

PERCENTAGE CHANGE IN WEEKLY WAGES
WHITES
1980 to 1960



PERCENTAGE CHANGE IN WEEKLY WAGES
WHITES
1980 to 1940

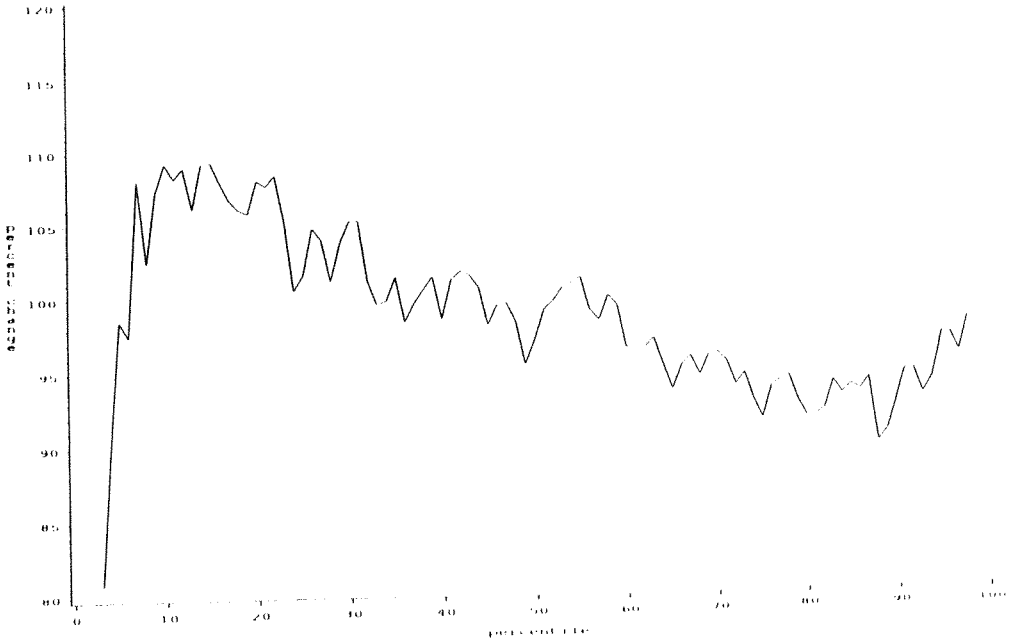


Figure 2.1

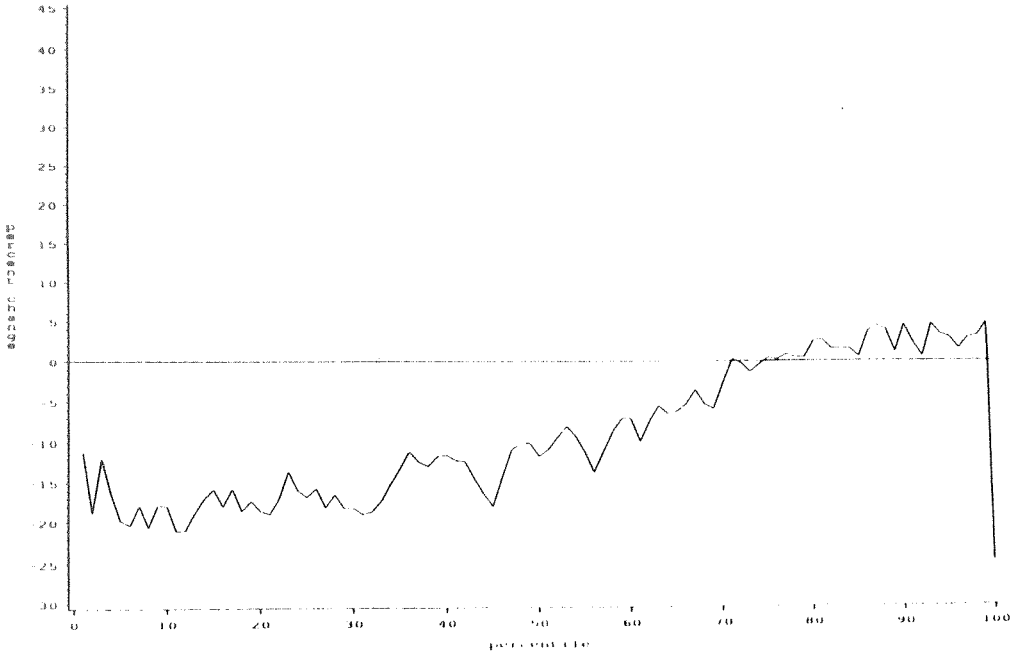
earnings increased by 0.4 percent, median hispanic wages were declining by 11.7 percent. Figure 2.2 indicates that 70 percent of the hispanic male work force had lower wages in 1980 than 10 years earlier. The general labor market pattern of a positive correlation of wage growth with initial wage levels that we documented for white men also characterized the hispanic male workforce. While median hispanic wages fell by 12 percent between 1970 and 1980, earnings of hispanic men at the 20th percentile declined by 19 percent while hispanic men's earnings at the 80th percentile rose by 3 percent. During the 1970s, the more affluent hispanics did the best, while the poorest hispanic men had the most rapidly declining economic status.

To a large extent, the hispanic distribution curves for the other decades also mimic white male trends. Compared to whites, there is a slightly more negative tilt to the 1960-1970 hispanic male wage growth curve and a more positive tilt to the 1950-1960 hispanic curve. But these differences are small relative to the commonalities of the hispanic growth curves compared to white men during the same time. Similarly, as was the case for white men during the 1940s, hispanic male wage growth was strongly negatively correlated with wage growth during the 1940s.

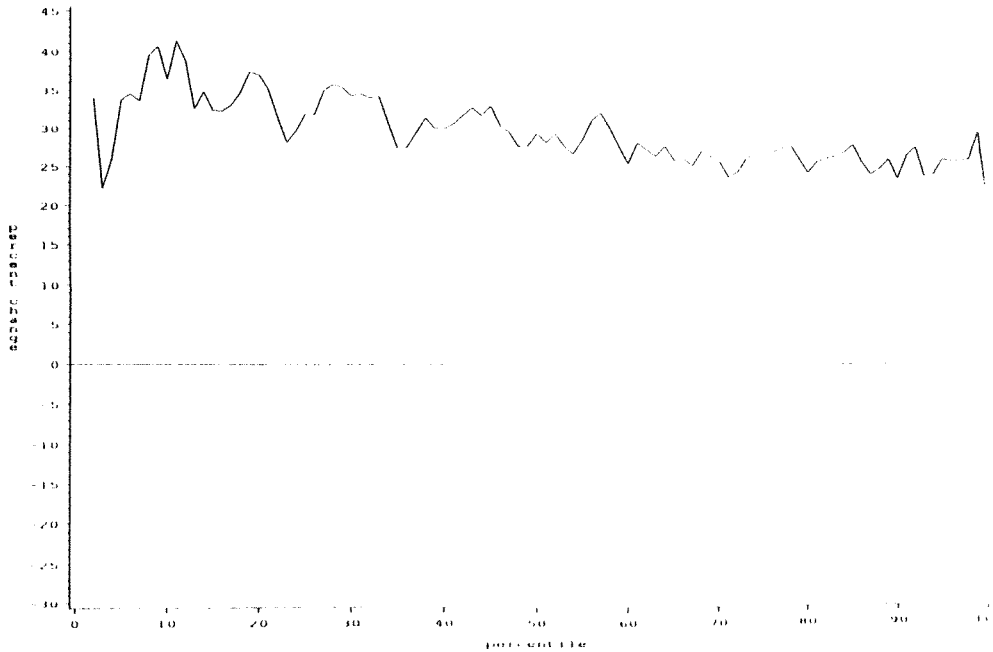
This widening wage inequality in the 1970s within the hispanic population, however, largely reflects a more general labor market phenomenon that impacted on all workers. This is most clearly evident from Figure 2.3, which indicates at each hispanic percentile, hispanic wage changes relative to "comparable" white wage changes.

To compute these curves, I first matched points of the hispanic and white wage distributions. For example, in 1970 the median hispanic male earned $342, equivalent to wages at the 30th percentile of the white wage distribution. If aggregate market forces affected workers with the same initial wage equally, during the 1970s the median hispanic should experience the same wage growth as the white worker at the 24th percentile. To the extent that this is not the case, there exists a specific hispanic component to wage growth. To generate this neutral

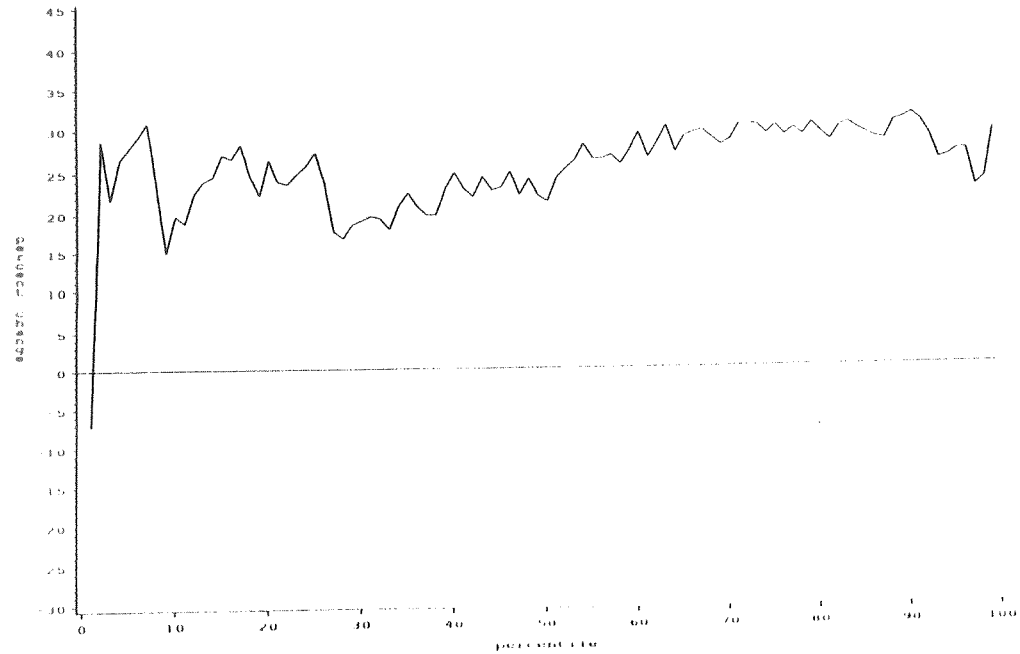
ALL HISPANICS
1980 to 1970



PERCENTAGE CHANGE IN WEEKLY WAGES
ALL HISPANICS
1970 to 1960



PERCENTAGE CHANGE IN WEEKLY WAGES
ALL HISPANICS
1960 to 1950



PERCENTAGE CHANGE IN WEEKLY WAGES
ALL HISPANICS
1950 to 1940

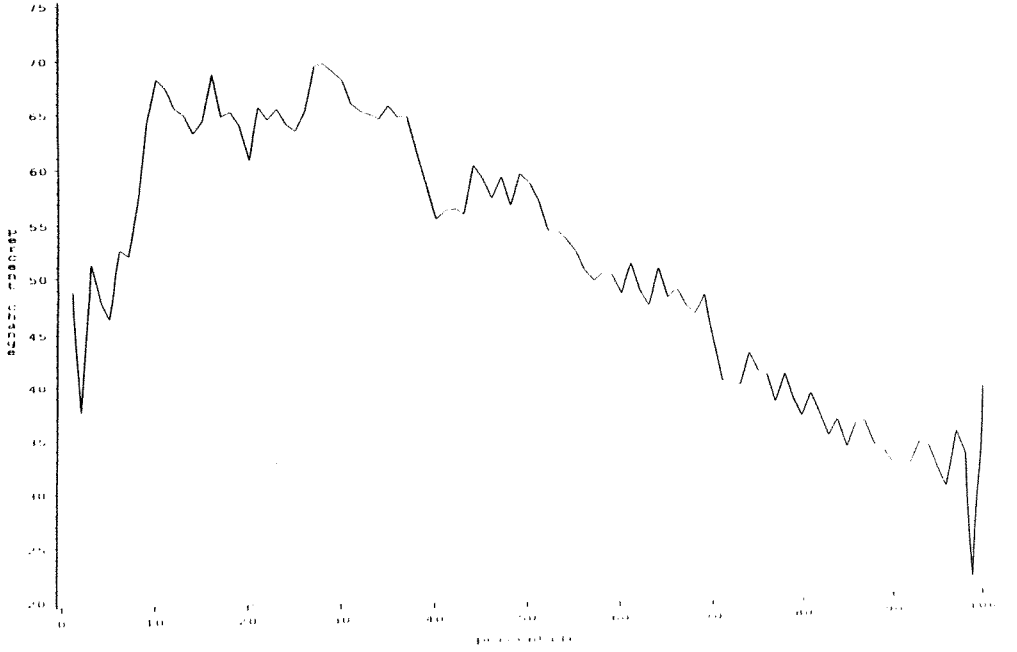
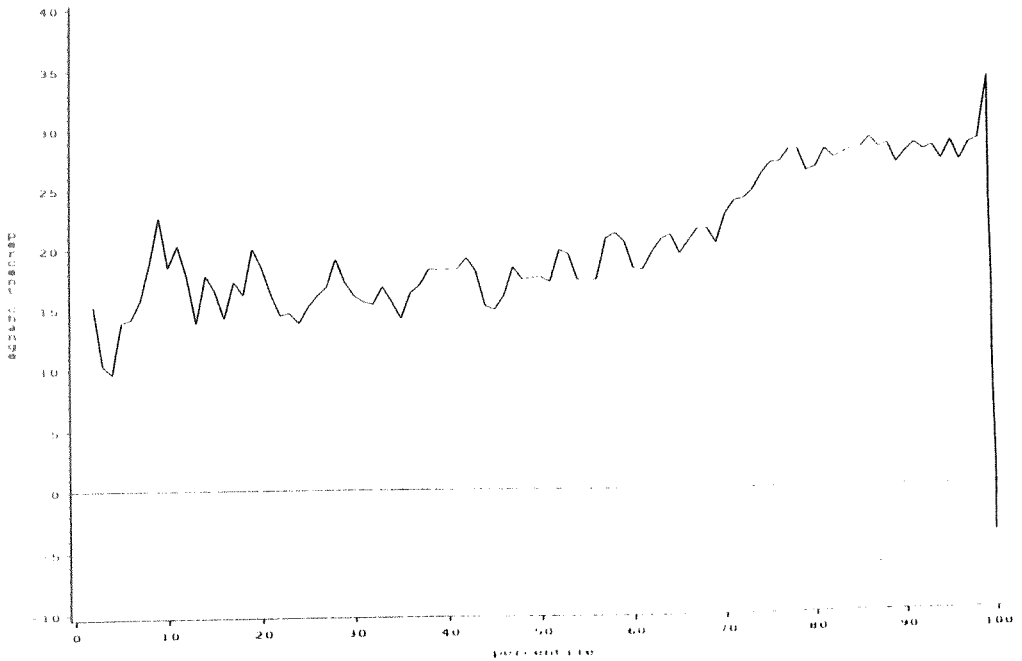


Figure 2.2

PERCENTAGE CHANGE IN WEEKLY WAGES
ALL HISPANICS
1980 to 1960



PERCENTAGE CHANGE IN WEEKLY WAGES
ALL HISPANICS
1980 to 1940

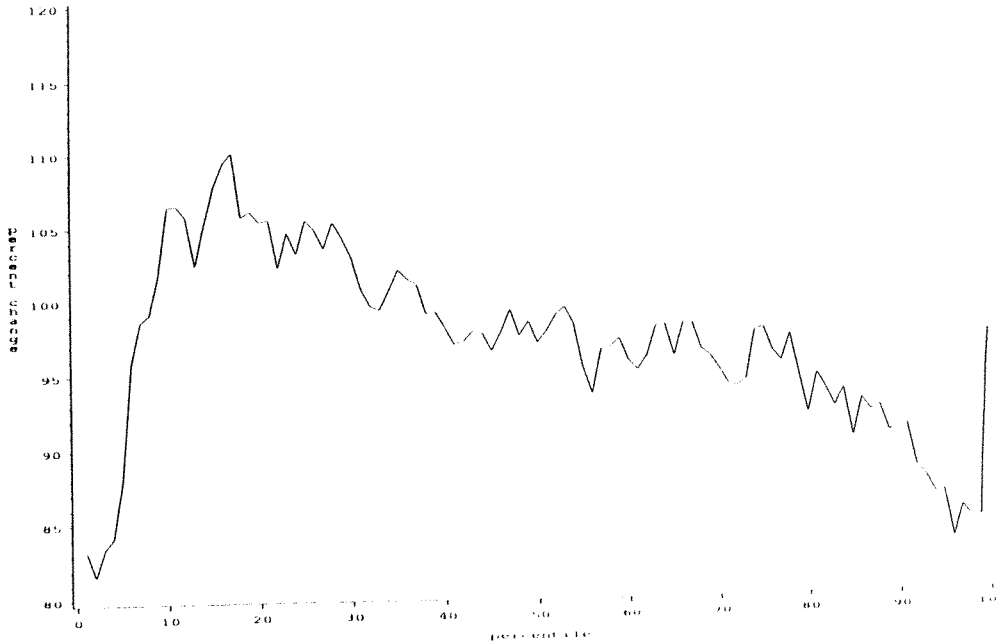


Figure 2.2

benchmark, I subtracted from the observed wage change of the median hispanic the wage growth of the 30th percentile white. A similar matching procedure was used for all percentiles in the hispanic wage distribution. For all such comparisons, the matching was done for the base or initial year in the comparison.

The resulting patterns plotted in Figure 2.3 are quite revealing. Evaluated at the hispanic median (equated to the 30th percentile white) weekly wages fell by 1.4 percent between 1970 and 1980 after we subtract out the "comparable" white weekly wage decline over that period. This decline compares to an 8.7 percent fall in hispanic weekly wages between 1970 and 1980. To put it another way, 84 percent of the decline in median hispanic wages is "explained" by the lower position of hispanics in the wage distribution. However, the fact that the adjusted hispanic wage growth plotted in Figure 2.3 is almost uniformly below the zero horizontal axis indicates that there remains a distinctly hispanic component to the deterioration in hispanic wages.

Figure 2.3 also shows that this non-neutrality is a function of the initial wage level. The slight upward tilt to this curve indicates that relative to comparable white men, hispanic wages declined more for low wage hispanic men during the 1970s. To illustrate, hispanic men at the 20th percentile had an adjusted wage decline of 4.1 percent between 1970 and 1980 while these hispanic men at the 80th percentile had their wages (adjusted to comparable whites) increased by 2.0 percent.

Figure 2.4 lists the distribution of wage changes for the three ethnic groups relative to those of "comparable" whites. In this figure, I summarize growth across the full 40 years--1940-1980--as well as for the 20 years after 1960. As a general rule, there exists no strong trends among Mexicans. Between 1960 and 1980, Mexican male wage growth (relative to "comparable" whites) was typically within plus or minus 5 percent. Mexicans did gain relative to whites since the 1940s, but these gains also were not strongly relative to the initial positions within the wage distribution.[6]

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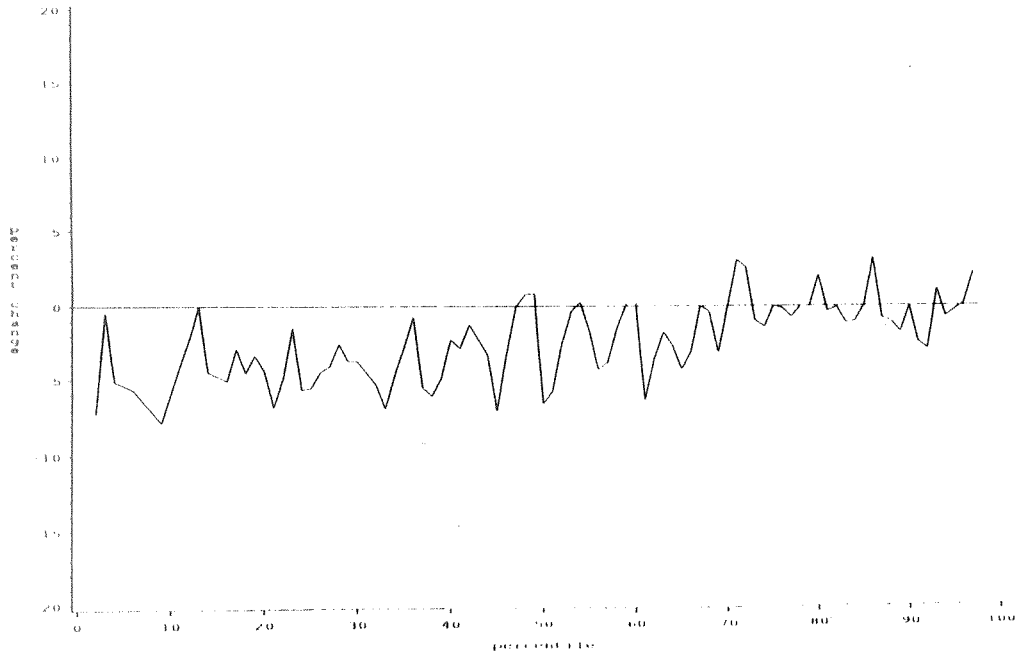
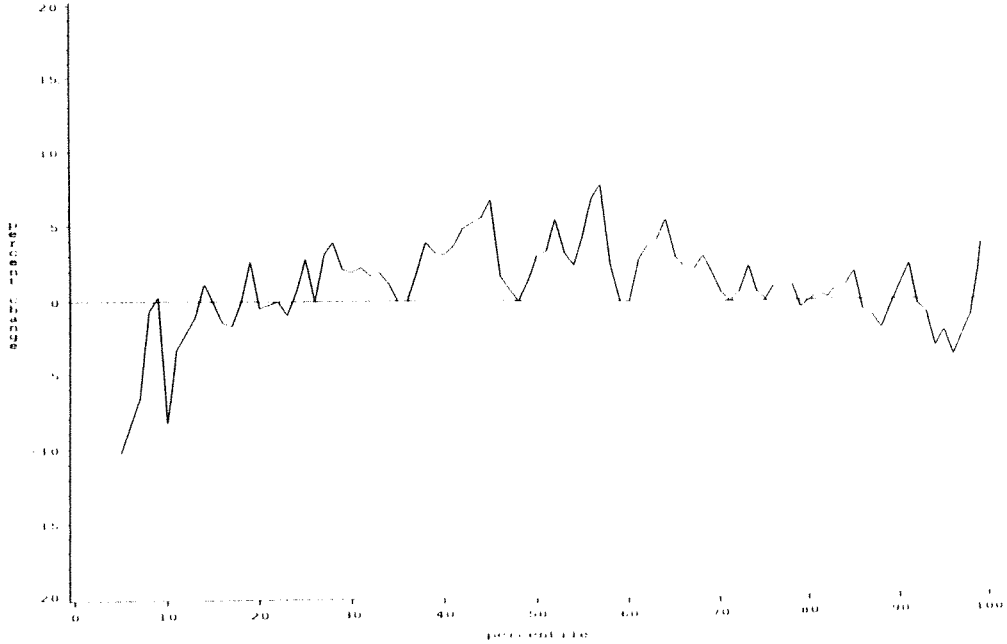
[6]For Mexicans, the 1940-1960 subperiod consisted of two largely

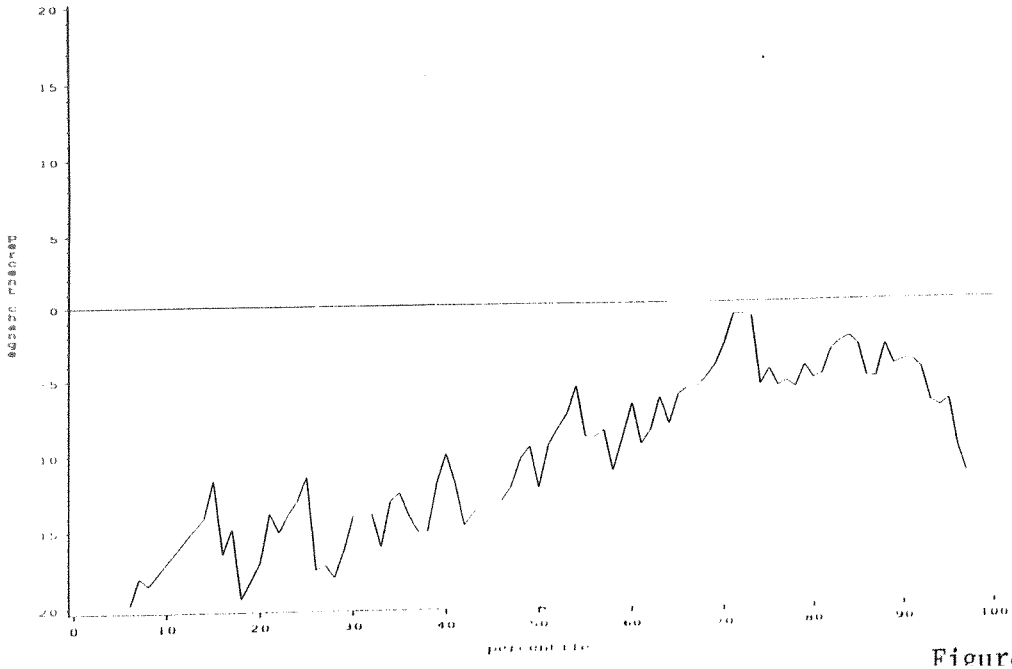
PERCENTAGE CHANGE IN WEEKLY WAGES
ALL HISPANICS RELATIVE TO WHITES
1980 to 1970



PERCENTAGE CHANGE IN WEEKLY WAGES
ALL HISPANICS RELATIVE TO WHITES
1970 to 1960



PERCENTAGE CHANGE IN WEEKLY WAGES
ALL HISPANICS RELATIVE TO WHITES
1960 to 1950



PERCENTAGE CHANGE IN WEEKLY WAGES
ALL HISPANICS RELATIVE TO WHITES
1950 to 1940

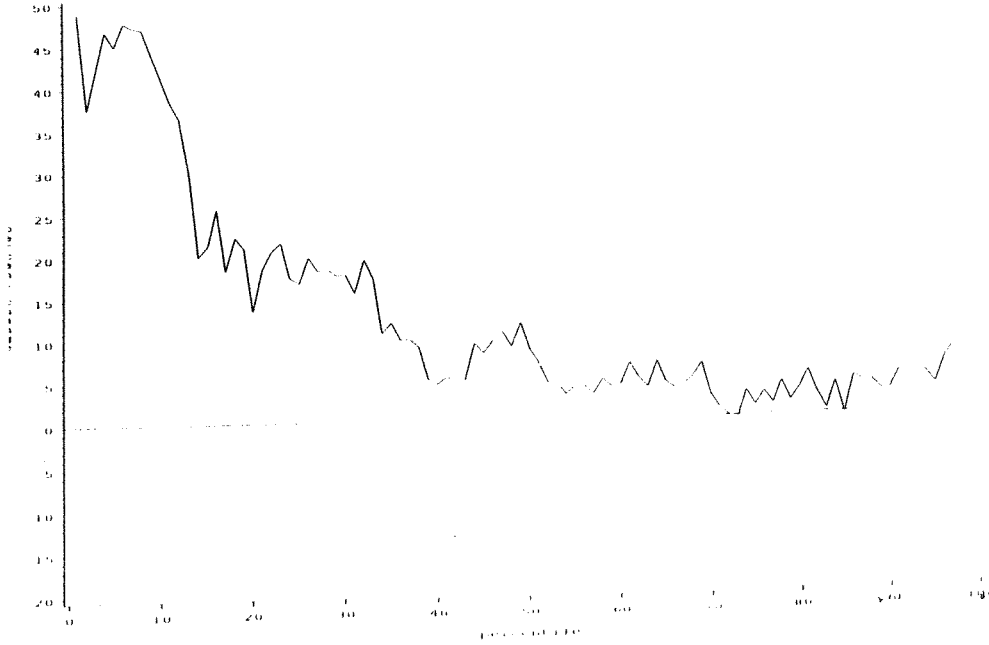
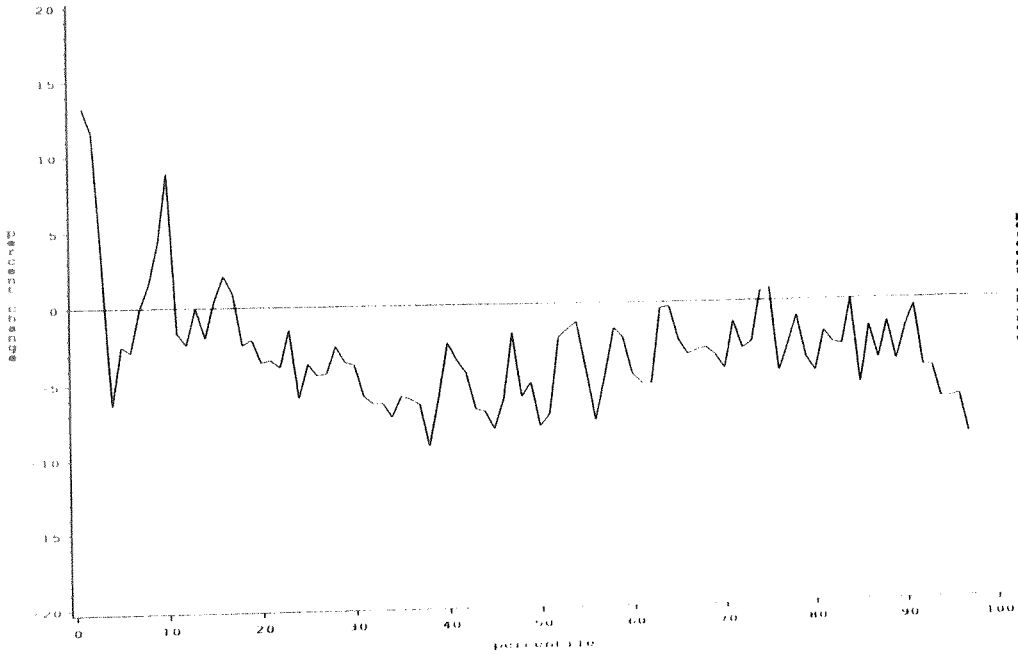


Figure 2.3

PERCENTAGE CHANGE IN WEEKLY WAGES
ALL HISPANICS RELATIVE TO WHITES
1980 to 1940



PERCENTAGE CHANGE IN WEEKLY WAGES
ALL HISPANICS RELATIVE TO WHITES
1980 to 1960

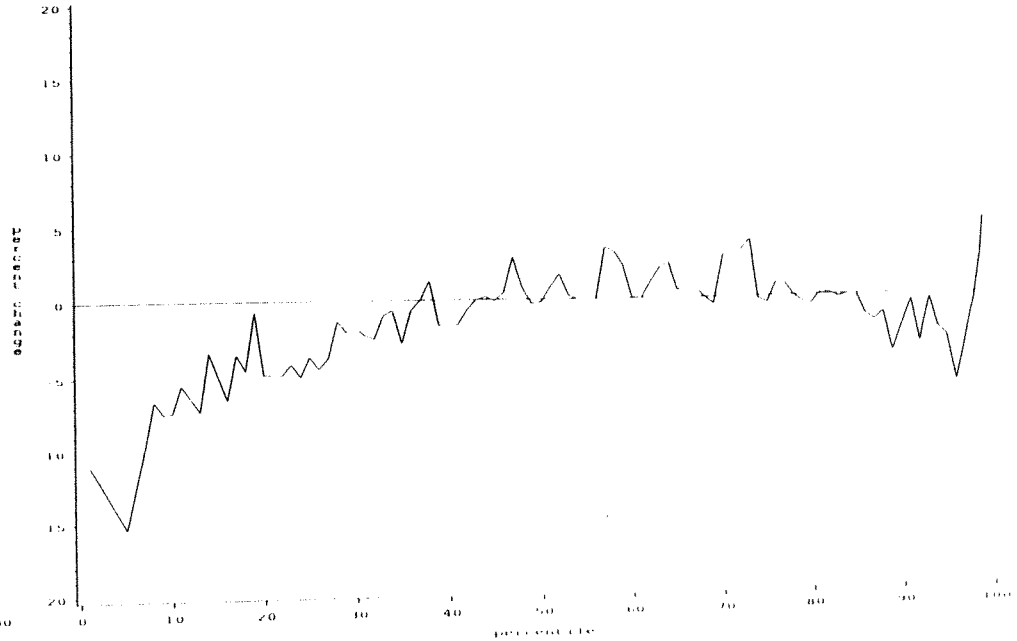
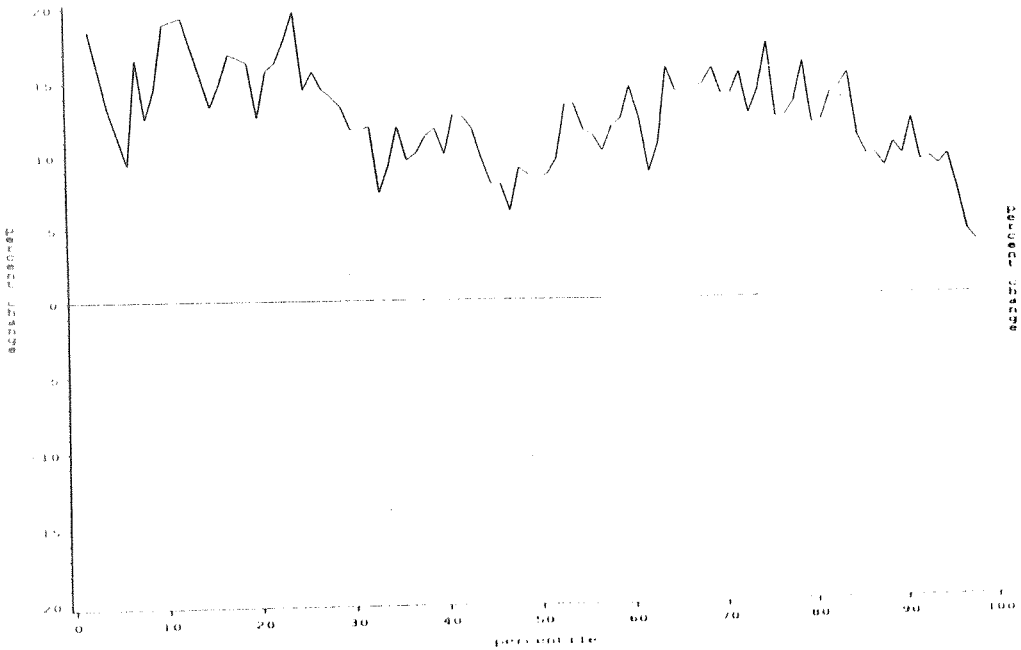
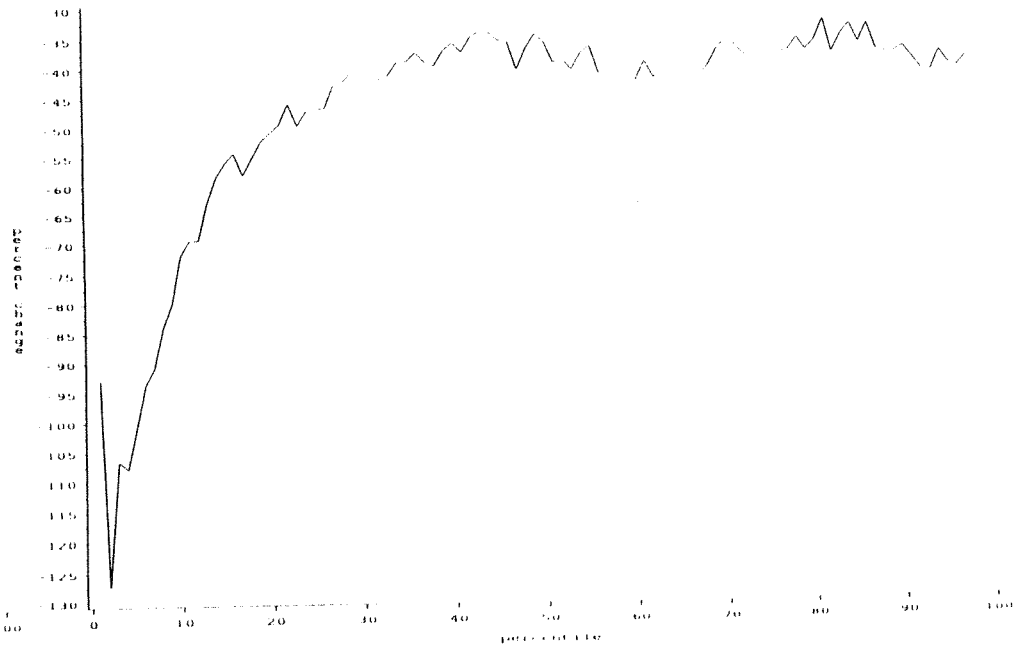


Figure 2.3

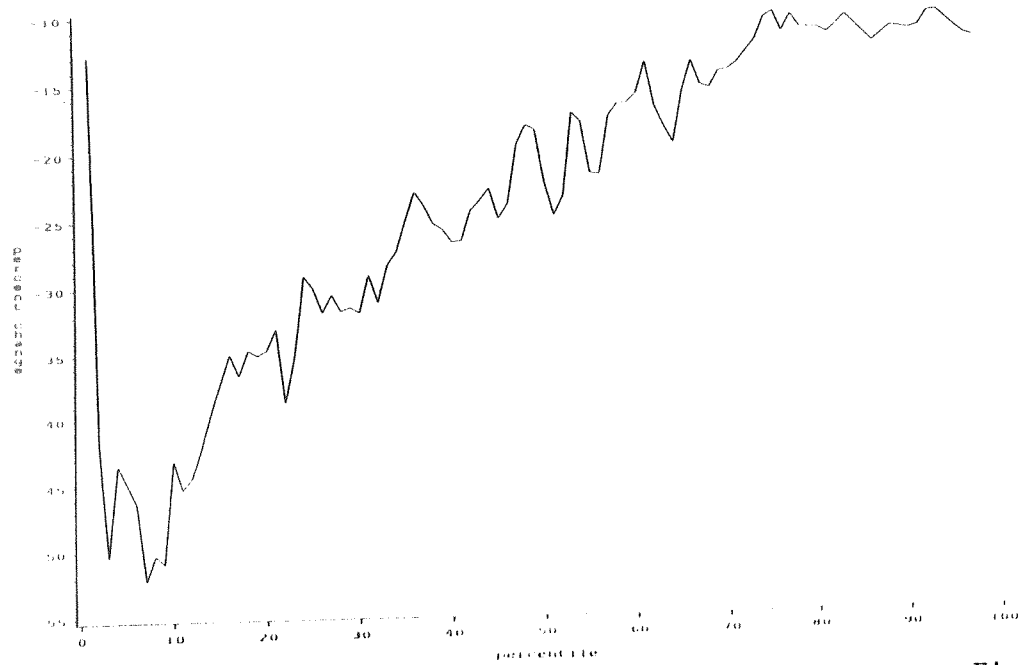
MEXICANS RELATIVE TO WHITES
1980 to 1940



PUERTO RICANS RELATIVE TO WHITES
1980 to 1940



PERCENTAGE CHANGE IN WEEKLY WAGES
OTHER HISPANICS RELATIVE TO WHITES
1980 to 1940



PERCENTAGE CHANGE IN WEEKLY WAGES
MEXICANS RELATIVE TO WHITES
1980 to 1960

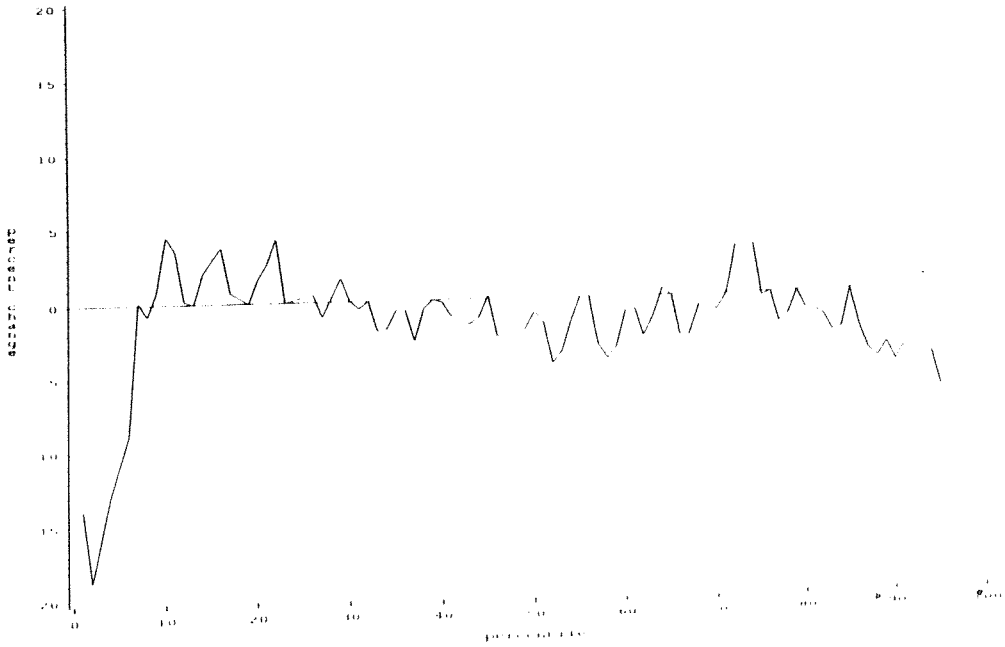
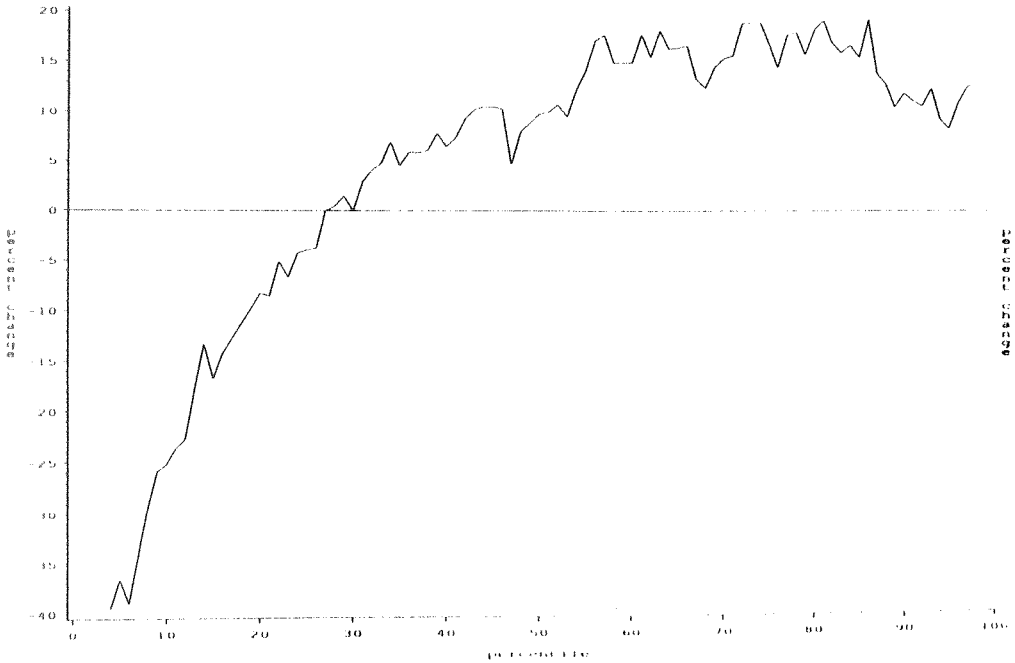


Figure 2.4

PERCENTAGE CHANGE IN WEEKLY WAGES
PUERTO RICANS RELATIVE TO WHITES
1980 to 1960



PERCENTAGE CHANGE IN WEEKLY WAGES
OTHER HISPANICS RELATIVE TO WHITES
1980 to 1960

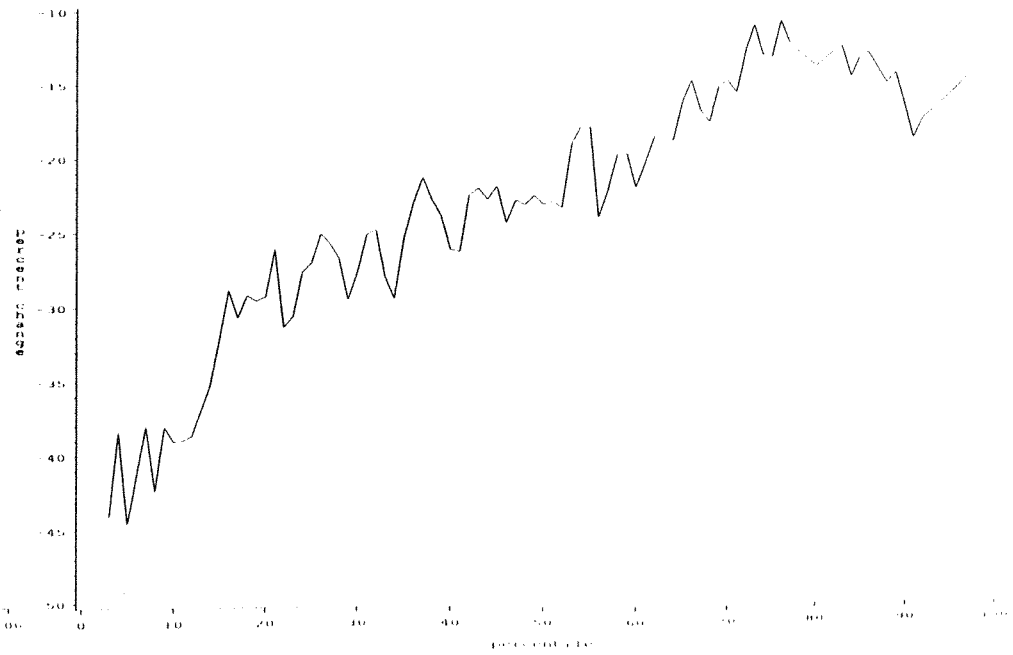


Figure 2.4

The situation for Puerto Ricans and "other hispanics" was quite different. For example, since 1960 Puerto Rican relative wage growth was strongly correlated with initial wage levels. During these years, relative Puerto Rican wage growth uniformly increased up to the 60th percentile. Similarly, between 1940 and 1980, relative Puerto Rican wages at the 10th percentile fell by 90 percent compared to 40 percent decline at the 90th percentile. This positive correlation is even stronger for "other hispanics." In their case, all segments of the "other hispanic" wage distribution lost ground relative to comparable whites. But these wage losses were clearly largest the further down the wage distribution.

SUMMARY

There was a relatively constant wage gap between hispanic men and white men from 1940 to 1980. The typical hispanic male worker in 1940 earned almost two-thirds as much as his white counterpart. By 1980, the average hispanic man in the labor force earned 71 percent as much as the typical white man. Among the major hispanic subgroups, Mexicans have always fared the worse economically. In 1940, Mexican men were earning 56 percent of white men. By 1950, the Mexican wage gap was 71 percent, a ratio almost identical to that which prevailed in 1980. Indeed, Mexican male relative wages have declined slightly since 1960.

The real story for hispanics over these 40 years has been the impressive reductions in the ranks of the hispanic working male poor alongside the emergence of an hispanic middle class. By 1970, only one in six hispanic men had wages below the poverty threshold compared to more than one in two 30 years earlier. Similarly, Mexican male poverty rates fell to one in five by 1970 from two in every three Mexican workers in 1940. Economic growth plays the leading role in reducing hispanic poverty. In this case at least, a rising tide did lift all boats, moving large numbers of hispanic male workers out of poverty.

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offsetting trends. Between 1950-1960, relative Mexican wage growth was positively correlated with initial wage level; between 1940-1950, this correlation was negative.

As was the case for whites, the gains in reducing hispanic poverty ended in 1970. However, the subsequent deterioration was much more severe among hispanic workers. Between 1970 and 1980, the fraction of hispanic working male poor grew by more than 40 percent, twice the increase in white male poverty during that decade. By 1980, almost one in every four hispanic workers were poor, little different than the rate 20 years earlier.

III. TRENDS IN EDUCATIONAL DIFFERENCES

In the preceding chapter, we described the principal trends in hispanic male wages during the period 1940-1980. In this and the succeeding chapters, the more difficult task of isolating why these changes occurred is addressed. A basic index of the skill workers bring with them to the labor market is the number of years of schooling completed. Because hispanics differ from other workers in their schooling accomplishments, education could play a central role in explaining both level and trend differences in the hispanic wage gap. In order to understand the reasons for these disparities, it is important to distinguish hispanic immigrants from the native-born. Because the schooling of new hispanic immigrants is much less than that of the native-born hispanics, secular trends in hispanic schooling can be quite sensitive to swings in the size of hispanic immigration.

HISPANIC-WHITE MALE SCHOOLING DIFFERENCES

Our initial look at schooling trends for hispanic workers is contained in Table 3.1. Panel A of this table lists mean years of schooling completed for each of the major hispanic ethnic groups in each of the Census years. For comparative purposes, this table also lists comparable schooling data for white men and black men. To isolate differential secular movements, the B panel of this table summarizes trends in the educational deficits of each group compared to working white men. To provide a more complete characterization of schooling changes, Table 3.2 lists the distribution of educational attainments in each Census Year.

Not surprisingly, among all groups, the education levels of each new generation of workers increased over these 40 years. White male workers (my benchmark) had 12.97 years of schooling in 1980, a rise of 3.23 years over the typical white worker in 1940 (who had 9.74 years). While this secular improvement exists for men of both races, Table 3.1

Table 3.1

EDUCATION LEVELS OF MALES

Calendar Year	White	Black	Hispanic	Mexican	Puerto Rican	Cuban	Other Hispanic
	A. Average Education Levels of Males						
1980	12.97	11.69	10.16	9.49	10.25	11.99	11.56
1970	11.87	9.87	9.46	8.57	8.94	10.87	10.84
1960	10.94	8.17	7.95	7.41	7.89	n.a.	10.16
1950	10.16	6.78	6.81	6.30	7.72	n.a.	8.33
1940	9.74	5.93	6.09	5.45	8.05	n.a.	7.37
	B. Education Deficits Compared to White Men						
1980	-0-	1.29	2.81	3.48	2.72	.98	1.41
1970	-0-	2.00	2.41	3.30	2.93	1.00	1.03
1960	-0-	2.77	2.99	3.54	3.05	n.a.	0.78
1950	-0-	3.38	3.35	3.86	2.44	n.a.	1.83
1940	-0-	3.81	3.65	4.29	1.69	n.a.	2.37

demonstrates that it was much sharper among black men. Educational differences still persist between the races, but they are far less today than at any time our history.[1] In 1980, the typical black male worker had 1.3 years less schooling than the average white male worker. This education deficit represented a steady and continuous decline from the racial difference of 3.8 years in 1940. Since 1940, two-thirds of the education gap between the races had been eliminated.

Secular trends for hispanic male workers are considerably more complex. As was the case for blacks, hispanic workers have a competitive disadvantage because of their education deficits compared to white workers. In 1940, the typical hispanic male worker achieved 6.09 years of schooling, 3.7 years fewer than that possessed by working white

[1]See Smith-Welch (1988) for a detailed analysis.

men. With each subsequent decade, the education levels of hispanic workers advanced, with this advance averaging almost a year per decade. By 1980, hispanic male workers had 10.16 years of schooling, roughly the level white men achieved 30 years earlier. Hispanic educational gains were more rapid than those of white men so that their education deficit had been reduced to 2.81 years by 1980.

A simple way of depicting how these changes transformed the educational make-up of the hispanic workforce is to examine disparities in the schooling of male workers at 20 year intervals. In 1940, three-quarters of all hispanic male workers and 82 percent of all Mexicans had only an elementary school education. While one-third of all 1940 white male workers finished high school, only 12 percent of hispanics and 9 percent of Mexicans did so. By 1960, the proportion of hispanics with only elementary schooling fell to 56 percent, and one in four had a high school degree. These gains continued during the next 20 years. By 1980, the fraction with an elementary education was only one in four, and almost half of all hispanic male workers had graduated from high school.

However, the rate of secular improvement in schooling accomplishments was far smaller among hispanics than among blacks. While black men erased two-thirds of their educational disparity with white men, hispanics were able to eliminate only one-sixth of their initial 1940 gap with whites. In the process, the education ranking of blacks and hispanics was reversed. While hispanics had a lead of two-tenths of a year of schooling over black men in 1940. By 1980, black men had a full year and a half more schooling than working hispanic men did. The 1980 hispanic education gap with white men was twice as large as the racial schooling gap in that year.

In addition, the schooling progress of hispanic workers compared to white men was far from uniform over these 40 years, with an important reversal occurred during the 1970s. During that decade, the hispanic schooling gap actually widened as education differences between hispanics and white workers grew by four-tenths of a year of schooling.

Table 3.2

EDUCATION DISTRIBUTION OF POPULATION

	0-7	8	9-11	12	13-15	16+
1980						
White	2.7	3.2	12.6	39.2	19.4	22.8
Hispanic	24.6	6.6	19.0	27.7	14.6	7.5
Mexican	30.5	6.5	19.2	26.2	13.0	4.6
Puerto Rican	18.7	8.8	26.6	28.8	11.7	5.4
Other Hispanic	13.9	5.1	16.4	31.7	19.2	13.7
Cuban	12.9	7.8	12.5	27.0	21.1	18.7
Black	8.2	4.3	21.2	38.8	17.5	10.0
1970						
White	6.7	7.6	19.1	37.3	13.6	15.7
Hispanic	27.4	10.5	22.5	25.6	8.4	5.6
Mexican	36.4	9.9	21.5	22.0	7.3	2.9
Puerto Rican	28.7	12.4	29.0	23.6	4.0	2.1
Other Hispanic	14.1	10.1	22.6	33.0	10.7	9.5
Cuban	19.8	12.6	14.3	23.1	15.6	14.6
Black	22.2	8.7	28.1	29.0	7.6	4.5
1960						
White	11.7	13.1	22.5	30.3	10.7	11.6
Hispanic	42.2	13.6	19.9	15.1	5.7	3.7
Mexican	48.0	11.5	18.9	13.8	5.1	2.7
Puerto Rican	40.8	17.7	22.7	12.3	4.6	1.8
Other Hispanic	20.7	16.7	20.3	23.4	9.3	9.8
Black	40.0	12.5	23.0	16.4	4.9	3.3
1950						
White	15.4	18.2	23.1	27.1	8.4	7.8
Hispanic	53.2	14.1	16.3	10.9	3.2	2.3
Mexican	59.5	11.6	13.4	10.5	2.9	2.1
Puerto Rican	39.4	23.4	22.3	10.6	2.1	2.1
Other Hispanic	36.4	18.5	24.5	12.6	4.6	3.3
Black	55.4	13.0	17.0	9.7	3.0	1.8

(continued)

1940						
White	18.0	26.1	21.5	21.1	6.7	6.5
Hispanic	61.9	16.2	10.3	7.6	2.0	2.1
Mexican	68.8	13.0	8.9	6.4	1.6	1.3
Puerto Rican	36.7	28.6	16.2	10.6	3.1	5.0
Other Hispanic	48.1	22.2	12.8	10.1	2.9	3.9
Black	69.4	12.4	9.9	5.0	1.7	1.6

Since 1960, there has been virtually no improvement in the schooling credentials of hispanic workers compared to their white male competitors. The widening schooling gap in the 1970s reflects a sharp slowdown in hispanic schooling advances during that decade. While whites gained more than a year of schooling and black men a year and a half, hispanic male schooling levels rose by seven-tenths of a year during the 1970s.

Table 3.1 also demonstrates that the diversity in economic outcomes among hispanic males is mirrored in their respective schooling accomplishments. Throughout the entire 40-year era depicted in Table 3.1, Mexican men had the lowest education levels of all major hispanic groups. The typical 1980 Mexican male worker had 9.49 years of schooling, a quarter of a year less than the typical white worker 40 years earlier. In that year, Mexicans had almost three and a half years less schooling that their white counterparts and more than two years less than black males. Thirty percent of the 1980 Mexican male workforce had less than eight years of schooling, compared to only 3 percent of white men. The fraction of Mexicans with 0-7 years of schooling was actually higher in 1980 than it was in 1970.

While the size of the Mexican education deficit is much higher, time series swings in the Mexican education disparity are similar to that of hispanics as a whole. In the 30 years between 1940 and 1970, the education deficit narrowed by about a year to 3.3 years in 1970. During the 1970s, however, the Mexican schooling gap expanded to 3.48 years. On this education scale, Cubans are at the other extreme from Mexicans. Their 1980 education levels of 11.99 years are less than a year behind their white competitors.

Perhaps the most intriguing trends contained in Table 3.1 are those exhibited by Puerto Ricans. In 1940, compared to other hispanics, Puerto Rican men had impressive education credentials. Their education of 8.05 years lagged native white men by about a year and seven-tenths and exceeded the average hispanic male by almost two years. While, compared to white men, a larger fraction of Puerto Ricans had only an elementary school education (65 percent compared to 44 percent), Puerto Rican men were almost as likely as white men to have a college degree in 1940. During the 1940s, however, the mean schooling of Puerto Rican working men actually fell. Little improvement occurred in the subsequent decade so that by 1960 Puerto Rican male schooling levels was below the hispanic male average. There were a larger fraction of Puerto Ricans with less than 8 years of schooling (and a smaller fraction with a college diploma) in 1960 than in 1940. Compared to 1940, the Puerto Rican education deficit had risen almost two-fold, falling more than three years behind white men.

After 1960, this distinctly negative trend reversed and Puerto Rican education gains exceeded those achieved either by white men or hispanics as a whole. Indeed, unlike the other three hispanic groups listed in Table 3.1, Puerto Rican education gains relative to white men persisted into the 1970s. By 1980, Puerto Rican men have regained their original status of having more education than the average hispanic and trailed white working men by 2.7 years. These Puerto Rican education gains were particularly impressive at the college level. In 1960 less than one in fifty Puerto Rican working men had a college degree. Over the next 20 years, this fraction increased nine-fold.

The least homogeneous of the hispanic subgroups in Table 3.1 is the other hispanic category. Included within this group are the relatively well educated Europeans and, increasingly, the poorly schooled Latin American and South American immigrants. The composition of this catch-all other hispanic group has undergone significant changes over the last 50 years, and these changes are reflected in the erratic nature of the secular trends. The general trend from 1940 to 1960 is a rapid closing

of the education deficit reaching its trough of 0.78 years in 1970. With the influx of large numbers of new immigrants from Central America, the education gap for the other hispanic group increased after 1960. Table 3.2 documents the heterogeneity of this other hispanic classification compared to black men. In 1980, there exists simultaneously a larger fraction of other hispanics with a college education (32.9 to 27.5 percent) and those with only an elementary (19.0 compared to 12.5 percent). The impact of the new Central American immigrants is reflected in the rising fraction of other hispanics with less than 8 years of schooling during the 1970s.

What are the underlying causes of these secular trends in hispanic education levels? We would like to understand why the progress of hispanic men relative to those of white men was so much slower than that achieved by black men. Of particular interest, what forces led to the reversals for all hispanics and Mexican workers during the 1970s, a period in which their education gaps actually expanded? Some insight into the reasons is available from Table 3.3, which lists hispanic education levels by their nativity and, for the foreign-born, by whether they were recent immigrants or not. The cutoff point used to define recent immigrants is whether their arrival into the United States took place within the last five years. To isolate more clearly differential trends, Table 3.4 lists education deficits for these classifications relative to white male workers.

These tables indicate that the changing composition of recent hispanic immigration alongside the increasing fraction of immigrants within the hispanics population are two dominant underlying trends. Consider first the patterns for the combined hispanic sample. Given the better educational opportunities available in the United States compared to those in their home countries, it is not a surprise, of course, that native-born hispanic men have more schooling than their foreign-born counterparts. To take the most recent example available in these tables, U.S.-born hispanic male workers averaged 11.14 years of schooling in 1980, two years more than the 9.03 years achieved by foreign-born hispanic men.

Table 3.3

MALE HISPANIC YEARS OF SCHOOLING COMPLETED, BY NATIVITY

	1980	1970	1960	1950	1940
All Hispanics	10.16	9.46	7.95	6.81	6.09
U.S. born	11.14	9.76	8.21	7.28	6.45
Foreign born	9.03	9.11	7.03	5.58	5.40
1-5 years in U.S.	7.90	9.08	8.12	n.a.	6.35
6 or more years in U.S.	9.41	9.13	6.75	n.a.	5.39
Mexican	9.49	8.57	7.41	6.30	5.45
U.S. born	10.85	9.18	8.00	6.99	6.07
Foreign born	7.47	6.79	5.53	5.04	4.73
1-5 years in U.S.	6.90	6.58	6.13	n.a.	5.94
6 or more years in U.S.	7.72	6.85	5.42	n.a.	4.72
Cuban	11.99	10.87	n.a.	n.a.	n.a.
U.S. born	12.68	11.32	n.a.	n.a.	n.a.
Foreign born	11.94	10.84	n.a.	n.a.	n.a.
1-5 years in U.S.	11.68	9.65	n.a.	n.a.	n.a.
6 or more years in U.S.	11.94	11.46	n.a.	n.a.	n.a.
Other Hispanics	11.56	10.84	10.16	8.33	7.37
U.S. born	12.22	10.69	10.58	8.23	7.24
Foreign born	11.00	11.25	10.45	8.63	7.58
1-5 years in U.S.	10.31	10.91	10.64	n.a.	5.50
6 or more years in U.S.	11.23	11.49	10.37	n.a.	7.24

However, the different secular trends for the native and foreign born are more surprising. The second row of Table 3.4 shows that, throughout the entire 40-year period, the education disparity between native born hispanics and native born whites steadily narrowed. In 1940, native-born white men had a 3.3 year schooling advantage compared to U.S.-born hispanics. By 1980, 40 percent of this deficit had been eliminated, and U.S.-born hispanics trailed white men by 1.8 years. Similar trends exist for the numerically important Mexican subpopulation. The education deficit of U.S.-born Mexican male workers

closed from 4.29 years in 1940 to 2.12 years in 1980. In contrast to the Mexican wide statistics, there is little evidence of any slackening in the educational progress native-born Mexican workers have made.

A far different picture emerges among the foreign born. Not only are their disparities with white workers considerably larger, there no longer remains a story of uniform progress. In particular, during the 1970s, the era of reversal in the aggregate data, the education gap for foreign-born men increased significantly. Indeed, the mean education of foreign-born hispanic men actually fell during the 1970s. Compared to native whites, the education deficit of foreign-born hispanic workers rose from 2.76 to 3.92 years, a relative deterioration of almost one and a fifth years over the decade. Similarly, the education deficit of foreign-born Mexican men also increased from 5.08 to 5.50 years during this period. For the all hispanic and Mexican groups, the education deficits of the foreign born were larger in 1980 than they were in 1960.

These changes are most apparent when we examine recent immigrants. Traditionally, recent immigrants, because they were younger, had higher education levels and a smaller education deficit than those immigrants who had been here for some period of time.[2] For all hispanics and Mexicans until 1960, this was indeed the case. After 1960, however, this ranking reverses with the new immigrants possessing less schooling than the older immigrants had. The magnitude of this deterioration in schooling of new immigrants is startling. By 1980, the typical "new" hispanic immigrant did not even have an elementary school diploma (7.9 years). This education level had fallen by more than a year and a quarter since 1970 and was only one and one-half year higher than the

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[2]If immigrants to the United States were selected randomly and the origin countries had secular improvements in schooling, we would expect new younger immigrants to have more schooling than earlier waves of immigrants. When these rankings increase, as they have with recent immigrant waves, it indicates that the selectivity of immigrants from the origin countries has changed over time. In our case, the selectivity has changed, making it more likely that less educated men now are more likely to immigrate.

schooling of new hispanic immigrants in 1940! On this dimension, the fresh new immigrants who arrived in America during the 1970s were about as able as those who arrived during the 1930s.

The slow rate of hispanic educational progress largely reflects the changing composition of the hispanic immigrant workforce. First, the rising fraction of immigrants in the hispanic male work force after 1960 slowed the rate of advance in hispanic schooling (since the foreign born have lower schooling levels than U.S.-born hispanics). In a similar vein, the increasing numbers of Mexicans among hispanic immigrants also served to lower the schooling advances achieved. But Table 3.4 indicates that even within ethnic groups, the educational quality of new immigrants is not rising very fast.

Tables 3.5 through 3.8 present our estimates of school completion levels from each of the Census tapes arranged by birth cohorts. To isolate differential trends, the "B" panel in each table follows our procedure of indexing the education deficit relative to white men. If we read across any row in this table, we are tracking the drift of education completion for a given labor market cohort. For example, hispanics men who first entered the labor market during the 1940s had 7.99 years of schooling, 3.04 years less than white male workers who became labor market members at the same time. Ten years later in 1950, this hispanic work cohort would have been in the labor market between 11 and 20 years. At that time, we estimate that they had 8.20 years of schooling (3.20 years less than comparable whites). If these were closed cohorts (with no new member on the loss of any old members), within cohort changes in education could be obtained from any row. Since education levels are relatively fixed after men enter the labor market for full-time employment, the education levels in any row should be relatively constant. Secular trends for any age group could be obtained by reading up any diagonal in Table 3.5.

Two problems confound this simple interpretation. As is well known, birth cohort tracking across Census years produces unbelievably large increases (beyond any reasonable age of school attendance) in

Table 3.4

MALE HISPANIC EDUCATION DEFICITS COMPARED TO WHITE MEN, BY NATIVITY

	1980	1970	1960	1950	1940
All Hispanics	2.81	2.41	2.99	3.35	3.65
U.S. born	1.83	2.11	2.74	2.88	3.29
Foreign born	3.92	2.76	3.91	4.58	4.34
1-5 years in U.S.	5.07	2.79	2.65	n.a.	3.39
6 or more years in U.S.	3.56	2.74	4.19	n.a.	4.35
Mexican	3.48	3.36	3.54	3.86	4.29
U.S. born	2.12	2.78	2.94	3.56	4.29
Foreign born	5.50	5.08	5.41	5.15	5.01
1-5 years in U.S.	6.07	5.29	4.79	n.a.	3.80
6 or more years in U.S.	5.25	5.02	5.52	n.a.	5.44
Cuban	0.98	1.00	n.a.	n.a.	n.a.
U.S. born	0.29	0.55	n.a.	n.a.	n.a.
Foreign born	1.03	1.03	n.a.	n.a.	n.a.
1-5 years in U.S.	1.29	2.22	n.a.	n.a.	n.a.
6 or more years in U.S.	1.03	0.41	n.a.	n.a.	n.a.
Other Hispanics	1.41	1.03	0.78	1.83	2.37
U.S. born	0.75	1.18	1.06	1.29	2.50
Foreign born	1.97	0.62	0.36	1.67	2.16
1-5 years in U.S.	2.67	0.96	0.49	n.a.	4.24
6 or more years in U.S.	1.74	0.38	0.30	n.a.	2.50

Table 3.5

HISPANIC MALE EDUCATION COMPLETED
BY YEAR OF LABOR MARKET ENTRY

	1940	1950	1960	1970	1980
A. Levels of Education					
1971-80					11.03
1961-70				10.71	10.18
1951-60			9.44	9.80	9.52
1941-50		7.99	8.20	8.63	8.60
1931-40	7.32	7.61	7.20	7.74	
1921-30	6.39	5.73	5.85		
1911-20	5.25	5.16			
1901-10	4.56				
All	6.09	6.81	7.95	9.46	10.16
B. Education Deficits Relative to White Men					
1971-80					2.25
1961-70				1.90	3.20
1951-60			2.62	2.45	3.26
1941-50		3.04	3.20	2.95	3.37
1931-40	3.27	2.98	3.40	3.07	
1921-30	3.49	3.93	3.74		
1911-20	3.92	3.79			
1901-10	4.01				
All	3.65	3.35	2.99	2.41	2.81

average schooling levels. This education "inflation" is often attributed to exaggeration of schooling accomplishments as education norms in society rise. Although it is believed that the bias is more severe among less educated groups who have more reason to inflate,[3] all demographic groups, including white men, are subject to this

[3]For example, there is evidence that education "inflation" among black men is larger than it is among white men.

education inflation bias. Table 3.5 is consistent with this inflation bias among hispanics since their within-cohort education does rise over time. However, since within-cohort hispanic education deficits, if anything, tend to rise, some other factor must be at work affecting our within work cohort analyses.

The other factor is that the standard closed cohort assumption usefully employed for white men and black men does not apply for hispanics. For the hispanic population, the in- and out-migration of hispanic immigrants constantly changes the character of each work cohort. Because of these immigration flows, within-cohort rows in Table 3.5 no longer represent a fixed population of workers. For hispanics, migration into the United States numerically dominates. The issue then becomes how the education of these new immigrants compares to the schooling level of the original work cohort ten years earlier. Education levels of new hispanic immigrants are lower than that of hispanic workers already here, so these new immigrants will bring down the average education level of a work cohort. We label this bias the "immigrant" bias. Table 3.5 suggests that until 1970, the "inflation" bias dominates as education levels still rise within cohorts. The "immigrant" bias most likely accounts, however, for the within-cohort hispanic education deficits with white men rising.

After 1970, however, the story changes a great deal. For each of the three 1970 hispanic work cohorts that we are able to follow for another 10 years, the absolute level of schooling within cohort declines. For example, those hispanics with less than 10 years experience in 1970 who had 10.71 years of schooling. By 1980, we estimate that this work cohort had only 10.18 years of schooling. The end result is that within-cohort education deficits expanded greatly between 1970 and 1980. For the 1961-70 hispanic work cohort, we estimate a schooling deficit of 1.90 years in 1970; ten years later the deficit was 3.20 years.

Table 3.6

MEXICAN MALE EDUCATION COMPLETED
BY YEAR OF LABOR MARKET ENTRY

	1940	1950	1960	1970	1980
A. Levels of Education					
1971-80					10.51
1961-70				10.28	9.41
1951-60			9.11	9.06	8.67
1941-50		7.51	7.74	7.46	7.49
1931-40	6.80	7.14	6.67	6.45	
1921-30	5.66	5.33	5.05		
1911-20	4.53	4.38			
1901-10	3.63				
All	5.45	6.30	7.41	8.57	9.49
B. Education Deficits Relative to White Men					
1971-80					2.77
1961-70				2.41	3.98
1951-60			2.95	3.20	4.10
1941-50		3.51	3.66	4.12	4.49
1931-40	3.80	3.46	3.93	4.36	
1921-30	4.22	4.32	4.55		
1911-20	4.64	4.57			
1901-10	4.94				
All	4.29	3.86	3.54	3.30	3.48

Table 3.7

OTHER HISPANIC MALE EDUCATION COMPLETED
BY YEAR OF LABOR MARKET ENTRY

	1940	1950	1960	1970	1980
		A. Levels of Education			
1971-80					12.11
1961-70				11.76	11.78
1951-60			11.71	11.17	11.07
1941-50		10.07	10.53	10.24	10.41
1931-40	9.02	8.58	9.42	9.39	
1921-30	7.73	7.39	8.32		
1911-20	6.40	6.96			
1901-10	6.26				
All	7.37	8.33	10.16	10.84	11.56
		B. Education Deficits Relative to White Men			
1971-80					1.17
1961-70				0.94	1.61
1951-60			0.36	1.08	1.71
1941-50		0.95	0.87	1.34	1.56
1931-40	1.58	2.02	1.18	1.42	
1921-30	2.15	2.27	1.28		
1911-20	2.17	1.99			
1901-10	2.31				
All	2.37	1.83	0.78	1.03	1.41

HISPANIC-NATIVE WHITE WAGES BY EDUCATION

With these trends in schooling differences as background, we now discuss hispanic-white differences in weekly wages across education levels. Table 3.9 lists hispanic-white male weekly wage ratios within education classes. These weekly wage ratios are averages within 10-year experience intervals. For example, the initial entry, 87.1 for the 0-7 schooling class, represents men in their first 10 years of work in the 1940 Census. Among these men, who on average first worked in 1935, hispanics earned 87.1 percent as much as whites.

Not surprisingly, wage disparities are considerably smaller within these education cells than the aggregate wage gap in each year. For example, the overall wage ratio in 1980 was 70.6 percent. If we equally weight all the within education experience cell wage ratios in Table 3.9, the 1980 wage gap would have been 83.7 percent. This crude adjustment for educational differences between hispanics and whites implies that roughly 45 percent of the total wage gap is "explained" by educational and age differences between hispanic men and white men.[4]

Controlling for the number of years of work experience, hispanic-white wage ratios do not vary in any systematic way with years of schooling.[5] This relative education neutrality in the wage gap contrasts sharply once again with the experience of black men who, especially in the earlier Censuses, received far less income benefit from schooling than did white men.

The cross-sectional decline with work experience that characterized aggregate hispanic-white wage ratios also exists within education group. But tracking the actual experiences within cohorts also indicates an apparent expansion of the income differences between hispanics and whites as their respective careers evolved. We return to this issue in Section V below.

SUMMARY

Hispanic male workers have a competitive disadvantage because of their education deficits compared to white male workers. In 1940, the typical hispanic male worker achieved 6.35 years of schooling, 3.4 years fewer than that possessed by working white men. With each subsequent decade, the education levels of hispanic workers improved, with this advance averaging almost a year per decade. By 1980, hispanic male

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[4]The percent explained by education using this crude adjustment has been relatively constant over these 40 years.

[5]The possible exception to this generalization is that hispanic-white income ratios may decline after high schooling completion for men with 20 or more years of work experience in 1970 and 1980.

Table 3.8

PUERTO RICAN MALE EDUCATION COMPLETED
BY YEAR OF LABOR MARKET ENTRY

	1940	1950	1960	1970	1980
		A. Levels of Education			
1971-80					11.47
1961-70				9.97	10.53
1951-60			8.95	8.91	9.32
1941-50		8.30	7.82	8.40	8.17
1931-40	8.72	9.02	7.07	7.25	
1921-30	8.40	5.65	6.45		
1911-20	7.46	8.00			
1901-10	6.95				
All	8.05	7.72	7.89	8.94	10.25
		B. Education Deficits Relative to White Men			
1971-80					1.81
1961-70				2.72	2.85
1951-60			3.11	3.35	3.46
1941-50		2.72	3.58	3.18	3.81
1931-40	1.88	1.57	3.53	3.55	
1921-30	1.48	4.00	3.15		
1911-20	1.71	0.95			
1901-10	1.62				
All	1.69	2.44	3.05	2.93	2.72

Table 3.9

HISPANIC-WHITE WEEKLY WAGE RATIOS BY EDUCATION

Median Year of First Labor Market Entry	Census Year 1940	1950	1960	1970	1980
Education = 0-7 years					
1975					88.2
1965				88.1	83.4
1955			86.6	88.6	81.1
1945		87.6	82.5	86.0	81.8
1935	85.3	78.3	81.6	82.5	
1925	77.0	75.1	77.3		
1915	73.0	76.9			
1905	63.8				
All	73.0	76.6	78.5	84.6	76.8
Education = 8-11 years					
1975					94.9
1965				94.5	84.3
1955			89.6	87.4	82.4
1945		94.1	87.8	86.4	81.9
1935	94.0	89.4	83.4	86.0	
1925	88.0	89.7	83.6		
1915	79.9	95.9			
1905	74.8				
All	80.4	88.4	81.0	84.2	80.4
Education = 12 years					
1975					85.0
1965				89.6	84.5
1955			88.7	88.4	83.3
1945		111.9	86.6	85.4	82.7
1935	92.6	85.0	88.0	80.4	
1925	92.3	93.6	86.9		
1915	74.5	75.9			
1905	75.4				
All	86.2	90.8	83.5	83.4	80.3

Education = 13-15 years

1975					89.9
1965				94.1	86.6
1955			91.2	84.1	82.9
1945		104.5	81.1	79.0	75.5
1935	108.1	75.0	73.2	72.7	
1925	101.8	72.4	65.9		
1915	73.6	234.5			
1905	141.3				
All	93.7	91.9	76.1	81.3	82.6

Education = 16+ years

1975					89.6
1965				90.3	86.1
1955			84.2	81.8	83.0
1945		74.5	76.5	80.6	71.0
1935	102.6	78.5	90.0	66.3	
1925	94.7	183.6	83.4		
1915	79.0	41.3			
1905	26.6				
All	87.1	100.5	78.5	81.7	82.7

workers had 10.16 years of schooling, roughly the level white men achieved 30 years earlier. Hispanic educational gains were more rapid than those of white men so that their education deficit had been reduced to 2.81 years by 1980.

However, an important reversal for hispanics occurred during the 1970s. During that decade, the hispanic schooling gap actually widened as education differences between hispanics male and white male workers grew by four-tenths of a year of schooling. Since 1960, there has been virtually no improvement in the schooling credentials of hispanic workers compared to their white male competitors.

The changing composition of recent hispanic immigration alongside the increasing fraction of immigrants within the hispanics population are two dominant underlying trends. The rising fraction of immigrants in the hispanic male work force after 1960 slowed the rate of advance in hispanic schooling (since the foreign born have lower schooling levels than U.S.-born hispanics). In a similar vein, the increasing numbers of Mexicans among hispanic immigrants also served to when we examine lower the schooling advances achieved. Even within ethnic groups, however, the educational quality of new immigrants is not rising very fast.

These education trends are important because schooling is strongly correlated with wages. For example, the overall wage ratio in 1980 was 70.6 percent. If we stratify by education and years of work experience, the 1980 wage gap would have been 83.7 percent, implying that roughly 45 percent of the total hispanic wage gap is "explained" by education and age differences between hispanic and white men.

IV. THE CHANGING DEMOGRAPHY OF THE HISPANIC POPULATION

Immigration to America is as old as America itself, and the history of American immigration is laced with debate over the impact of immigration on these new Americans as well as the America to which they came. In recent decades, hispanics have played a central part in this process, accounting for a significant number of the new immigrants. In turn, new waves of hispanic immigrants have transformed the demography of the hispanic population. It is that transformation that I describe in this chapter.

THE HISPANIC PEOPLE

One reason for the higher profile for hispanics in the policy debate is the sheer growth in their numbers. Table 4.1 lists the estimated size of the hispanic population at key points across the last 50 years. In 1940, fewer than one in every 50 Americans were of hispanic descent. Today, one in every 12 Americans are hispanic, a fraction that is guaranteed to grow even higher in the future. Using the official count, over 19 million hispanics lived in the United States in 1988--more than twice their number in 1970. While only one in 12 Americans are hispanics, they accounted for 27 percent of growth in the U.S. population since 1970.

The percentage increase in our Mexican-ancestry population exceeded the overall hispanic rate. While the total American population increased by 20 percent since 1970, the size of the U.S. Mexican population expanded two and one-half fold. Compared to 1970, seven and one-half million more Mexicans lived in the United States by 1988. As a percent of the U.S. population, the fraction of Mexicans has more than doubled over that period.

While birth rates are slightly higher among the hispanic people, this tremendous growth in the relative size of the hispanic population in the United States owes little to differences in natal rates. In

order to understand the reasons for this tremendous increase in the number of hispanics, we must turn instead to the history of hispanic immigration.

IMMIGRATION TRENDS

Trends in immigration reflect trends in U.S. public opinions of the costs and benefits of immigration, as well as the flow of world events that created the supply of people seeking to become Americans. Table 4.2 summarizes historical swings in U.S. immigration. By the turn of the last century, immigration rates were accelerating, approaching rates of one-half million persons a year. Most (almost 90 percent) of these immigrants were European, but country of origin within Europe changed dramatically over time. The first immigrants were predominantly British, Irish, and German, but by the beginning of the 20th century, immigrants from Italy, Russia, and Austria-Hungary began to predominate. The period of peak migration took place in the first fifteen years of this century. In many years during that period, over one million people, mainly Europeans (Italians, Russians, and Central Europeans), arrived in America. World War I abruptly interrupted this European migration, just as World War II interrupted immigration again some years later. The total volume of immigration declined between the world wars with the introduction of explicit national origin quotas and the onslaught of the Great Depression.

With the end of World War II, once again immigration to America expanded, with larger numbers of immigrants arriving during each successive decade. The number of *legal* immigrants entering the United States annually during the last two decades is as large as during the peak immigration years at the turn of the century. During this period, Canada and Mexico supplied increased fractions of the total volume of U.S. immigrants.

Country of origin is one of many key changes in U.S. immigration since the Second World War as the composition of recent arrivals fundamentally changed (Keely, 1974, Reimers, 1981). Nine of ten

Table 4.1

HISPANIC POPULATION IN THE UNITED STATES

(in millions)

Date	Total Population	All Hispanic	Mexican	Puerto Rican	Cuban	Other
March 1988						
Total	241,155	19,431	12,110	2,471	1,035	3,815
Percent	100.00	8.1	5.1	1.0	0.4	1.6
Percent within hispanics	n.a.	100.0	62.3	12.7	5.3	19.6
March 1986						
Total	236,749	18,091	11,200	2,340	1,003	3,548
Percent	100.00	7.6	4.7	1.0	0.4	1.5
Percent within hispanics	n.a.	100.0	60.6	15.1	6.1	18.2
April 1980						
Total	226,546	14,604	8,679	2,005	806	3,114
Percent	100.00	6.4	3.8	0.9	0.4	1.4
Percent within hispanics	n.a.	100.0	59.4	13.7	5.5	21.3
April 1970						
Total	203,302	9,073	4,532	1,429	544	2,567
Percent	100.00	4.5	2.2	0.7	0.3	1.3
Percent within hispanics	n.a.	100.0	50.0	15.7	6.0	28.3
April 1960						
Total	179,323		3,464	922	125	
Percent			1.9	0.5	0.1	
Percent within hispanics						
April 1950						
Total	151,326		2,281	326	n.a.	
Percent			1.5	0.2		
Percent within hispanics						

April 1940				
Total	131,669	1,570	/100	n.a.
Percent		1.2	0.1	
Percent within hispanics				

Table 4.2

NUMBER AND CHARACTERISTICS OF IMMIGRANTS BY YEAR

Time Period	Number of Immigrants Per Year	Proportion		
		European	Hispanic	Asian
1981-1989	644,616	11.0	31.1	41.6
1971-1980	499,314	16.1	29.7	31.8
1961-1970	332,168	33.8	34.8	12.9
1946-1960	225,304	56.1	26.7	5.5
1941-1945	34,202	31.0	9.5	2.0
1931-1940	52,843	65.8	8.8	3.0
1921-1930	410,721	60.0	14.1	2.7
1916-1920	255,196	45.5	13.2	5.4
1901-1915	883,681	89.4	1.6	3.4
1881-1900	466,709	88.8	1.6	1.6

SOURCE: *Historical Statistics of the United States.*

immigrants at the beginning of this century were European; today only one in ten are. While Europeans traditionally dominated early immigration streams, nearly three-quarters of the recent entrants are from Latin America and Asia, where language, economic structure, and culture differ markedly from those of Europe. Furthermore, the occupational status of these recent immigrants is more diverse than that of prior immigrant streams, and includes higher proportions of both highly skilled workers and workers with only marginal skills (North, 1974).

With the elimination of country-specific immigrant quotas in the 1965 Immigration and Naturalization Act, the composition of immigration shifted sharply. In particular, the numbers of immigrants, many of them refugees from Asia, increased rapidly. During the last two decades, Korean, Filipino, and Vietnamese immigrants formed a large part of this group. More generally, refugees now constitute an increasing proportion of all legal entrants, and unlike before, the more recent waves consist disproportionately of persons lacking occupational skills or substantial formal education, or sometimes even literacy in their own languages (Bach, 1980; Massey, 1981).

Table 4.3 focuses more explicitly on the changing flows of hispanic immigrants.[1] Before the end of the Second World War, hispanic immigration to this country was largely Mexican. For example, during the 1920s almost one-half million Mexicans legally arrived, roughly 80 percent of all legal hispanic immigrants during that time frame. The scale of hispanic immigration accelerated during the post-World War II years. For example, the number of arrivals was twice as large in the 1960s than during the 1950s and had doubled again by the 1980s.

The expansion between 1960 and 1980 was due in part to the large influx of Cuban political refugees during the 1960s and 1970s. Since only one in five of the additional hispanic immigrants between 1950 and 1970 were Cuban, however, this was only part of the story. Equally important was the increased numbers from the Dominican Republic and Jamaica (28 percent of the new immigrants). While the proportion who were Mexican declined over these decades, the absolute number of Mexican immigrants was expanding rapidly, reaching more than 600,000 legal immigrants in the 1970s.

The composition of hispanic immigration changed again during the 1980s. The volume of Mexican immigrants surged to over one million legal immigrants during the last decade. Mexicans constituted more than

[1]Because Puerto Ricans are citizens and can travel legally to the mainland, Puerto Rican migration to the United States is not included in these tables.

Table 4.3

NUMBER OF HISPANIC IMMIGRANTS

Years	All Hispanic	Mexico	Cuba	Dominican Republic	Central America	South America
1981-1989	2,017,302	975,654	135,142	209,635	321,845	375,026
1971-1980	1,482,642	640,290	264,836	148,135	134,640	295,741
1961-1970	1,112,506	451,394	208,536	93,292	101,330	257,954
1951-1960	524,935	299,811	78,948	9,897	44,751	91,628
1941-1950	136,025	60,589	26,313	5,627	21,665	21,831
1931-1940	46,704	22,319	9,571	1,150	5,861	7,803
1921-1930	579,876	459,287	15,901	NA	15,769	42,215
1911-1920	272,059	219,004	NA	NA	17,159	41,899
1901-1910	75,114	49,642	NA	NA	8,192	17,280
		% Distribution				
1981-1989		48.4	6.7	10.4	16.0	18.6
1971-1980		43.2	17.9	10.0	9.1	19.9
1961-1970		40.5	18.7	8.4	9.1	23.2
1951-1960		57.1	15.0	1.9	8.5	17.4
1941-1950		44.5	19.3	4.1	15.9	16.0
1931-1940		47.8	20.5	12.0	12.5	16.7
1921-1930		79.2	2.7	NA	2.7	7.3
1911-1920		80.5	NA	NA	4.1	15.4
1901-1910		66.1	NA	NA	10.9	23.0

60 percent of the growth in hispanic immigration in this decade, while Cuban immigration was cut in half. Other important contributors during this period were the Dominicans, Jamaicans, and political refugees from Nicaragua, El Salvador, and Guatemala.

These data on legal immigrants tell only part of the story about recent immigration. A good deal of the recent public debate concerns fears about the scale and composition of illegal immigration. By its very nature, reliable hard data about the stock or yearly flows of illegal immigration is difficult to obtain. A good deal of the illegal immigration is temporary or seasonal by people who intend to soon return to their home countries.

While estimates of the volume of illegal immigration vary, we know that much of it is hispanic and that much of that illegal hispanic immigration is Mexican. Table 4.4, based on the work of Passel and his associates, summarizes the status of the foreign-born population counted in the 1980 decennial Censuses. As Passel acknowledges, the separation of this foreign-born population between its legal and illegal components is an imprecise art so that these estimates are best interpreted as giving reasonable orders of magnitude.[2]

There were more than 2 million illegal immigrants in the official count of 1980 Census, representing one in every seven of the foreign born. Such estimates belie the oft-stated view that this country can be overwhelmed by the rising numbers of illegal aliens. In 1980, undocumented immigrants constituted less that one percent of the total U.S. population. As a result, their overall impact on the structure of the U.S. economy must also be relatively small.

In contrast, illegals are an important force within the hispanic population and especially so among Mexicans. Hispanics are by far the dominant group in the illegal population, comprising 75 percent, and among hispanic illegals, seven in every ten were Mexican. For example, the 1980 Census indicates that of the 12.6 million hispanics officially counted, 1.6 million of them were illegal immigrants. Similarly, 1.1 million of the 8.7 million Mexicans officially counted were illegal immigrants. One distinguishing characteristic of the Mexican foreign-born population in the United States is how few of them are citizens. Table 4.4 indicates that only 8 percent of the foreign-born Mexicans in the official count were citizens, compared to 56 percent for the non-hispanic foreign born.

These officially-counted undocumented aliens in 1980 are only part of the total undocumented population, many of whom never were counted in the Census.[3] Although the size of this group is even more difficult

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[2]To put is simply, these estimates are based on a comparison of Census counts of the foreign born with independent estimates of the legally resident foreign-born population in that year.

[3]This proportion implies that a majority of illegal immigrants will be included in the statistical tables of this report.

Table 4.4

FOREIGN-BORN POPULATION IN THE 1980 U.S. CENSUS

(millions of people)

	Aliens			Total Foreign Born	Total Population
	Legal	Illegal	Citizens		
All Foreign Born	5,964	2,057	6,118	14,139	234,066
All Hispanic	2,436	1,583	832	4,851	12,599
Mexican	1,195	1,131	205	2,531	8,679
South American	335	128	131	594	
Other Hispanic	906	324	496	1,726	

Source: Derived from Warren and Passel (1987) and Passel and Woodrow (1987). Puerto Ricans are not included in the hispanic population.

to gauge, Passel concludes that at most 20 to 40 percent of all illegal immigrants were not surveyed by the Census. Based on this range--the total number of undocumented immigrants in 1980 was between 2.5 to 3.5 million--he presents a best-guess estimate of 1.9 million Mexican illegals. If correct, more than half of the Mexican foreign-born population in the United States in 1980 were illegal immigrants.[4] In that year, approximately one in every five Mexicans living in the United States were illegal immigrants.

While the overall magnitude of the illegal population remained relatively small, the size of the illegal population grew rapidly since 1980. Table 4.5 lists the composition of the foreign-born population at dates centered around the IRCA legislation. By June 1986, there were 3.2 million undocumented immigrants officially counted in the *Current*

[4]A similar reasoning puts the total number of undocumented hispanics in 1980 roughly in the 2 to 2-1/2 million interval.

Population Surveys, implying a net growth of between 100,000 to 300,000 illegal aliens each year. Not surprisingly, this expansion in the illegal population was highly concentrated among Mexicans. Between 1980 and 1986, there were more than one million additional Mexican illegals included in the official Census surveys alone. This growth represents a doubling of the size of the illegal Mexican population in the early 1980s. If we then add in the undocumented aliens likely not to have been counted, two-thirds of all foreign-born Mexicans were illegals by 1986. Not surprisingly, the politically explosive issue of undocumented aliens is an especially sensitive one in the Mexican community.

This sharp expansion in the size of the illegal population during the 1970s and 1980s gave rise to demands for legislation to control this immigration. An important factor influencing the numbers of legal immigrants was the Immigration Reform and Control Act of 1986 (IRCA). This Act allowed specific groups of illegal immigrants to become temporary and eventually permanent residents in the United States.[5] Table 4.6 summarizes the number of applicants under IRCA and separates the total into those who applied under the legalization and SAW programs. There were more than 3 million IRCA applications, of whom over 90 percent were hispanics. By a wide margin, Mexico dominated all other places as the country of origin. Two and thee-tenths million Mexicans applied for residence under the IRCA program, representing almost three-quarters of all IRCA applicants.[6]

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[5]IRCA specified two types of illegal immigrants who were eligible: (a) aliens who had been in the United States unlawfully since January 1, 1982 (legalization applicants), and (2) aliens who were employed in seasonal agriculture work for a minimum of 90 days between May 1985 and 1986 (Special Agricultural Worker (SAW) applicants).

[6]While Mexicans were the dominant group under both IRCA programs, they were especially important in the SAW program. Mexico was the predominant country of citizenship for SAW applicants, accounting for 81.5 percent of the total. Of the 2.75 million hispanic applicants, 80 percent were Mexican.

Table 4.5

CHANGES IN FOREIGN-BORN POPULATION

	Legal	Illegal	Total[a] Foreign Born
	1988		
All	12,473	1,906	14,379
All Hispanics	5,975	1,672	7,547
Mexican	2,985	1,100	4,085
South American	712	43	755
Other Hispanic	2,169	529	2,698
	1986		
All	9,911	3,158	13,069
All Hispanics	3,920	2,933	6,853
Mexican	1,657	2,195	3,852
South American	575	93	668
Other Hispanic	1,688	645	2,333
	1980		
All	7,173	2,057	9,230
All Hispanics	2,834	1,583	4,417
Mexican	1,400	1,131	2,531
South American	373	128	501
Other Hispanic	1,061	324	1,385

[a]For all but Mexicans includes only foreign born who entered the United States after 1960.

SOURCE; Warren and Passel (1987) and Woodrow and Passel (1990).

There are two primary ways IRCA could affect the size of the undocumented population. Most important, the legislation provides a direct mechanism for converting previously illegal immigrants into legal residents. This provision proved to be remarkably effective as a large number of undocumented aliens who arrived before 1982 became legal immigrants. Of the 1.7 million applicants under the legalization

program, 1.6 million were hispanic and 1.2 million were Mexican. The effect of IRCA on the composition of the foreign-born population is apparent from Table 4.5. Between 1986 and 1988, the size of the official counted illegal population fell by more than one million people, an impact felt largely on the Mexican population.

Second, IRCA could also change the net flow of immigrants into the country. Two provisions of IRCA were aimed at stemming the flow of immigrants. These two provisions were employer sanctions (penalties for hiring undocumented workers) and enhanced border enforcement. We are on less firm ground in assessing this effect. While it is still too early to provide a final assessment of these provisions, most current research points toward either a small, short-run or no effect on the levels of illegal immigration.

HISPANIC IMMIGRATION AND THE WORKFORCE

With the exception of their schooling, there is no single attribute of hispanics that matters more in shaping their overall economic well being than whether they were immigrants. Hispanics born abroad understandably face far more difficult labor market obstacles than those born in the United States. Depending on their age at immigration, foreign-born hispanic men had considerable amounts of their human capital formed abroad. Many of these men were schooled outside the United States and a subset of them even began their work career elsewhere. Their labor market skills were presumably geared in part to conditions in host country labor markets. For these men, not only do issues of cultural and economic assimilation arise, language difficulties alone can be an important impediment to economic mobility.

Table 4.7 indicates that since 1940 there were sharp swings in the proportion of hispanic working men who were foreign born. These cross-sectional swings in turn reflect the longer-term movements in the scale and composition of immigrants that we discussed above. In 1940, 44 percent of all working hispanic men living in the United States were born abroad. The 1940 cross-sectional rise in the proportion foreign

Table 4.6

IRCA APPLICATIONS

	All			Legalization Applicants		
	Total[a]	% of Total	% of hispanics	Total[a]	% of Total	% of hispanics
Total	3039	--	--	1762	--	--
Nonhispanic	254	8.4	--	162	9.2	--
Hispanic	2785	91.6	--	1620	91.9	--
Mexican	2271	74.7	81.5	1230	69.8	75.9
Caribbean	123	4.0	4.4	60	3.4	3.7
Central American	286	9.4	10.3	236	13.4	14.6
South American	104	3.4	3.7	74	4.2	4.3

	SAWS		
	Total[a]	% of Total	% of hispanics
Total	1277	--	--
Nonhispanic	93	7.2	--
Hispanic	1184	93.1	--
Mexican	1040	81.4	87.8
Caribbean	64	5.0	5.4
Central American	50	3.9	4.2
South American	30	2.1	2.5

SOURCE: *1989 Statistical Yearbook of the Immigration and Naturalization Service*, Department of Justice. Numbers are as of May 16, 1990.

[a]Millions of people.

born across age groups reflects declining numbers of hispanic immigrants in the years preceding the 1940 Census. Because of low levels of immigration during the depression years, only one-fifth of young

Hispanic males were foreign born in 1940, compared to six out of ten mature hispanic male workers.

The low rates of hispanic immigration during the 1930s and 1940s lead to a steady decline in the fraction foreign born over the next 20 years. By 1960, only 30 percent of hispanic men were foreign born, a drop of 14 percentage points in 20 years. These rates were even lower among younger hispanic workers whose numbers more directly reflect the scale of the prior decades' immigrant waves among younger hispanic male workers. In 1960, less than one in seven were immigrants. If you met a Mexican male worker in 1940, it was an even bet whether he was born in this country. By 1960, the odds were four to one that he was born here.

Since 1960, this process reverses and the proportion foreign born rises and does so at an accelerating rate. Younger workers were once again the most sensitive barometer of this change. By 1980, 43 percent of all young hispanic males were foreign born, more than twice the 1960 rate. However, the "foreigness" of the workplace increased dramatically even as the 1960 hispanic work force aged. For example, 13.2 percent of the 1960 work cohort with 1-10 years experience were foreign born. Ten years later, 33.3 percent of this work cohort were foreign born. Twenty years later, when they had 21-30 years of work experience in 1980, 51 percent of them were foreign born. Clearly, many hispanic immigrants who arrived between 1960 and 1980 were already of working age. They would fundamentally alter the hispanic work force.

By 1980, we had come full circle, with the total fraction foreign born of 47 percent almost identical to the 1940 rate. By far the most dramatic changes took place within the other hispanic group. Fifty-four percent of all hispanic workers were foreign born in 1980, twice the rate in 1970.

The ebbs and flows of hispanic immigration also produced a number of shifts in the ethnic composition of the hispanic population. These shifts are illustrated in Table 4.8, which lists the fraction of each of the major ethnic subgroups within the total hispanic male population. In 1980, 62 percent of all hispanics were Mexicans. The 1970s were

Table 4.7

PERCENTAGE OF HISPANICS WHO ARE FOREIGN BORN

	1980	1970	1960	1950	1940
All Hispanics[a]					
1-10 years of experience	42.7	26.4	13.2	9.1	18.6
11-20 years of experience	50.5	33.3	17.6	23.9	43.3
21-30 years of experience	51.1	33.8	24.9	47.0	62.7
31-40 years of experience	46.9	34.4	42.8	66.4	58.0
All	47.2	31.7	21.9	33.0	43.7
Mexican					
1-10 years of experience	38.2	21.9	13.3	8.8	20.3
11-20 years of experience	45.7	26.1	17.6	25.3	47.5
21-30 years of experience	40.0	26.3	27.7	50.0	65.8
31-40 years of experience	33.2	30.0	50.8	72.9	64.9
All	40.3	25.6	24.2	35.1	46.2
Other Spanish					
1-10 years of experience	46.7	23.8	35.2	11.8	11.0
11-20 years of experience	58.3	31.1	41.7	19.6	31.8
21-30 years of experience	61.1	28.0	38.2	33.3	57.4
31-40 years of experience	50.6	21.1	47.7	41.7	42.0
All	53.8	26.8	40.3	25.2	36.7

[a]Puerto Ricans are not included in the all hispanic group.

marked in particular by rising proportions of Mexicans as large numbers of new Mexican immigrants arrived. In 1970, less than half of all hispanics were Mexicans.

In contrast, the great waves of Puerto Rican migration took place between 1940 and 1960. Between these 20 years, the proportion of the hispanic population who were Puerto Ricans more than doubled from 6 to 16 percent. After 1960, this trend reversed, and now roughly one in nine hispanics are Puerto Ricans.

Table 4.8

DISTRIBUTION OF HISPANIC POPULATION

Group	1980	1970	1960	1950	1940
Mexican	61.6	47.8	63.7	71.4	68.7
Puerto Rican	11.7	15.4	16.1	10.8	5.7
Cuban	6.0	7.1	n.a.	n.a.	n.a.
Other Hispanic	20.7	29.7	20.3	17.6	25.6

THE HISPANIC WAGE GAP BY NATIVITY

How sensitive is the aggregate hispanic wage gap to these sharp historical swings in the fraction of hispanic men who are foreign born? I first address this issue in Table 4.9, which lists wages of native-born and foreign-born hispanics relative to those of white men. In 1940, U.S.-born hispanic men earned 59 percent as much as white men did. This wage gap narrowed sharply during the next 20 years until by 1960 native-born hispanics earned 73 percent as much as white men. After 1960, there was little secular drift in these wage ratios as the wage gap for native-born hispanics rose slightly to 75 percent.

The patterns are quite different for the foreign born. In this case, the wage gap between foreign-born hispanics and native-born whites rose slightly from 1940 to 1970, but the wage gap grew significantly after that year. In 1970, foreign-born hispanics earned 73 percent as much as whites; by 1980, they earned 67 percent.

Table 4.10 compares the historical wage series for foreign-born and native-born hispanics. A more uniform pattern emerges here of a constant expansion of the wage difference between native-born and foreign-born hispanics. In 1940, foreign-born hispanics actually earned 13.4 percent more than native-born, a wage premium that was concentrated among the less educated. By 1960, there was little difference in hispanic wages by nativity. The native born outearned the foreign born

Table 4.9

INCOME OF HISPANICS AND MEXICANS BY PLACE OF BIRTH COMPARED TO WEEKLY WAGES OF WHITE MALES

Years of Labor Market Experience	1980	1970	1960	1940
U.S.-Born Hispanics[a]				
1-10	81.1	80.4	77.9	69.8
11-20	78.1	78.5	74.9	64.8
21-30	75.4	74.0	73.6	55.7
31-40	73.3	72.4	66.9	54.5
All	75.5	75.1	72.8	59.4
Foreign-Born Hispanics[a]				
1-10	73.3	79.4	76.0	80.8
11-20	64.6	72.4	70.9	69.4
21-30	64.1	70.4	68.2	58.5
31-40	63.8	66.5	69.6	49.5
All	66.5	73.3	71.6	67.8
U.S.-Born Mexicans				
1-10	80.6	74.9	76.2	63.5
11-20	75.3	74.9	73.5	56.7
21-30	73.4	70.4	70.7	54.1
31-40	70.2	67.3	64.9	41.3
All	73.5	71.9	71.8	52.2
Foreign-Born Mexicans				
1-10	68.6	71.2	66.7	78.9
11-20	59.0	63.3	63.9	64.2
21-30	56.0	63.7	66.8	50.9
31-40	59.1	60.7	65.4	41.0
All	59.8	65.0	67.2	60.3

[a]Puerto Ricans not included in these tables.

by 3.8 percent in 1970 and by 13 percent in 1980. A similar pattern of growing wage advantage in favor of the native born also exists within the Mexican and other hispanic groups. In 1940, foreign-born Mexicans actually outearned those born in the United States by 14 percent. By 1980, U.S.-born Mexicans outearned those born in Mexico by 20.6 percent. Similarly, the native-born "other hispanic" group had a wage disadvantage of 20.9 percent in 1940 but a wage advantage of 11.9 percent in 1980.

Until 1980, a common pattern was that U.S.-born hispanic wages would fall relative to the foreign-born hispanics as schooling levels rose. For example, in 1940 foreign-born hispanics outearned U.S.-born hispanics by 29.3 percent among those with 0-7 years of schooling. In the same year among college graduates, foreign-born earned 33.5 percent less than native-born hispanics. Similarly, foreign born earned 3.8 percent less than native born in the 0-7 group in 1970, but 7.4 percent less among college graduates. This pattern is consistent with higher schooling quality in the United States compared to Mexico.

However, this historical pattern had been eliminated by 1980. In this case, the widest gap between the foreign born and the U.S. born is among those with the least schooling.

SUMMARY

While Europeans traditionally dominated earlier immigrant streams, nearly three-quarters of recent immigrants are from Latin America and Asia. These recent hispanic immigrant waves included many persons with little formal education or marketable skills, many of whom were illegal. As a result of this immigration, the demography of the hispanic population has continued to undergo significant changes. While hispanics now represent 8 percent of the total population, they account for 27 percent of the total 38 million growth in U.S. population since 1970. During the 1980s the proportion of hispanics who were foreign born continued to rise, with the fraction who were originally from Mexico or Central America leading the way. Finally, hispanics remain

Table 4.10

PERCENTAGE WAGE DIFFERENCES BETWEEN FOREIGN-BORN HISPANIC MALES AND NATIVE HISPANICS

	Years of Schooling					
	All	0-7	8-11	12	13-15	16+
	All Hispanics					
1980	-12.6	-13.9	-8.2	-7.5	-6.0	2.7
1970	-3.8	4.8	-7.3	-6.0	-9.9	-7.4
1960	-1.6	6.8	4.4	-5.6	-4.2	-13.8
1940	13.4	29.3	11.9	7.2	3.6	-33.5
	Mexicans					
1980	-20.6	-13.6	-11.5	-7.7	-15.4	-5.2
1970	-10.1	5.3	-5.1	-8.1	-15.8	-5.9
1960	-5.3	6.5	2.4	1.1	4.6	-11.0
1940	14.4	26.8	10.3	5.3	0.1	43.4
	Other Hispanics					
1980	-11.9	-23.6	-2.7	-10.9	-8.4	-7.7
1970	0.4	6.3	-9.7	-3.3	-9.8	-6.7
1960	-0.5	10.1	5.0	-16.0	-13.5	-16.3
1940	20.9	52.1	11.8	7.4	28.2	-66.1

Table 4.11

PERCENTAGE WAGE DIFFERENCES BETWEEN FOREIGN-BORN HISPANIC MALES AND WHITE MALES

	Years of Schooling					
	All	0-7	8-11	12	13-15	16+
	All Hispanics					
1980	-40.8	-30.4	-25.8	-26.1	-21.6	-17.9
1970	-31.3	-13.7	-20.6	-21.6	-26.8	-23.6
1960	-33.4	-18.7	-13.3	-18.5	-27.8	-31.8
1940	-38.8	-18.8	-15.2	-10.3	-3.6	-26.4
	Mexicans					
1980	-51.4	-31.6	-28.5	-26.7	-32.5	-33.9
1970	-43.1	-16.3	-19.8	-27.8	-36.5	-22.8
1960	-39.8	-20.2	-15.8	-13.8	-20.4	-29.9
1940	-50.5	-27.6	-23.4	-22.5	-18.3	-20.5
	Other Hispanics					
1980	-31.0	-33.0	-22.2	-27.2	-19.8	-15.0
1970	-18.6	-1.9	-20.4	-14.1	-21.2	-21.3
1960	-19.7	-5.6	-10.5	-23.0	-32.2	-32.6
1940	-7.0	20.4	-4.3	6.4	31.4	-33.5

Table 4.12

PERCENTAGE WAGE DIFFERENCES BETWEEN NATIVE-BORN HISPANIC MALES AND WHITE MALES

	Years of Schooling					
	All	0-7	8-11	12	13-15	16+
	All Hispanics					
1980	-28.2	-16.6	-17.6	-18.6	-15.6	-20.5
1970	-27.5	-18.6	-13.2	-15.5	-17.0	-16.2
1960	-31.8	-25.5	-17.7	-12.9	-23.6	-18.0
1940	-52.1	-48.0	-27.1	-17.5	-7.1	7.1
	Mexicans					
1980	-30.8	-18.0	-17.0	-19.1	-17.1	-28.7
1970	-33.0	-21.6	-14.7	-19.7	-20.8	-16.9
1960	-34.5	-26.7	-18.2	-14.9	-24.9	-18.9
1940	-65.0	-54.3	-33.7	-27.8	-18.3	-63.9
	Other Hispanics					
1980	-19.1	-9.4	-19.5	-16.3	-11.5	-7.3
1970	-19.1	-8.1	-10.7	-10.8	-11.4	-14.6
1960	-19.2	-15.8	-15.5	-7.0	-18.7	-16.3
1940	-27.9	-31.7	-16.1	-1.1	3.2	32.6

heavily geographically concentrated. Two states--California and Texas--now account for 58 percent of all hispanic men. Almost three-quarters would be included if we added Florida and New York.

V. LABOR MARKET ASSIMILATION

The American dream is one of the defining characteristics of our nation. The dream is one of economic mobility both for yourself and your children. It is a dream that immigrants told. Come to America and work hard. At first, there will be mostly sacrifice and suffering. The only jobs available are the menial work of the less skilled and the pay will assuredly be low. But eventually the dream will win out. As one assimilates into the great American melting pot, the jobs and the salaries they pay will improve. This dream can then be passed on to your children, second-generation Americans, who not only will not suffer your initial hardships but will speed this process of economic assimilation. Eventually, at least in terms of economic status, the dream promises that the grandchildren of immigrants cannot be distinguished from the Mayflower generations.

This dream, and the evidence in its favor, owes its origin to the great European immigrant waves of the late 19th and early 20th centuries. Who, it is asked, can tell the grandchildren of the Irish, Polish, Italian, and Russian immigrants apart and whether what they can earn differs from 6th or 10th generation Americans?

But can this dream be told in Spanish? Will the Mexican, Cuban, Puerto Rican immigrants of today share in this dream? This chapter attempts to answer that question by examining how recent hispanic immigrant cohorts have fared as they attempted to assimilate into the U.S. labor market.

ASSIMILATION AND QUALITY: ALTERNATIVE VIEWS

There are strong alternative hypotheses that have dominated the economic literature which also serve as useful anchors for our discussion of economic assimilation of immigrants. These hypotheses are both aimed at explaining an agreed upon fact. In cross-sectional data,

compared to natives, immigrant earnings are typically lowest for the most recent arrivals and highest for those immigrants who came long ago. The first explanation for this pattern is that it indeed reflects labor market assimilation (Chiswick, 1978). According to this view, earnings of the typical immigrant rises quickly after his arrival and will eventually equal (or perhaps even overtake) wages of natives.

Chiswick argues that a crucial difference between immigrants and the native born relates to the concept of location-specific (or country-specific) capital. Immediately after their arrival, immigrants suffer the disadvantage of knowing far less than natives about the cultural, institutional, and economic character of the U.S. labor market. In addition, their skills may not be readily adaptable to that market. Consequently, immigrants' initial wages will be well below those of otherwise equal native-born Americans, but tend to catch up and even exceed those of the native-born 10 to 15 years after their arrival. Chiswick's empirical results based on the 1970 U.S. Census also suggest that this assimilation curve applies mainly to immigrants whose cultural, language, and economic homelands are most dissimilar to the United States. For example, wages of immigrants from Canada or Great Britain show neither strong initial difference from wages of native born nor strong association with years since immigration.

The alternative view is that such assimilation (on a large scale) is largely a mirage. Instead, it is argued that declining cohort quality of immigrants is the primary reason for the cross-sectional decline in wages with time since first arrival (Borjas, 1985). In this view, the reason that more recent immigrants do poorly is not because they have not as yet assimilated into the U.S. labor market. Rather, their wages are low because more recent waves of immigrants are of lower "labor market quality" than earlier waves. If the "quality" hypothesis dominates, the future outlook for recently arrived immigrants is dim. The wage deficiency that they now face will continue with them throughout their U.S. labor market careers. In contrast, the

assimilation hypothesis promises recent immigrants a far more optimistic future as their wages rise as they adjust to the U.S. market.

The reason the "quality" hypothesis has gained considerable support is illustrated by Table 5.1, which contrasts the labor market experiences of recent hispanic immigrants (e.g., those who came to America in the last five years) with wages of native-born hispanics. The numbers in this table measure the magnitude of the percentage wage disparities between these two groups. For example, the first entry in the upper-left-hand corner informs us that among those with 1-10 years of potential labor market experience, recent hispanic immigrants earned 22.6 percent less than native-born hispanics.

The time series patterns are very dramatic. Consider first, the row describing wage differences for all hispanics aggregated across all experience levels. In 1960, recent immigrants earned 16 percent less than native-born hispanics. Over the last 20 years, the magnitude of this discrepancy increased a great deal. By 1970, recent hispanic immigrants earned 20 percent less, and by 1980, 40 percent less than native-born hispanics. The size of the wage penalty for recent immigrants expanded three-fold across these 20 years. Similar patterns exist when we limit our comparison to Mexican men. In 1940, recent hispanic immigrants earned 22 percent less than native-born Mexicans. This differential grew steadily with each succeeding decade. Recent Mexican immigrants earned 46 percent less than native-born Mexicans in 1980.[1]

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[1]The experience-specific patterns in Table 5.1 also deserve note. The experience stratification table allows us to compare the wage realities of recent immigrants who are just beginning their labor market careers with those of recent immigrants who came to the United States after presumably working abroad for some time. To illustrate, using the first row in Table 5.1 recent hispanic immigrants who were in their first 10 years of labor market experience earned 25.3 percent less than native-born hispanics who were also in the labor market for 10 years or less. In that same year, however, recent immigrants who had worked 31-40 years earned 31 percent less than native-born hispanics with that amount of prior work experience. In terms of the size of the wage differentials, the critical threshold appears to be at 10 years of work

Table 5.1

PERCENT WAGE DIFFERENCES BETWEEN RECENT[a] HISPANIC IMMIGRANTS AND NATIVE-BORN HISPANICS

Potential Years of Labor Market Experience	1980	1970	1960	1940
	All Hispanics			
1-10	-25.3	-9.4	-1.3	-22.6
11-20	-45.8	-23.4	-15.3	-9.2
21-30	-43.1	-22.8	-25.0	16.0
31-40	-30.6	-24.9	-30.7	-35.7
All	-41.1	-20.2	-15.8	-0.0
All*	-36.9	-20.7	-18.3	-10.0
	Mexicans			
1-10	-28.3	-13.0	-4.7	-13.3
11-20	-48.2	-39.7	-18.6	-92.0
21-30	-60.0	-32.7	-38.8	-29.8
31-40	-39.3	-38.5	-29.7	-8.1
All	-45.7	-32.4	-21.1	-22.0
All*	-44.9	-31.7	-23.2	-32.8

[a]Recent immigrants are those who immigrated into the United States within the last five years.

*Adjusted to impose uniform experience distribution for immigrants and natives.

Table 5.2 represents our first attempt to address the issue of the ability of hispanic immigrants to assimilate economically into the American labor market. Both the 1980 and 1970 decennial Censuses asked questions about the length of time since arrival into the United States.[2] No direct questions exist in the other decennial Censuses. However, in both the 1940 and 1960 Censuses, questions were asked about place of residence five years ago. With this information, we can at least distinguish between recent migrants (those who arrived within the last five years) and more distant migrants (those who arrived more than five years ago).[3]

First, consider the cross-sectional estimates of wage disparities associated with time since immigration. With any cross-section and for each ethnic group, the immigrant wage disparity decreases with time since arrival into the United States. For example, consider the 1980 Census results for all hispanics. Compared to hispanic natives, hispanic immigrants who had arrived since 1975 earned 41.1 percent lower wages. This disparity was only 20.8 percent for those who had arrived 6-10 years ago (between 1971 and 1975) and only 1.4 percent among hispanic immigrants who came to the United States during the 1960s. Hispanic immigrants in the 1980 Census who had arrived more than 20

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experience. Given that an immigrant arrived within the last five years, the wage penalty associated with "recency" is relatively constant after 10 years of prior work experience. A similar pattern of rising wage differentials with potential labor market experience for recent immigrants also exists among Mexicans. Since 1960, this pattern exists in each Census year. We return to this issue below. Why were the wage differentials for recent immigrants largest among older workers? Immigrants with 10 or more years of work experience had their initial labor market skills formed not in the United States but in their home country. These skills were presumably more geared to their native labor market, and have less value to conditions in the U.S. labor market.

[2]Explain here the coding of the questions in the Censuses.

[3]In the 1950 Census, respondents were asked their place of residence one year ago. Because this question is not comparable to those of the other decennial Censuses and would only allow one to distinguish between those who immigrated during the last year and all other years, the 1950 Census is not included in this assimilation analyses.

Table 5.2

HISPANIC IMMIGRANT PERCENTAGE WAGE DEFICIT
ASSOCIATED WITH TIME SINCE IMMIGRATION

Census Year	Years of Schooling					
Years Since Immigration	All	0-7	8-11	12	13-15	16+
A. Comparison group: Native Hispanics						
1980						
1-5	-41.1	-37.3	-33.0	-32.7	-40.4	-9.5
6-10	-20.8	-12.8	-13.6	-15.4	-15.8	-10.6
11-20	-1.4	-0.1	-0.2	-2.8	-0.6	-5.8
21+	14.8	12.5	19.5	18.4	7.6	16.1
1970						
1-5	-20.2	-7.5	-22.6	-18.8	-32.1	-31.1
6-10	0.2	8.3	-8.8	-10.3	-10.2	-3.6
11-20	2.6	12.3	5.4	-2.1	0.1	8.0
21+	9.2	13.8	0.9	24.4	14.9	3.7
1960						
1-5	-15.8	-5.4	-18.5	-24.5	-20.7	-33.1
6+	1.7	9.1	9.9	-0.1	0.7	-7.0
1940						
1-5	-0.0	25.4	1.1	-50.5	--	--
6+	13.5	29.3	12.1	8.1	3.6	-33.5
B. Comparison group: Native White Men						
1980						
1-5	-69.4	-53.8	-50.6	-51.3	-56.0	-30.0
6-10	-49.1	-29.3	-31.1	-34.1	-31.3	-31.1
11-20	-29.6	-17.3	-17.7	-21.3	-16.2	-14.8
21+	-13.5	-4.0	1.9	-0.1	-8.1	-4.5
1970						
1-5	-47.7	-26.0	-35.8	-34.3	-49.0	-47.3
6-10	-27.3	-10.2	-22.0	-25.8	-27.2	-19.7
11-20	-25.0	-6.3	-7.9	-17.7	-16.8	-8.2
21+	-18.4	-4.8	-12.4	8.8	-2.1	-12.4

1960						
1-5	-47.6	-30.9	-36.2	-37.4	-44.3	-49.0
6+	-30.1	-16.4	-7.8	-13.0	-22.9	-25.0
1940						
1-5	-52.1	-22.6	-26.1	-68.0	--	--
6+	-38.6	-18.7	-15.0	-9.4	-3.6	-26.4

years earlier actually earned 14.8 percent more than native hispanics. A similar pattern emerges if we use white men as our reference group, but, obviously, the size of the wage penalty increases. In 1980, recent hispanic immigrants earned 69.4 percent less than native white men earned. Among hispanics who arrived before 1960, this immigrant wage deficit is only 13.5 percent.

This cross-sectional pattern of a declining wage disparity with time since immigration holds for each Census year and for each education group listed in Table 5.2. Tables 5.3 and 5.4 also indicate that the cross-sectional patterns of falling wage penalties with time since immigration also prevails within the Mexican and "other hispanic" immigrants. For example, Mexicans who had arrived within the last five years earned 45.7 percent less than native-born Mexicans in 1980. In the same year, Mexicans who had been in the United States 20 or more years earned 9.7 percent more than native-born Mexicans.

The second pattern to note from Tables 5.2 through 5.4 is that, as we have just seen, evaluated at any duration of years since arrival, immigrant wage disparities have risen. For example, "new" hispanic immigrants in 1960 earned 15.8 percent less than native-born hispanics. By 1970, this wage deficit for new immigrants had risen to 20.2 percent and by 1980 to 41.1 percent. The increase in the immigrant wage deficit between 1970 and 1980 is particularly sharp, and this increase appears larger for new immigrants than for those who had been here at least 10 years.

Table 5.3

MEXICAN IMMIGRANT PERCENTAGE WAGE DEFICIT
ASSOCIATED WITH TIME SINCE IMMIGRATION

Census Year	Years of Schooling					
Years Since Immigration	All	0-7	8-11	12	13-15	16+
A. Comparison group: Native Mexican Men						
1980						
1-5	-45.7	-35.6	-36.7	-35.7	-40.7	-12.5
6-10	-24.9	-11.3	-16.6	-17.0	-28.9	-24.1
11-20	-10.2	0.5	-1.8	-1.3	-14.7	-3.7
21+	9.7	11.3	19.8	19.3	1.2	10.5
1970						
1-5	-32.4	-14.9	-34.0	-24.9	-35.5	-34.6
6-10	-13.3	8.1	-10.0	-21.1	-45.8	-14.4
11-20	-2.4	13.6	6.0	-8.3	-3.1	-0.4
21+	0.2	13.6	-2.5	13.2	-0.4	-10.0
1960						
1-5	-21.2	-10.0	-16.6	-14.4	-20.8	-28.6
6+	-2.7	9.2	5.2	3.9	9.3	-4.7
1940						
1-5	-22.0	4.6	-65.5	-40.2	n.a.	n.a.
6+	14.7	26.9	10.9	6.5	0.7	43.4
B. Comparison group: Native White Men						
1980						
1-5	-76.6	-54.0	-53.8	-54.9	-57.8	-41.4
6-10	-55.8	-29.7	-33.6	-36.2	-45.9	-53.0
11-20	-41.1	-17.9	-18.8	-20.5	-31.8	-32.6
21+	-21.2	-7.1	2.8	0.1	-15.8	-18.4
1970						
1-5	-65.4	-36.5	-48.7	-44.5	-56.3	-51.4
6-10	-46.3	-13.5	-24.7	-40.9	-66.6	-31.3
11-20	-35.4	-8.1	-8.7	-27.9	-23.9	-17.3
21+	-32.9	-8.0	-17.2	-6.4	-21.2	-26.9

1960						
1-5	-55.6	-36.6	-34.8	-29.3	-45.8	-47.6
6+	-37.1	-17.5	-12.9	-11.0	-15.7	-23.6
1940						
1-5	-87.0	-49.7	-99.2	-68.0	n.a.	n.a.
6+	-50.3	-27.4	-22.8	-21.3	-18.3	-20.5

This deterioration in the economic status of hispanic immigrants appears to be concentrated among the less education. To illustrate, compared with native white men, "new" college-educated hispanic immigrants earned 47.3 percent less in 1970; by 1980, this wage differential had actually decreased to -30.0 percent. Between 1970 and 1980, the wage deficit of "new" hispanic immigrants with 0-7 years of schooling rose from -47.7 percent to -69.4 percent, compared to similarly schooled native white men.

While Tables 5.2 through 5.4 hint strongly of assimilation, these cross-section profiles do not speak directly to the actual experiences of any group of immigrants as their time spent in the United States lengthens. More germane to that issue involves following immigrant cohorts as they proceed through the Census files.[4]

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[4]It is well known that we cannot discriminate between these hypotheses with only cross-section differences in wages between immigrants and non-immigrants. Any cross-sectional differences could equally reflect assimilation or changing quality of immigrants. Because synthetic cohorts are estimates relative to some base group, say natives over time, even within cohort estimates consist of two components--assimilation--and time non-neutrality. Because time effects compound problems, in order to isolate assimilation it is necessary that time effects are neutral across immigrants and reference groups--that is, time can affect 80 wages relative to 70s--but must do so in a factor neutral way to allow one to isolate assimilation.

Strictly speaking, this cohort tracking is not possible with these files because immigrant cohorts are not closed. An initial immigrant cohort can be depleted as some immigrants return home. With the caveat that such depletion implies, we can still gain insight into the assimilation process by following immigrant cohorts as their stay in the United States lengthens.

Given the structure and variable coding of the Census files, the first immigrant cohort we can follow are those who migrated into the United States in the five years proceeding the 1960 Census. This 1956-1960 immigrant cohort (at least those who stayed) would have been in the United States 11-15 years in the 1970 Census and for 21-25 years in the 1980 Census. By following the path of wage differentials of this immigrant cohort in the 1970 and 1980 Censuses, we can approximately observe how immigrant wage deficits change as time spent in the United States lengthens. This comparison is provided in Table 5.5 using native white men as the reference group.

Table 5.5 appears to provide strong evidence that, at least for this immigrant cohort, within life cycle economic assimilation is quantitatively important. In 1960, hispanic immigrants who had come to the United States during the last five years earned 47.6 percent less than native-born whites. Ten years later in 1970, when they had been in the United States an additional ten years, this immigrant cohort earned 26 percent less than native-born whites. By the time another ten years had passed, the 1956-1960 immigrant cohort earned only 14.4 percent less than white men.[5] Similarly, compared to native white men, the Mexican immigrant class of 1956-1960 initially earned 55.6 percent less 20 years later. This deficit was cut in half to 21.7 percent. Finally, the other hispanic class of 1956-1960 started with a 38.8 percent wage deficit which had been reduced to 4.4 percent by 1980. The more pertinent within education class comparisons available in Table 5.5 also indicate that the immigrant wage gap with white men also narrowed as labor market careers evolved. Economic assimilation appears to be a real phenomenon with substantial catching up of immigrants with white men and some evidence of "overtaking" compared to other hispanics.

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[5]Because we can only identify a ten year immigration interval for the 1950's immigrants in the 1980 Census, the immigrant interval used in 1980 is by necessity 21-30 years and not strictly comparable to the original 1956-1960 immigrant cohort.

Table 5.4

OTHER HISPANIC IMMIGRANT PERCENTAGE WAGE DEFICIT ASSOCIATED WITH TIME SINCE IMMIGRATION

Census Year / Years Since Immigration	Years of Schooling					
	All	0-7	8-11	12	13-15	16+
A. Comparison group: Native Other Hispanic Men						
1980						
1-5	-34.2	-42.9	-25.5	-28.7	-44.0	-16.0
6-10	-17.2	-23.8	-8.0	-14.2	-10.9	-10.8
11-20	-6.3	-12.5	6.4	-5.6	-2.2	-7.6
21+	19.0	19.4	27.9	12.1	1.4	10.0
1970						
1-5	-17.7	-2.7	-23.0	-19.1	-34.4	-27.4
6-10	2.5	11.1	-9.7	-6.5	-12.4	2.8
11-20	18.8	22.9	6.7	9.4	0.7	13.2
21+	31.5	30.3	24.6	41.3	28.0	-4.8
1960						
1-5	-19.6	5.8	-21.5	-34.4	-25.2	-36.4
6+	7.0	12.3	14.8	-8.3	-9.1	-9.3
1940						
1-5	7.9	35.5	25.5	--	--	--
6+	21.2	52.6	11.5	7.4	28.2	-66.1
B. Comparison group: Native White Men						
1980						
1-5	-53.0	-53.4	-44.0	-44.7	-54.8	-23.7
6-10	-36.0	-33.3	-27.4	-30.3	-21.7	-18.6
11-20	-25.1	-22.0	-13.0	-21.7	-13.0	-15.4
21+	-0.2	9.9	8.5	-3.9	-9.4	2.3
1970						
1-5	-36.8	-10.8	-33.7	-30.2	-45.8	-42.0
6-10	-16.6	3.0	-20.4	-17.3	-23.8	-11.8
11-20	-0.3	14.8	-4.0	-1.4	-10.7	-1.4
21+	12.4	22.2	13.9	30.5	16.6	-19.4

1960						
1-5	-38.8	-9.9	-37.0	-41.3	-43.8	-52.7
6+	-12.1	-3.4	-0.7	-15.3	-27.8	-25.6
1940						
1-5	-20.0	3.8	9.4	n.a.	n.a.	n.a.
6+	-6.7	20.9	-4.6	6.4	31.4	-33.5

Table 5.5

LIFE CYCLE WAGE DEFICITS FOR 1956-1960 IMMIGRANT COHORT

(comparison group: Native White Men)

Years Since Immigration	Years of Schooling					
	All	0-7	8-11	12	13-15	16+
All Hispanics						
1-5	-47.6	-30.9	-36.2	-37.4	-44.3	-51.1
11-15	-26.0	-7.2	-8.4	-19.6	-13.4	-10.0
21-30[a]	-14.4	-1.2	-0.0	-3.3	-9.7	-7.8
Mexicans						
1-5	-55.6	-36.6	-34.8	-29.3	-45.8	-47.6
11-15	-37.0	-9.1	-5.8	-32.3	-24.6	-50.1
21-30[a]	-21.7	-4.3	1.7	-2.7	-18.0	-23.5
Other Hispanics						
1-5	-38.8	-9.9	-37.0	-41.3	-43.8	-52.7
11-15	0.2	11.3	-2.2	-1.3	-4.9	2.8
21-30[a]	-4.4	6.8	4.2	-14.9	-11.0	-2.3

[a]The 1980 Census only permits a breakdown of 21-30 years since arrival.

A more complete list of immigrant cohorts and evaluation of economic assimilation is possible with the immigrant cohorts available in the 1970 and 1980 Censuses. Using a similar organizational structure

to Table 5.5, Tables 5.6 through 5.8 follow sets of immigrant cohorts available in the 1970 Census to see how well they fared by 1980. For example, hispanic immigrants who arrived in the United States between 1966 and 1970 with 0-7 years of schooling earned 20.6 percent less than native hispanics.[6] This 1966-1970 immigrant cohort is 1-5 years in the United States in 1970. If we use the 1970 Census to predict how these immigrants would be doing ten years later, we would extrapolate that their wage deficit with native hispanics would have largely disappeared. While that did not happen, the wage deficit did decline to 14.4 percent by 1980. This general pattern, while not without exception, characterizes life-cycle realities for all the 1966-1970 immigrant cohort. This immigrant cohort also suggests life cycle economic assimilation, although not as pronounced as the 1970 cross-section itself would have implied.

Tables 5.6 through 5.8 also permit an analysis of other immigrant cohorts in addition to the 1965-1970 immigrant class. While we initially capture these immigrants at a later point in the assimilation process in 1970, we can still observe how they fared over the next ten years. The other immigrant classes listed in these tables are those who arrived between 1961-1965, 1951-1960, and prior to 1960. Their respective years since immigration in 1970 in column one are 6-10, 11-20, 21+. Because these immigrant cohorts are captured in 1970 at a later point in the assimilation process, the initial 1970 wage deficits (not surprisingly) are smaller than those we have just described for the 1966-1970 immigrant cohort. For example, the 1961-1965 Mexican immigrant group earned 50.3 percent less than native hispanics in 1970. By 1980, their wage deficit had been reduced to 42.9 percent. For these other immigrant cohorts, a reasonable summary is that economic

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[6]The wage deficits in Tables 5.6 through 5.10 differ from those presented in Tables 5.3 through 5.5 because Table 5.6 standardizes for the different work experience distributions for immigrants and the native born by imposing a uniform work experience distribution for both immigrants and the native born.

Table 5.6

HISPANIC IMMIGRANT PERCENTAGE WAGE DEFICITS BY YEARS SINCE IMMIGRATION

(comparison group: Native White Men)
Age Adjusted

Years Since Immigration Evaluated in 1970	All Schooling		Years of Schooling 0-7		8-11	
	1970	1980	1970	1980	1970	1980
		-63.8		-40.4		-41.8
		-52.6		-23.5		-25.5
1-5	-48.1	-43.2	-20.6	-14.4	-30.3	-21.3
6-10	-29.4	-25.2	-10.5	-11.4	-18.1	-12.7
11-20	-29.3	-20.8	-5.5	-4.0	-7.5	-8.0
21+	-20.1	-12.7	-19.1	-10.9	-15.4	7.0

Years Since Immigration Evaluated in 1970	Years of Schooling (continued) 12		13-15		16+	
	1970	1980	1970	1980	1970	1980
		-30.4		-51.1		-33.2
		-35.4		-31.7		-39.7
1-5	-38.2	-32.2	-52.7	-28.0	-53.4	-33.3
6-10	-29.8	-16.0	-34.9	-15.8	-23.4	-17.4
11-20	-20.9	-8.6	-23.1	-17.4	-21.9	-16.0
21+	11.1	4.9	-7.3	-15.0	-11.9	-6.6

Table 5.7

MEXICAN IMMIGRANT PERCENTAGE WAGE DEFICITS BY YEARS SINCE IMMIGRATION

(comparison group: Native White Men)
Age Adjusted

Years Since Immigration Evaluated in 1970	All Schooling		Years of Schooling 0-7		8-11	
	1970	1980	1970	1980	1970	1980
		-74.7		-38.6		-44.2
		-61.9		-25.4		-32.6
1-5	-65.0	-52.7	-28.4	-15.1	-45.9	-23.4
6-10	-50.3	-42.9	-15.4	-13.1	-4.7	-12.2
11-20	-40.2	-27.8	-8.0	-7.3	-5.1	-4.0
21+	-33.6	-35.0	-21.3	-13.7	-21.7	5.1

Years Since Immigration Evaluated in 1970	Years of Schooling (continued) 12		13-15		16+	
	1970	1980	1970	1980	1970	1980
		-38.0		-75.8		-64.5
		-33.2		-46.9		-36.9
1-5	-60.5	-34.7	-48.3	-53.7	-56.6	-39.3
6-10	-49.1	4.3	-69.6	-13.8	-10.6	-12.1
11-20	-32.4	-6.3	-22.7	-29.0	-31.6	-26.8
21+	-3.2	4.7	-37.8	-22.0	-19.9	-18.1

Table 5.8

OTHER HISPANIC IMMIGRANT PERCENTAGE WAGE DEFICITS BY YEARS SINCE IMMIGRATION

(comparison group: Native White Men)
Age Adjusted

Years Since Immigration Evaluated in 1970	All Schooling		Years of Schooling 0-7		8-11	
	1970	1980	1970	1980	1970	1980
		-45.5		-43.3		-39.6
		-41.6		-28.7		-24.1
1-5	-38.6	-40.8	-7.8	-23.3	-27.6	-16.9
6-10	-19.3	-21.3	10.3	-10.8	-20.8	-12.6
11-20	-5.5	-11.3	26.1	10.7	-10.8	-7.0
21+	10.4	4.2	41.8	31.1	26.1	25.7

Years Since Immigration Evaluated in 1970	Years of Schooling (continued) 12		13-15		16+	
	1970	1980	1970	1980	1970	1980
		-26.8		-22.3		-28.1
		-35.4		-24.7		-28.4
1-5	-35.9	-35.7	-48.2	-28.4	-42.0	-41.3
6-10	-25.9	-29.4	-37.1	-7.6	-5.9	-20.9
11-20	-5.8	-27.7	-11.5	-18.9	-15.9	-10.4
21+	31.0	21.8	8.9	-24.3	-18.5	6.1

assimilation proceeds, but at a less rapid rate. This slow rate in large part is because these immigrants had done much of the necessary adjustment.

Not all hispanics immigrants who came at the same time do equally well in the labor market. Factors that are able to distinguish who does well and who does not offers important clues in understanding how economic assimilation works. In Table 5.9, we examine the labor market experiences of the 1956-1960 immigrant cohort of all hispanic and Mexican immigrants. The table arrays immigrant wage deficits by the number of years of work experience immigrants had in 1960. For example, the first number in the first column indicates that those Mexican immigrants (who arrived between 1956-1960) with 1-10 years of work experience (in 1960) earned 31.6 percent less than similarly experienced white men. In the same immigrant cohort, Mexicans who had 11-20 years of work experience earned 49.3 percent as much as whites, while those Mexican immigrants with 31-40 years of work experience earned 72.9 percent as much as white men. The 1970 and 1980 columns display the position of these immigrants 10 and 20 years later. For example, immigrants in their first ten years of work in 1960 (who earned 30.9 percent less than white men) earned 37.3 percent less when they work for 11-20 years in 1970, and 37.1 percent less when they had 21-30 years of work experience in 1980.

The 1970 and 1980 columns also add entries for those members of the original 1956-1960 immigrant cohort who had not been in the work force in 1960 because they were too young. Those members of the 1956-1960 immigrant cohort who initially entered the labor market during the 1960's are indexed in Table 5.9 as having -(1-10) years of work experience in 1960, while those immigrants who first entered the labor market during the 1970s are indexed as having -(11-20) years of work experience in 1960. The final two rows repeat the wage ratios aggregated across all experience groups as well as wage ratios that impose a uniform experience distribution for immigrants and natives.

The most salient pattern is that the wage disparity observed for the immigrant cohort increases continuously with the prior amount of the immigrant's education and job experience that took place before he

Table 5.9

1956-1960 COHORT OF HISPANIC IMMIGRANTS

(comparison group: Native White Men)

Years of Work Experience in 1960	1960	1970	1980
A. All Hispanic Immigrants			
-(11-20)			-1.9
-(1-10)		-16.9	-18.5
1-10	-26.2	-24.2	-27.4
11-20	-44.2	-36.4	-32.5
21-30	-55.6	-41.3	
31-40	-70.9		
All	-47.6	-26.0	-14.4
Age Adjusted	-48.4	-30.4	-20.8
B. Mexican Immigrants			
-(11-20)			-3.0
-(1-10)		-33.0	-24.8
1-10	-31.6	-37.3	-37.1
11-20	-49.3	-44.7	-39.2
21-30	-73.2	-51.3	
31-40	-72.9		
All	-55.6	-37.0	-21.7
Age Adjusted	-57.2	-42.0	-27.8

arrived in the United States. To illustrate, those Mexican immigrants in the 1956-1960 cohort who had worked 31-40 years in 1960 had spent all but five of those years working in their home countries and not in the U.S. labor market. Such immigrants earned 72.9 percent less than native white men with the same amount of work experience. In contrast, those Mexican immigrants who had worked a total of 11-20 years (6-15 years of which was abroad) earned 49.3 percent as much as similarly experienced

white men. Finally, Mexican immigrants who had 1-10 years of work experience in 1960 and entered the labor market roughly coincident with their arrival in the United States had a wage deficit of only 31.6 percent. These figures strongly indicate that the longer an immigrant worked before coming to the United States, the lower their initial U.S. wages are.

Some of these 1956-1960 immigrants were not at work in 1960 and eventually began their work career in the United States. Those immigrants never worked abroad, but received a good deal of schooling, especially at the elementary school level, in Mexico. When they eventually entered the labor market, their wage gap with white men was smaller than that among immigrants who had already started to work before coming to the United States. Another subset from the 1956-1960 immigrant cohort entered the labor market for the first time during the 1970s. These immigrants were young children when they arrived in the United States, and almost all their schooling and work experience took place in the United States. They spoke English without an accent and saw this country as their homeland. When they entered the labor market, their wages were little different from those of native white men. For these young children, economic assimilation was almost complete.

The second pattern of note in these tables concerns what happens to these immigrant cohorts as they proceeded along their labor market career. Before stratifying by years of labor market experience, we saw that following any immigrant cohort through their labor market careers in the United States suggested strong economic assimilation over the life-cycle. Now, the evidence in favor of career assimilation is much muted, if it exists at all. For example, when we followed the 1950-1960 cohort of Mexican immigrant, their wage gap compared to native white men fell from -55.6 percent to -21.7 percent. However, when we stratify by experience this trend largely disappears for those Mexican immigrants with 20 or more years of work experience. For example, those Mexicans in this immigrant cohort who had worked for 1-10 years in 1960 earned

31.6 percent less than white men. Twenty years later this same group when they had worked 21-30 years earned 37.1 percent as much as native white men.

The difference between the aggregated and experience adjusted series largely reflects two biases. The first involves differences in the experience distribution of native whites and immigrants (who tend to be younger and less experienced). Controlling for differences in the experience distribution accounts for a small part of the bias. The more important source of bias concerns the inclusion in 1970 and 1980 of members of the original cohort who were not labor market members in 1960. These immigrants have wages much closer to those of white men so that their inclusion increases immigrant wage in later Censuses (and consequently lowers the immigrant wage gap).

Table 5.10 performs the same exercise for immigrant cohorts that we can observe from the 1970 and 1980 Census. We observe the same patterns--the more the schooling and work experience occurred in the United States, the smaller the wage penalty for immigration. Second, there is now very little within-cohort wage assimilation for immigrants across their labor market careers.

The final issue we raised concerns the changing "quality" of immigrant cohorts. Table 5.11 addresses this issue by listing immigrant wage deficits for different immigrant cohorts evaluated during their first five years in the United States. This evaluation is also stratified by the total number of years of work experience. The table provides strong evidence of declining labor market quality, even within ethnic groups. For example, evaluated for those in their first ten years of market experience and their initial five years in the United States, the 1956-1960 Mexican immigrant cohort earned 32 percent less than white males. Those Mexicans who came ten years later, the 1966-1970 immigrant cohort, earned 42 percent less than white men, while the 1976-1980 Mexican immigrant cohort earned 50 percent less than native white men. If we had made this evaluation for those Mexicans

with 11-20 years of market experience, the result would have been quite similar. In the 1956-1960 Mexican immigrant cohort, the immigrant wage gap was 49.3 percent. Twenty years later (at the experience level) when the 1976-1980 cohort arrived, the Mexican immigrant wage gap was 76.5 percent.

Strong evidence of declining immigrant labor market quality is also exhibited by the "other hispanic" group. Among those with 1-10 years of labor market experience, the "other hispanic" immigrant wage gap increased from 19.5 percent in the 1956-1960 immigrant cohort to 35.1 percent in the 1976-1980 immigrant cohort. Much of this declining quality of "other hispanic" immigrants took place in the 1970s.

SUMMARY

This chapter attempts to answer the question of how recent hispanic immigrant cohorts have fared as they attempted to assimilate into the U.S. labor market. In cross-sectional data, compared to natives, immigrant earnings are typically lowest for the most recent arrivals and highest for those immigrants who came long ago. The first explanation for this pattern is that it indeed reflects labor market assimilation. According to this view, earnings of the typical immigrant rises quickly after his arrival and will eventually equal (or perhaps even overtake) wages of natives. The alternative view is that their wages are low because more recent waves of immigrants are of lower "labor market quality" than earlier waves.

Not all hispanics immigrants who came at the same time do equally well in the labor market. The most salient pattern is that the wage disparity observed for the immigrant cohort increases continuously with the prior amount of the immigrant's education and job experience that took place before he arrived in the United States. Our analysis strongly suggests that the longer an immigrant worked before coming to the United States and the more schooling received abroad, the lower their initial U.S. wages are.

Table 5.10

COHORTS OF HISPANIC IMMIGRANTS

(compared to Native Whites)

Years of Work Experience in 1960	1970	1980	1970	1980
		1966-1970 Cohort		
	All Hispanic Immigrants		Mexican Immigrants	
-(1-10)		-21.8		-28.9
1-10	-31.2	-39.7	-41.9	-43.8
11-20	-47.6	-50.9	-68.5	-58.6
21-30	-53.0	-53.9	-67.8	-74.1
31-40	-57.2		-78.1	
All	-47.7	-37.8	-65.4	-43.6
Age Adjusted	-48.1	-30.4	65.1	-42.0
		1961-1965 Cohort		
	All Hispanic Immigrants		Mexican Immigrants	
-(1-10)		-9.9		-21.4
1-10	-12.8	-15.2	-33.6	-39.3
11-20	-26.4	-28.6	-45.6	-48.2
21-30	-35.1	-42.2	-53.7	-56.3
31-40	-40.0		-66.0	
All	-27.3	-18.8	-46.3	-37.1
Age Adjusted	-29.4	-27.1	-50.3	-37.3
		1951-1960 Cohort		
	All Hispanic Immigrants		Mexican Immigrants	
-(1-10)		1.9		-3.0
1-10	-17.7	-18.5	-30.4	-24.8
11-20	-23.7	-27.4	-35.2	-37.1
21-30	-33.0	-32.5	-41.7	-39.2
31-40	-40.5		-51.9	
All	-25.0	-14.4	-35.4	-21.7
Age Adjusted	-29.3	n.a.	-40.2	n.a.

Table 5.11

CHANGING LABOR MARKET 'QUALITY' OF IMMIGRANT COHORT

Years Since Immigration	Cohort 1956-1960	1966-1970	1976-1980
	All Hispanics		
-(11-20)	1.9		
-(1-10)	-16.9	-21.8	
1-10	-26.2	-31.2	-46.2
11-20	-44.2	-47.6	-70.7
21-30	-55.6	-52.0	-71.4
31-40	-70.9	-57.2	-61.8
All	47.6	-47.7	-69.4
	Mexicans		
-(11-20)	-3.0		
-(1-10)	-33.0	-28.9	
1-10	-31.6	-41.9	-50.2
11-20	-49.3	-68.4	-77.5
21-30	-73.2	-67.8	-91.0
31-40	-72.9	-78.1	-74.6
All	-55.6	-65.4	-76.6
	Other Hispanics		
-(11-20)	9.5		
-(1-10)	4.7	-21.7	
1-10	-19.5	-23.0	-35.1
11-20	-39.8	-32.8	-58.3
21-30	-38.0	-43.6	-44.4
31-40	-66.9	-53.2	-42.1
All	-38.8	-36.8	-53.0

Another pattern concerns what happens to immigrants as they proceeded along their labor market career. The evidence in favor of career assimilation is much muted, if it exists at all. When we stratify by years of work experience, this trend largely disappears. For example, Mexicans who migrated to the United States between 1956-1960 and who had worked for 1-10 years in 1960 earned 30.9 percent less than white men. Twenty years later this same group when they had worked 21-30 years earned 37.1 percent as much as native white men. The data, when appropriately analyzed, indicates that there was actually little economic assimilation of hispanic immigrants over their future American work careers.

The final issue raised concerns the changing "quality" of immigrant cohorts. The chapter provides strong evidence of declining labor market quality, even within ethnic groups. For example, evaluated for those in their first ten years of market experience and their initial five years in the United States, the 1956-1960 Mexican immigrant cohort earned 31 percent less than white males. Those Mexicans who came ten years later, the 1966-1970 immigrant cohort, earned 41.9 percent less than white men, while the 1976-1980 Mexican immigrant cohort earned 50 percent less than native white men.

VI. STATISTICAL ANALYSIS OF HISPANIC MALE WAGES

In this chapter, I examine the determinants of the wages that hispanic men earn. The previous sections demonstrated that hispanics differ significantly from whites in their schooling accomplishments, the states and cities in which they live, and how long they have stayed in the United States. All these factors are related to labor market wages, so that the differences in attributes may contribute to the hispanic wage gap. My aim is to estimate how much of the differentials in wages among hispanic men was due to ethnicity, place of residence, schooling, and time since immigration.

THE STATISTICAL FRAME

My results are based on a statistical analysis of male weekly wage[1] in the 1940, 1960, 1970, and 1980 decennial U.S. Censuses. The dependent variable in each specification is the logarithm of the weekly wage.[2] Explanatory variables in the basic model fall into six groups: ethnicity, state of residence, years of market experience, urbanness of location, education, and immigration status. Ethnicity is measured by a

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[1]Weekly wages were calculated as income divided by weeks worked. Weeks worked were coded continuously from one to 52 weeks in the 1940, 1950, and 1980 Census. In the 1960 and 1970 Census, however, weeks worked were coded into broad intervals. To maintain comparability, the same intervals in all Census years were used. The following within-interval means, as calculated from the 1980 Census, were assigned: 1-13 = 6.50; 14-26 = 21.73; 27-39 = 33.08; 40-47 = 42.67; 48-49 = 48.29; 50-52 = 51.82. We checked this assumption by rerunning the analysis using continuous weeks worked. The differences were trivial.

[2]Each Census contained an open-ended upper income interval. For each Census year and each open-ended income category (indicated in parenthesis next to the Census year), the following values were assigned: 1940 (5,000) = 8,900; 1950 (10,000) = 22,500; 1960 (25,000) = 42,500; 1970 (50,000) = 80,000; 1980 (75,000) = 115,000. These top code values were calculated assuming that the upper part of the income distribution followed an exponential distribution.

set of dummy variables indicating whether the hispanic male worker is Mexican, Puerto Rican, or Cuban. The left-out reference group is "other hispanics." In addition to these ethnicity controls in the aggregate hispanic regression, we also conduct separate analyses for the major ethnic groups.

There are two dimensions of geographic location that we consider--state of residence and urbanness of location. Dummy variables for the eight most populous hispanic states--California, Texas, New York, Florida, New Jersey, Illinois, and New Mexico/Arizona (combined) are included in all models. The other location variables indicate residence in a SMSA and the central city of these SMSAs. In our basic equation, years of market experience is entered as a quadric and education is entered linearly. Finally, immigrant status is indicated with two dummy variables--a naturalized U.S. citizen and an alien. Time since arrival in the United States is also included in our basic model. This variable is interacted with a Mexican and a combined Puerto Rican-Cuban ethnicity variable. In addition, we augment this basic model with a set of additional covariates that include controls for foreign education, foreign labor market experience, length of marriage in the United States and abroad, and the ability to speak English. Table 6.1 lists the estimated coefficients and the associated "t" statistics for the basic model. Table 6.2 provides a similar listing for the augmented model, which we can only estimate in 1970 and 1980. The appendix tables to this chapter provide results of parallel models estimated for the individual hispanic ethnic groups.

EDUCATION

What does schooling bring in terms of enhanced labor market earnings for hispanics and how does this payoff compare to that received by white men? To answer this question, I obtained estimates for hispanic and white men of the proportional increase in weekly wages associated with an additional year of schooling. Because the white

Table 6.1

BASIC MODEL: HISPANIC MALE WEEKLY WAGES

Variables	Parameter Estimate	"t" Statistic	Parameter Estimate	"t" Statistic
	1980		1970	
Ethnic Groups				
Mexican	-.0042	-0.36	-.0411	-3.38
Puerto Rican	-.0887	-5.57	-.1227	-7.27
Cuban	.0245	0.79	-.0803	-2.94
States				
California	-.0273	-2.23	-.0148	-1.01
Florida	-.1453	-7.16	-.1599	-6.51
Illinois	.0827	4.39	-.0451	-2.16
New Jersey	-.0489	-2.19	-.0418	-1.68
New York	-.0994	-6.14	-.0687	-3.92
Texas	-.1059	-8.20	-.2568	-1.68
New Mexico-Arizona	-.0406	-2.24	-.0496	-2.34
Experience				
Experience	.1302	23.3	.1510	20.9
Experience^2	-.0075	-12.3	-.0090	-12.0
Experience^3	.0002	8.14	.0002	-8.26
Experience^4 (*100)	-.0002	-6.24	-.0002	-6.51
Immigrant Status				
Naturalized	-.1608	-9.15	-.1041	-4.83
Alien	-.1960	-15.6	-.1435	-9.42
Time Since Immigration	.0097	7.64	.0079	5.13
Mexican*Time Since Immigration	.0001	0.12	.0035	2.33
(Cuban & Puerto Rican)* Time Since Immigration	.0015	0.75	.0030	1.15
Education	.0461	46.3	.0469	39.2
Location				
SMSA	.1192	9.49	.1863	13.1
Central City	-.0807	-9.74	-.0662	-6.3
Intercept	4.201	175.2	3.508	123.2
R^2	.229		.278	

Table 6.1 (continued)

Variables	Parameter Estimate	"t" Statistic	Parameter Estimate	"t" Statistic
	1960		1940	
Ethnic Groups				
Mexican	-.1308	-5.69	-.0614	-1.71
Puerto Rican	-.2779	-9.76	.0154	0.29
Cuban	n.a.		n.a.	
States				
California	.0241	1.16	-.0233	-0.60
Florida	-.2454	-6.02	-.2269	-3.19
Illinois	.0674	1.96	.0854	1.05
New Jersey	.0232	0.57	.0152	0.17
New York	-.1321	-5.09	.0132	0.27
Texas	-.3461	-16.04	-.3928	-8.76
New Mexico-Arizona	-.0079	-0.30	-.0381	-0.81
Experience				
Experience	.1334	13.57	.0579	3.21
$Experience^2$	-.0071	-7.05	-.0019	-0.96
$Experience^3$	.0002	4.17	.0001	0.49
$Experience^4$ (*100)	-.0000	-2.70	-.0000	-0.48
Immigrant Status				
Immigration in Last Five Years	-.3381	-7.95	-.1413	-0.46
Immigration More Than Five Years Ago	-.1204	-3.87	-.0473	-0.72
Mexican Immigrant in Last Five Year	.1335	2.40	-.0581	-0.14
Mexican Immigrant More Than Five Years Ago	.1191	3.39	-.0123	-0.19
Education	.0474	32.5	.0657	19.9
Location				
Metro	.2383	13.1	.2705	7.92
Central City	-.0284	-1.89	-.0274	-0.81

Intercept	3.175	72.3	1.768	27.3
R^2	.345		.472	

estimates were available in this form, separate estimates for hispanic men in each of eight five-year experience intervals in each of the Census files were obtained.[3] These estimated coefficients reveal patterns that are informative about the role of schooling in explaining the hispanic wage gap. Table 6.3 lists the estimated proportional increases in wages associated with another year of schooling for white men and for hispanic men. To highlight differences between the two groups, Table 6.4 lists differences between the percentage increases in income for white men and that for hispanic men.

If we use white men to monitor secular trends, considerable fluctuation exists across the decades in our estimated schooling coefficients. The amplitude of these fluctuations is much larger among less experienced workers, indicating that younger workers more keenly bear the brunt of aggregate market forces impacting on the price of skill. Schooling coefficients fell sharply between 1940 and 1950, increased gradually from 1950 to 1970--and then declined once again between 1970 to 1980. While differing in amplitude, secular trends for hispanic men follow those just described for white men.

We interpret the high returns to schooling in 1940 as a reflection of the lingering effects of the Great Depression. Skill income ratios are well known to be pro-cyclical, with less educated workers bearing more than their proportionate share of the economic penalties of recessions. It should not be surprising if incomes in 1939 also reflect this reality.

[3]To be comparable with the estimates obtained for whites, the other variables included in these regressions are SMSA and Central City residence and indicator variables for single-year experience cells.

Table 6.2

HISPANIC MALE WAGE EQUATIONS
AUGMENTED VARIABLES

Variables	Parameter Estimate	"t" Statistic	Parameter Estimate	"t" Statistic
	1980 Census		1970 Census	
Ethnic Groups				
Mexican	-.0091	-0.78	-.0355	-2.97
Puerto Rican	-.0925	-5.90	-.1148	-6.90
Cuban	.0520	1.70	-.0355	-1.29
States				
California	-.0267	-2.22	-.0153	-1.06
Florida	-.1432	-7.17	-.1523	-6.34
Illinois	.0906	4.89	.0524	2.55
New Jersey	-.0360	-1.64	-.0299	-1.20
New York	-.0847	-5.31	-.0557	3.23
Texas	-.1166	-9.16	-.2567	-17.0
New Mexico-Arizona	-.0532	-2.99	-.0524	-2.53
Experience				
Experience	.1025	18.04	.1239	16.8
$Experience^2$	-.0060	-9.90	-.0074	-9.85
$Experience^3$	.0002	6.66	.0002	6.74
$Experience^4$ (*100)	-.0002	-5.17	-.0002	-5.30
Immigrant Status				
Naturalized	.0570	2.23	.1240	3.81
Alien	.0298	1.33	.1018	3.57
Time Since Immigration	.0049	3.77	.0045	2.94
Mexican*Time Since Immigration	-.0016	-1.29	-.0064	4.07
(Cuban&Puerto Rican)* Time Since Immigration	.0002	0.13	.0003	-0.13
Education	.0496	40.98	.0494	36.4
Location				
SMSA	.1173	9.49	.1820	13.0
Central City	-.0684	-8.37	-.0560	-5.45

Expanded Variables				
Foreign Education	-.0118	-7.52	-.0116	5.39
Foreign Experience	-.0059	-4.11	-.0037	2.18
Ever Married	.1877	10.82	.1533	6.28
Married U.S.	.0005	0.03	.0442	1.99
Married Foreign	-.0025	-0.11	-.0065	-0.21
Length of Marriage	.0011	0.52	.0021	0.39
Length of Marriage U.S.	.0070	3.09	.0049	1.92
R^2	254			
Intercept	4.11	159.8	3.41	115.3

Table 6.3

ESTIMATED EDUCATION COEFFICIENTS

Years of Market Experience	1980	1970	1960	1940
	A. Hispanic Men			
1-5	4.80	5.46	5.34	6.94
6-10	5.14	6.07	5.40	8.23
11-15	5.43	5.49	5.38	8.42
16-20	5.67	5.32	5.39	7.08
21-25	5.50	5.00	5.11	7.45
26-30	4.93	4.48	5.77	6.23
31-35	4.10	4.38	5.49	5.74
36-40	4.21	5.39	4.22	2.89
	B. White Men			
1-5	8.53	9.99	8.93	9.78
6-10	6.13	7.44	6.94	8.93
11-15	6.78	7.14	6.65	8.76
16-20	6.94	7.38	6.55	8.09
21-25	6.92	7.04	6.64	8.52
26-30	6.45	6.78	6.64	8.52
31-35	6.19	6.66	6.62	7.93
36-40	5.48	6.36	6.16	8.10

Between 1950 and 1970, the income benefits from education rose from almost 4 percent among younger workers and by at least half a percent for older workers. Forces operating on both the demand and supply side of the market are consistent with this increase. During these twenty years, new workers in this period were members of the low-birth-rate cohorts of the 1920s and 1930s. As a result, the supply of new college graduates into the labor market was not large. According to Freeman (1976), these twenty years also were a period of sharply accelerating demand for college trained manpower. The growth in demand reflected relative demand growth in skill intensive industries as well as the complementarity of skilled labor with the rapid rate of technological advance during these years. As a result, the rise in schooling coefficients between 1950 and 1970 are consistent with market forces determining the price of skill. As is well known, during the decade of the 1970s supply and demand forces were precisely the reverse. Large numbers of college graduates, members of the baby boom generations, entered the labor market just as the demand for college-trained manpower was declining.

Our main interest here centers, however, on differences between hispanics and whites. Table 6.3 demonstrates that the income benefits from schooling are much lower for hispanic than for white men. This difference in favor of white men characterizes every Census year and experience group listed in this table. Even in 1980, when these differences are smallest, the income returns to schooling for hispanics are 25 percent below those of white men. Between 1940 and 1980, the general trend was for the education differences between hispanics and white men to diminish.

One reason for the smaller schooling effects on income for hispanic men is that many hispanic immigrants received their schooling outside the United States. Schooling in foreign countries may have less impact on U.S. labor market incomes for a number of reasons. Many of the origin countries for hispanic immigrants are quite poor relative to U.S.

Table 6.4

ESTIMATED DIFFERENCES IN EDUCATION COEFFICIENTS BETWEEN WHITE MEN AND HISPANIC MEN

(White-Hispanic)

Years of Market Experience	1980	1970	1960	1940
1-5	3.73	4.53	3.59	2.84
6-10	0.99	1.37	1.54	0.70
11-15	1.35	1.65	1.27	0.34
16-20	1.27	2.06	1.28	1.61
21-25	1.42	2.04	1.53	1.07
26-30	1.52	2.30	0.94	2.29
31-35	2.09	2.28	1.14	2.19
36-40	1.27	0.97	1.94	4.21

standards. The schooling available there may simply be of lower quality than that available in this country. But even the same quality schooling may benefit hispanics less in the U.S. labor market, since specific job skills learned in foreign skills may not be relevant in the U.S. labor market. The extreme form of this in the Cuban-trained lawyer who came to the United States after Castro.

Table 6.5 presents estimates of the percentage increase in hispanic male weekly wages associated with schooling in the United States and with schooling outside the United States. Foreign schooling does add considerably less to hispanic male incomes than does U.S. education. The foreign education coefficients typically run 20 percent lower than that in the United States. However, even after we control for schooling's country of origin, large differences persist in the income rates of return between hispanic men and white men. In the United States, the quality of schooling received by hispanics is much less than that enjoyed by white men.

Table 6.5

ESTIMATED HISPANIC EDUCATION COEFFICIENTS
BY LOCATION OF SCHOOLING

	1980			1970		
Experience	U.S.	Foreign	Difference	U.S.	Foreign	Difference
1-5	4.78	4.41	-0.37*	5.36	5.19	-0.83
6-10	5.13	4.22	0.90	6.30	5.42	0.88
11-15	5.51	4.42	1.09	5.68	5.05	0.63
16-20	5.83	5.19	0.63	5.49	4.86	0.63
21-25	5.67	5.05	0.62	5.25	4.48	0.76
26-30	5.24	4.33	0.91	4.76	3.77	0.99
31-35	4.55	3.40	1.11	5.43	3.34	1.91
36-40	4.88	3.52	1.37	5.78	4.79	0.99

Tables 6.6 and 6.7 list schooling coefficients for the major hispanic ethnic groups. Table 6.6 displays the average rate of return. Table 6.7 presents estimates of the effects of schooling by whether it was in the United States or the source country for each of the major ethnic groups. Table 6.6 demonstrates that the Mexican and the combined Puerto-Rican and Cuban sample have lower rates of return to schooling than do white men. These rates of return are typically less than those estimated for the "other hispanic" group. There are other important differences that emerge. For Mexicans and other hispanics, foreign schooling has a much smaller income payoff than U.S. schooling. However, there is little difference for the combined Puerto Rican and Cuban sample in the income effects of schooling as a function of where that schooling occurred.

Table 6.6

THE EFFECT OF EDUCATION OVER WORK EXPERIENCE GROUPS

Years of Market Experience	Calendar Years			
	1980	1970	1960	1940
	Mexicans			
1-5	4.32	3.42	5.71	5.38
6-10	4.88	5.68	5.05	7.76
11-15	5.36	5.44	5.38	7.81
16-20	5.24	5.54	5.05	7.61
21-25	5.45	4.67	4.59	8.25
26-30	5.14	4.66	5.46	5.35
31-35	3.83	4.27	5.14	7.53
36-40	4.56	4.30	4.25	6.46
	Cubans and Puerto Ricans			
	1980	1970	1960[a]	1940[a]
1-5	7.52	4.68	2.32	4.69
6-10	6.61	5.54	3.72	5.53
11-15	5.56	3.82	2.92	4.08
16-20	5.78	4.17	4.92	3.81
21-25	4.79	4.84	2.93	7.07
26-30	4.61	3.08	4.00	7.20
31-35	4.19	2.34	4.74	7.67
36-40	4.04	4.84	2.40	3.34
	Other Hispanic			
	1980	1970	1960	1940
1-5	5.67	9.29	4.77	9.08
6-10	6.18	5.46	5.49	8.20
11-15	5.77	6.23	4.99	8.42
16-20	6.89	4.59	4.65	5.41
21-25	5.98	5.01	5.31	5.00
26-30	5.32	5.05	5.24	5.73
31-35	4.39	4.72	3.99	4.64
36-40	3.97	6.26	3.29	2.33

[a]1960 and 1940 are based on data for only Puerto Ricans.

Table 6.7

ESTIMATED HISPANIC EDUCATION COEFFICIENTS BY ETHNICITY AND BY LOCATION OF SCHOOLING

	1980			1970		
Experience	U.S.	Foreign	Diff.	U.S.	Foreign	Diff.
			Mexicans			
1-5	4.25	3.77	0.48	4.03	3.97	0.06
6-10	4.74	3.44	1.30	4.55	3.30	1.25
11-15	5.24	3.66	1.59	5.07	3.44	1.63
16-20	5.17	3.71	1.45	5.14	3.56	1.55
21-25	5.42	3.89	1.53	5.32	3.94	1.38
26-30	5.21	3.73	1.47	5.17	3.77	1.40
31-35	3.93	2.37	1.57	3.98	2.40	1.58
36-40	4.90	3.39	1.51	5.08	3.42	1.66
			Other Hispanics			
1-5	5.78	5.17	0.61	5.89	5.47	0.44
6-10	6.54	5.03	1.51	6.54	5.11	1.43
11-15	6.27	5.09	1.18	6.36	5.07	1.29
16-20	7.65	6.15	1.49	7.51	6.18	1.33
21-25	6.47	5.48	0.99	6.38	5.57	0.80
26-30	6.19	4.64	1.54	6.27	4.67	1.60
31-35	5.25	2.83	2.42	5.29	2.92	2.37
36-40	4.83	2.94	1.89	5.01	2.63	2.38
			Puerto Ricans and Cubans			
1-5	7.65	5.83	1.81	7.62	6.96	0.66
6-10	6.46	8.36	-1.91	6.45	7.75	-1.30
11-15	5.67	5.21	0.56	5.48	4.77	0.72
16-20	5.56	5.96	-0.40	5.54	5.98	-0.44
21-25	4.47	5.01	-0.50	4.39	5.02	-0.64
26-30	4.38	4.80	-0.40	4.33	4.75	-0.43
31-35	4.11	4.21	-0.11	4.31	4.39	-0.08
36-40	3.97	4.06	-0.08	3.84	4.06	-0.23

GEOGRAPHIC LOCATION

The hispanic population is highly concentrated in a few states and there is considerable heterogeneity across specific hispanic ethnic groups in where they live. For a number of reasons, these locational differences may account for some of the labor market wage disparities among hispanic workers. Cost-of-living differences, local labor market conditions, and unobserved indexes of skill may well be part of these wage differences. Table 6.8 summarizes the estimated percentage wage differences associated with each of the large hispanic states.

The largest wage differences are those associated with Texas and Florida. Even as late as 1980, hispanic men living in Texas earned 10.6 percent less, and those in Florida 14.5 percent less than hispanics not from the eight listed states. Even more important than the magnitude of these 1980 location-specific wage effects are the secular trends in these two states. In 1940, the Texas wage effect was almost four times larger than it was in 1980. In that year, Texas hispanics earned 39.3 percent less than our reference group. This Texas wage differential narrowed slightly to 1960 (-34.6 percent), but then decreased sharply across the next 20 years. A similar time series pattern of wages was obtained for Florida. The 1940 Florida wage effect was 23.7 percent, but had declined to 14.5 percent by 1980. In the case of Florida, all of the narrowing of the wage effect took place after 1960. In summary, during the 40 years between 1940 and 1980, there was a considerable narrowing of the wage disparities than existed among the most populous hispanic states.

Hispanic men also differ in their residential patterns in terms of whether they live in urban or rural areas. Cubans and Puerto Ricans in the United States are largely urban, with large numbers living in two cities--Miami and New York. In contrast, many Mexican men still work in the agricultural fields of Texas and California. Urban wages are typically much higher so that some of the dispersion in hispanic wages may be due to how urban the place of residence is. We do estimate that

Table 6.8

ESTIMATED PERCENTAGE WAGE DIFFERENCES BY STATE FOR HISPANIC MEN

State	1980	1970	1960	1940
California	-2.7	-1.5*	2.4*	-2.3*
Texas	-10.6	-25.7	-34.6	-39.3
Florida	-14.5	-16.0	-24.5	-22.7
New York	-9.9	-6.9	-13.2	1.3*
Illinois	8.3	4.5	6.7	8.5*
New Jersey	-4.9	-4.2*	-2.3*	1.5*
New Mexico/Arizona	-4.1	-5.0	-0.8*	-3.8*

*Indicates effect not statistically different from zero.

hispanic men living in large SMSAs receive higher wages than workers outside these SMSAs. For example, hispanic male residents of SMSAs in 1980 earned 12 percent more than hispanic non-SMSA workers. However, this urban premium is muted for those hispanic male workers living in the central city of these SMSAs. In 1980, we estimate that hispanic male central city residents earn only 3 percent more than those hispanic men living outside SMSAs.

TIME SINCE IMMIGRATION

We also included variables that measure the wage differences associated with time since arrival into the United States. In 1980, we estimate that for every 10 years since arrival, immigrant wages rise by 9.6 percent. In that year there is little difference between the ethnic groups in the effect. In 1970, however, Mexicans had a smaller estimated effect than other groups.

In our augmented equations in Table 6.2, we included a number of covariates related to the assimilation process. These variables included foreign education and foreign experience, marriage outside the United States, and the total length of marriage and the length of

marriage in the United States. The estimated wage effects are consistent with a priori expectations. Controlling for education, the foreign education coefficient measures the difference between the income benefits from education in the United States and education received abroad. The estimated coefficient is always statistically significant and negative, indicating that the payoff to foreign schooling is much less than that to schooling in the United States. In 1980, the respective magnitudes of the two schooling effects are 4.96 for the United States and 3.78 for foreign, indicating that on average the payoff to foreign education is 25 percent less than that for the United States.

Similarly, the foreign experience variables measure the difference in the increase in income of a year of work experience in a foreign country and a year of additional work experience in the United States.[4] Here too, the estimated effect is strongly statistically significant and negative. A year of foreign experience has a much smaller effect on hispanic male incomes than a year of work experience in the United States.

The final assimilation variable involves marriage. In the augmented equations in Table 6.2, we have controlled for the total length of marriage and the length of marriage in the United States. The man effect is essentially zero, while the length of marriage in the United States is strongly positive. In effect, length of marriage also increases earnings only if that year of marriage took place in the United States.

Another dimension of the assimilation process involves the extent of assimilation across different generations. The 1940 and 1960 Censuses permit us to identify the generation to which the hispanic worker belongs. First generation workers are immigrants, and second generation workers have at least one parent who was born abroad. We

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[4]More correctly, this statement makes a linear approximation to the main quadric experience effect.

cannot distinguish among the different generations beyond the second, so that they are all lumped together. Table 6.9 lists the distribution of hispanics across these generations as well as the estimated percentage wage effect associated with being a member of each generation. All wage effects are estimated relative to the left-out group--the third generation or more group.

The principal finding here is how quickly intergeneration assimilation proceeds. When recent immigrants earn less than third generation hispanics, those who had been in the United States a long time and the second generation all earn slightly more than third generation hispanics. As soon as the children of immigrants come in, we are unable to distinguish future generations of hispanics from themselves.

ETHNICITY

The differences among hispanics in culture, history, and geographic location is so large that sample size is probably the only persuasive reason for combining these different hispanic ethnic groups into a single sample. In this section, I investigate the question of wage differences among hispanic ethnic groups. Table 6.10 presents my estimates of the actual percent wage differences for each ethnic group in each of the Census years, alongside the estimated ethnicity wage effects after controlling for other differences between the group.

The most important pattern is the steady erosion of ethnic differences in wages among hispanic men. In 1940, ethnicity alone "explained" 17 percent of the variance in hispanic wages. By 1980, ethnicity accounted for less than one percent of the total wage variance. In a similar vein, the magnitude of these estimated ethnicity wage effects have declined rapidly over time. For example, Mexicans in 1940 earned 56 percent less than "other" hispanics. This wage effect was cut almost in half to 30.2 percent by 1960 and reduced further to 10.8 percent by 1980. Similarly, the Puerto Rican wage deficit has fallen from 37 percent to 11 percent between 1960 and 1980.

Table 6.9

GENERATION EFFECTS

	All Hispanics		Mexicans		Other Hispanics	
	1940	1960	1940	1960	1940	1960
	Distribution of Hispanics					
First Generation	17.0	22.2	10.9	21.8	28.3	53.5
Second Generation	39.4	34.4	51.0	41.4	29.4	43.3
Third Generation	43.6	43.4	39.1	36.8	42.3	43.2
	Estimated Wage Effects by Generation					
First Generation						
First 5 years of immigration	-9.0*	-23.3*	-16.5*	-20.5*	2.6	-12.5
More than 5 years of immigration	15.9*	-1.4	14.8*	0.0	15.8*	7.6
Second Generation	8.3*	2.0	5.0	0.1	12.0	18.9*

Table 6.10

ETHNICITY: WAGE EFFECTS

A. Unadjusted Percentage Wage Differences

	1980	1970	1960	1940
Mexicans	-10.8	-18.7	-30.2	-56.4
Puerto Ricans	-10.8	-18.7	-37.1	-12.5
Cubans	6.3	-8.0	n.a.	n.a.
R^2	.007	.0217	.036	.167

B. Adjusted Percentage Wage Differences[a]

	1980		1970	1960	1940
	A	B			
Mexicans	-0.3*	0.8	-4.90	-8.2	-6.0*
Puerto Ricans	-8.6	-5.4	-13.0	-22.2	-0.7*
Cubans	4.3	5.1	-5.0	n.a.	n.a.

[a]Additional variables included in the adjusted model are state of residence, a quadric in experience, SMSA and central city residence, naturalized citizen and alien, and years since immigration. In the B column in 1980, we also include controls for English language ability.

The adjusted wage differentials show considerable less time series trends because most of the ethnic wage differences are due to observable attributes of hispanics. For example, across the 40 year time span between 1940 and 1980, the "adjusted" Mexican wage deficit declines from 6 percent to 0.3 percent. Most of the large historical Mexican wage disparities are explained by their low education levels and their concentration in Texas, where wage levels were historically quite low. While less of the Puerto Rican wage effect is explained by measured attributes, even for them the adjusted wage trend is much smaller. If we also control for English language ability, the explained Puerto Rican wage deficit is 5.4 percent.

ENGLISH LANGUAGE ABILITY

English language ability is a crucial issue in academic and policy studies of immigration and immigrant adjustment. The ability to communicate in English is a cognitive skill. Contemporary sociological and economic research on occupational attainment, earnings, labor force participation, and even fertility and marriage timing all place great emphasis on the influence of cognitive skills on behavior and achievement.

A number of studies show that knowledge of English affects a wide variety of immigrant behaviors, including educational attainment (Pachon and Moore, 1981), occupation and earnings (Chiswick, 1978; Stolzenberg, 1982), and marriage and fertility (Jaffe et al., 1980). Portes and Bach (1980) and North (1979) have focused on English language ability differences between immigrant groups. Studies have found significant differences in English language ability associated with length of time in the United States, levels of occupational and educational status, degree of interaction with English speakers, and ethnicity.

The only Census that permits an analysis of the effect of English language is the 1980 Census. In that year, respondents were asked if English was their only language. If the answer to that question was "no," they were then asked about their ability to speak English, coded into the following categories: English very well; English well; English not well; or no English. Indicator variables for these categories were added to our basic wage equation.

The estimated coefficients and the associated "t" statistic for the combined sample are presented in Table 6.11. Table 6.12 presents summary information on the percent of the population with different English language abilities. The "B" panel of this table summarizes the estimated percentage wage differences associated with different levels of English language ability. These coefficients are presented for all hispanics and for the major hispanic ethnic groups. For this table, the reference groups are those who speak English well (but it is not their

only language). All estimated wage effects are relative to the wages of this group.

In 1980, only 18.8 percent of hispanics had English as their only language. The proportion was much lower among Puerto Ricans and Cubans (10.8) (where the large immigrant waves were relatively recent) and much larger among the "other hispanic" group (30.9 percent). An additional 37.4 percent of hispanics, while bilingual, self-reported that they spoke English well. If we combine this group with those who only speak English, the remaining groups, who have at least some difficulty speaking English, comprise 44 percent of all hispanics. Within this group, 22.9 percent report they speak English well, 14.6 percent not well, and 6.3 percent not at all.

The ability to speak English turns out to be an important determinant of the ability of hispanics to earn. Table 6.12 indicates that these estimated effects are nicely ordered. Hispanics who are only English speakers earned 4.1 percent more than the reference group of bilingual hispanics who speak English very well. Compared to this reference group, those hispanics who only speak English well received 6.6 percent lower wages; those who do not speak English well earn 13 percent less, while those who do not speak English at all earn 18.8 percent less. Similar patterns of English language effects exist within the major ethnic groups.

For comparative purposes, we also list in Table 6.11 the equation estimated without the English language variables. The variables that are most affected by the inclusion of these English language variables are the immigrant (indicated naturalized and alien) and time since immigration. Roughly half of the wage deficit with immigrant status is eliminated once we control for English language ability. In addition, approximately 30 percent of the positive effect of time since immigration is eliminated by controlling for English language ability. These results suggest that learning to speak English well is one of the central weaknesses of economic assimilation.

Table 6.11

ESTIMATED EFFECTS OF ENGLISH LANGUAGE ABILITY

(1980 Census)

Variables	Parameter Estimate	"t" Statistic	Parameter Estimate	"t" Statistic
Ethnic Groups				
Mexican	.0072	.61	-.0042	-0.35
Puerto Rican	-.0556	-3.41	-.0886	5.57
Cuban	.0410	1.33	.0247	0.79
States				
California	-.0155	-1.26	-.0273	-2.23
Florida	-.1269	-6.25	-.1453	-7.16
Illinois	.0925	-4.92	.0827	4.39
New Jersey	-.0307	-1.37	-.0489	-2,18
New York	-.0841	-5.19	-.0993	-6.13
Texas	-.0805	-6.09	-.1059	-8.19
New Mexico-Arizona	-.0245	-1.34	-.0405	-2.23
Experience				
Experience	.1307	23.45	.1301	23.27
$Experience^2$	-.0075	-12.3	.0074	-12.26
$Experience^3$	.0002	8.18	.0002	8.14
$Experience^4$ (*100)	.0002	-6.28	.0002	-6.24
Immigrant Status				
Naturalized	-.0781	-4.22	-.1607	-9.15
Alien	-.0963	-6.66	-.1960	-15.61
Time Since Immigration	.0071	5.59	.0096	7.64
Mexican*Time Since Immigration	.0001	0.09	.0001	0.11
(Cuban & Puerto Rican)* Time Since Immigration	.0008	0.40	.0015	0.74
Education	.0412	38.97	.0461	46.28
Location				
SMSA	.1160	9.26	.1191	9.49
Central City	-.0767	-9.29	-.0806	-9.74
English Language				
English Only	.0411	3.87		

English Well	-.0655	-6.69		
English Not Well	-.1298	-10.15		
No English	-.1881	-10.56		
Intercept	4.228	166.78	4.200	175.22
R^2	.234		.229	

Table 6.12

ENGLISH LANGUAGE ABILITY

Categories	All Hispanics	Mexicans	Puerto Ricans and Cubans	Other Hispanics
	A. Percent of Population			
English Only	18.8	17.0	10.8	30.9
English Very Well	37.4	38.4	42.9	30.3
English Well	22.9	22.1	27.7	21.1
English Not Well	14.6	15.0	14.7	13.2
English None	6.3	7.5	3.9	4.5
	B. Estimated Percentage Wage Effect			
English Only	4.1	2.2	9.2	1.5
English Very Well	--	--	--	--
English Well	-6.6	-6.5	-5.2	-8.3
English Not Well	-13.0	-13.2	-8.8	-17.9
English None	-18.8	-19.0	-16.2	-24.0

SUMMARY

In this report, I examine the determinants of the wages that hispanic men earn. Hispanics differ significantly from whites in their schooling accomplishments, the states and cities in which they live, and how long they have stayed in the United States. All these factors are related to labor market wages, so that the differences in attributes may contribute to the hispanic wage gap.

One reason for the smaller schooling effects on income for hispanic men is that many hispanic immigrants received their schooling outside the United States. The schooling available there may simply be of lower quality than that available in this country. But even the same quality of schooling benefits hispanics less in the U.S. labor market, since specific job skills learned in foreign countries may not be relevant in the U.S. labor market.

The hispanic population is highly concentrated in a few states and there is considerable heterogeneity across specific hispanic ethnic groups in where they live. The largest hispanic wage differences are those associated with Texas and Florida. Even as late as 1980, hispanic men living in Texas earned 10.6 percent less, and those in Florida 14.5 percent less than hispanics not from the eight largest hispanic states. Even more important than the magnitude of these 1980 location-specific wage effects are the secular trends in these two states. In 1940, the Texas wage effect was almost four times larger than it was in 1980. Similarly, the 1940 Florida hispanic wage effect was 23.7 percent, but had declined to 14.5 percent by 1980.

A number of covariates related to the assimilation process were included in the analyses. For example, on average, the income payoff for hispanic men from foreign education was 25 percent less than that for the United States. Similarly, a year of foreign experience had a much smaller effect on hispanic male incomes than a year of work experience in the United States and length of marriage increased earnings only if that marriage year place in the United States.

An important pattern that emerged was the steady erosion of ethnic differences in wages among hispanic men. In 1940, ethnicity alone "explained" 17 percent of the variance in hispanic wages. By 1980, ethnicity accounted for less than one percent of the total wage variance. In a similar vein, the magnitude of these estimated ethnicity wage effects have declined rapidly over time. For example, Mexicans in 1940 earned 56 percent less than "other" hispanics. This wage effect

was cut almost in half to 30 percent by 1960 and reduced further to 10.8 percent by 1980. Most of the large historical Mexican wage disparities are explained by their low education levels and their concentration in Texas, where wage levels were historically quite low.

Finally, English language ability is a crucial issue in academic and policy studies of immigration and immigrant adjustment. Hispanics who are only English speakers earned 4.1 percent more than the reference group of bilingual hispanics who speak English very well. Compared to this reference group, those hispanics who only speak English well received 6.6 percent lower wages; those who do not speak English well earn 13.0 percent less, while patterns of English language effects exist within the major groups.

APPENDIX

Table A.1

BASIC EQUATION FOR MEXICAN MALE WORKERS

Variables	1980 Parameter Estimate	1980 "t" Statistic	1970 Parameter Estimate	1970 "t" Statistic
States				
California	-.0444	-2.82	-.0637	-2.75
Florida	-.2599	-4.63	-.2305	-2.58
Illinois	.0724	3.02	.0065	.18
New Jersey	.1813	1.70	-.0014	-.01
New York	-.2319	-3.25	.0920	1.11
Texas	-.1310	-8.45	-.3399	-14.94
New Mexico-Arizona	-.0183	-0.83	-.0339	-1.12
Experience				
Experience	.1319	18.72	-.1664	15.72
$Experience^2$	-.0079	-10.26	-.0098	-8.95
$Experience^3$	.0002	7.13	.0002	6.19
$Experience^4$ (*100)	-.0000	-5.70	-.0000	-4.92
Immigrant Status				
Naturalized	-.1852	-8.01	-8.16	-3.63
Alien	-.1820	-11.51	-11.57	-5.23
Time Since Immigration	.0096	9.70	9.77	3.00
Education	.0432	33.63	.0452	25.80
Location				
SMSA	.1054	7.07	.1891	9.26
Central City	-.0472	-4.56	-.0053	-0.35
Intercept	4.246	153.61	3.4066	82.84
R^2	.217		.307	

APPENDIX

Table A.1

BASIC EQUATION FOR MEXICAN MALE WORKERS

Variables	1980 Parameter Estimate	1980 "t" Statistic	1970 Parameter Estimate	1970 "t" Statistic
States				
California	-.0444	-2.82	-.0637	-2.75
Florida	-.2599	-4.63	-.2305	-2.58
Illinois	.0724	3.02	.0065	.18
New Jersey	.1813	1.70	-.0014	-.01
New York	-.2319	-3.25	.0920	1.11
Texas	-.1310	-8.45	-.3399	-14.94
New Mexico-Arizona	-.0183	-0.83	-.0339	-1.12
Experience				
Experience	.1319	18.72	-.1664	15.72
$Experience^2$	-.0079	-10.26	-.0098	-8.95
$Experience^3$	.0002	7.13	.0002	6.19
$Experience^4$ (*100)	-.0000	-5.70	-.0000	-4.92
Immigrant Status				
Naturalized	-.1852	-8.01	-8.16	-3.63
Alien	-.1820	-11.51	-11.57	-5.23
Time Since Immigration	.0096	9.70	9.77	3.00
Education	.0432	33.63	.0452	25.80
Location				
SMSA	.1054	7.07	.1891	9.26
Central City	-.0472	-4.56	-.0053	-0.35
Intercept	4.246	153.61	3.4066	82.84
R^2	.217		.307	

Table A.2

BASIC EQUATION FOR MEXICAN MALE WORKERS

Variables	1960 Parameter Estimate	1960 "t" Statistic	1940 Parameter Estimate	1940 "t" Statistic
States				
California	.0491	1.84	.0109	.13
Florida	-.2199	-1.36	n.a.	n.a.
Illinois	.1163	2.60	.2017	1.28
New Jersey	.1361	.71	.4362	1.17
New York	.0419	.44	.2986	1.66
Texas	-.3267	-12.67	-.3869	-4.97
New Mexico-Arizona	.0174	.59	-.0408	-.50
Experience				
Experience	.1371	11.57	.0238	1.04
$Experience^2$	-.0070	-5.78	.0020	.79
$Experience^3$	.0001	3.32	-.0001	-1.21
$Experience^4$ (*100)	-.0001	-2.13	.0000	1.26
Time Since Immigration				
Five Years	-.2050	-5.51	-.1962	-.66
Six+ Years	-.0008	-.04	.1171	2.33
Education	.0500	27.53	.0687	14.63
Location				
SMSA	.2345	10.83	.1940	4.33
Central City	.0020	.10	.0460	.97
Intercept	2.955	64.20	1.779	17.54
R^2	.362		.448	

Table A.3

AUGMENTED EQUATION FOR MEXICAN MALE WORKERS

Variables	1980 Parameter Estimate	1980 "t" Statistic	1970 Parameter Estimate	1970 "t" Statistic
States				
California	-.0394	-2.54	-.0636	-2.80
Florida	-.2567	-4.65	-.2368	-2.70
Illinois	.0889	3.77	.0173	.49
New Jersey	.1825	1.74	.0219	.14
New York	-.1517	-2.16	.1031	1.26
Texas	-.1373	-8.99	-.3403	-15.26
New Mexico-Arizona	-.0231	-1.06	-.0376	-1.27
Experience				
Experience	.1011	14.09	.1290	11.92
$Experience^2$	-.0062	-7.96	-.0076	-6.93
$Experience^3$	.0002	5.59	.0002	4.80
$Experience^4$ (*100)	-.0000	-4.52	-.0000	-3.87
Immigrant Status				
Naturalized	.0796	2.42	.1188	2.61
Alien	.0948	3.26	.1358	3.17
Time Since Immigration	.0027	2.47	-.0020	-1.58
Education	.0479	31.29	.0475	25.12
Location				
SMSA	.1054	7.19	.1847	9.22
Central City	-.0364	-3.57	.0018	.13
Augmented Variables				
Foreign Education	-.0172	-7.75	-.0151	-4.37
Foreign Experience	-.0065	-3.37	-.0044	-1.62
Ever Married	.1726	7.98	.2066	5.66
Married U.S.	.0234	1.22	.0401	1.23
Married Foreign	-.0081	-.26	-.0320	-.65
Length of Marriage	.0006	.22	.0045	1.07
Length of Marriage in U.S.	.0074	2.43	.0025	.58
Intercept	4.139	139.52	3.322	80.20
R^2	.243		.335	

Table A.4

BASIC EQUATION FOR PUERTO RICAN AND CUBAN MALE WORKERS

Variables	1980 Parameter Estimate	1980 "t" Statistic	1970 Parameter Estimate	1970 "t" Statistic
States				
California	.0497	1.28	-.0587	-1.36
Florida	-.0722	-2.44	-.1540	-4.33
Illinois	.1046	2.64	.0251	.62
New Jersey	-.0579	-1.81	-.0877	-2.51
New York	-.0352	-1.37	-.0663	-2.28
Texas	.1116	1.65	-.1105	-1.10
New Mexico-Arizona	.0301	0.19	-.0391	-.19
Experience				
Experience	.1308	9.91	.0982	6.79
$Experience^2$	-.0078	-5.55	-.0053	-3.53
$Experience^3$	.0002	3.95	.0001	2.15
$Experience^4$ (*100)	-.0002	-3.22	-.0001	-1.55
Immigrant Status				
Naturalized	-.0551	-1.15	.0552	1.32
Alien	-.1818	-4.52	-.0927	-3.19
Time Since Immigration	.0111	4.49	.0075	2.92
Education	.0467	19.64	.0403	17.02
Location				
SMSA	.0518	1.18	.1134	2.60
Central City	-.1222	-6.32	-.1017	-4.57
Intercept	4.171	68.89	3.807	59.07
R^2	.223		.181	

Table A.5

BASIC EQUATION FOR PUERTO RICAN MALE WORKERS

Variables	1960 Parameter Estimate	1960 "t" Statistic	1940 Parameter Estimate	1940 "t" Statistic
States				
California	-.0122	-.19	-.3871	-1.66
Florida	-.3139	-4.11	-.1357	-.424
Illinois	-.0434	-.72	n.a.	n.a.
New Jersey	-.1673	-3.22	-.3442	-1.32
New York	-.1920	-5.29	-.2178	-1.44
Texas	.2371	.97	n.a.	n.a.
New Mexico-Arizona	.2670	1.07	n.a.	n.a.
Experience				
Experience	.0902	4.25	.1007	1.69
$Experience^2$	-.0039	-1.83	-.0072	-1.47
$Experience^3$	.00005	.67	.0002	1.02
$Experience^4$ (*10000)	-.0005	-.01	-.0328	-.99
Time Since Immigration				
Five Years	n.a.	n.a.	n.a.	n.a.
Six+ Years	n.a.	n.a.	n.a.	n.a.
Education	.0350	11.38	.0537	5.27
Location				
SMSA	.1012	1.56	.3556	1.67
Central City	-.0784	-1.97	-.2545	
Intercept	3.438	37.05	2.160	7.24
R^2	.186		.246	

Table A.6

AUGMENTED EQUATION FOR OTHER HISPANIC MALE WORKERS

Variables	1980 Parameter Estimate	1980 "t" Statistic	1970 Parameter Estimate	1970 "t" Statistic
States				
California	-.0137	-.55	.0299	1.25
Florida	-.1414	-3.85	-.1231	-3.12
Illinois	.0763	1.53	.0261	.77
New Jersey	.0261	.69	.0418	1.00
New York	-.0546	-1.91	.0048	.18
Texas	-.0280	-.77	-.0761	-2.71
New Mexico-Arizona	-.1260	-3.67	-.1243	-3.79
Experience				
Experience	.0915	7.09	.1405	10.51
$Experience^2$	-.0041	-3.03	-.0088	-6.45
$Experience^3$	.00007	1.40	.0002	4.56
$Experience^4$ (*1000)	.0004	-.66	-.0024	-3.62
Immigrant Status				
Naturalized	.0508	.84	.1112	1.68
Alien	.0227	.42	.1245	2.01
Time Since Immigration	.0042	2.06	.0051	2.57
Education	.0588	19.33	.0587	21.66
Location				
SMSA	.1705	5.93	.1892	8.28
Central City	-.1342	-6.90	-.1398	-7.38
Augmented Variables				
Foreign Education	-.0138	-4.17	-.0143	-3.48
Foreign Experience	-.0053	-1.82	-.0015	-.50
Ever Married	.2460	6.92	.0937	2.20
Married U.S.	-.0257	-.86	.0826	2.05
Married Foreign	.0056	.12	.0543	.96
Length of Marriage	-.0013	-.32	-.0022	-.48
Length of Marriage in U.S.	.0098	2.16	.0089	1.77
Intercept	3.945	69.42	3.274	60.84
R^2	.297		.291	

Table A.7

AUGMENTED EQUATION FOR PUERTO RICAN AND CUBAN MALE WORKERS

Variables	1980 Parameter Estimate	1980 "t" Statistic	1970 Parameter Estimate	1970 "t" Statistic
States				
California	.0448	1.16	-.0509	-1.19
Florida	-.0760	-2.59	-.1476	-4.16
Illinois	.1012	2.58	.0410	1.03
New Jersey	-.0555	-1.75	-.0840	-2.42
New York	-.0333	-1.31	-.0580	-2.00
Texas	.1141	1.70	-.1280	-1.29
New Mexico-Arizona	.0219	.14	-.0507	-.24
Experience				
Experience	.1153	8.56	.0836	5.62
$Experience^2$	-.0074	-5.23	-.0046	-3.05
$Experience^3$	.0002	3.83	.0001	1.85
$Experience^4$ (*1000)	-.0022	-3.17	-.0009	-1.29
Immigrant Status				
Naturalized	.0906	1.347	.1887	2.66
Alien	-.0376	-.63	.0459	.72
Time Since Immigration	.0068	2.44	.0023	.80
Education	.0459	17.08	.0397	14.16
Location				
SMSA	.0362	.83	.1078	2.49
Central City	-.1065	-5.55	-.0957	-4.33
Augmented Variables				
Foreign Education	-.0057	-1.56	-.0011	-.27
Foreign Experience	-.0030	-.90	-.0027	-.90
Ever Married	.1408	2.49	.0977	1.87
Married U.S.	-.0011	-.024	.0255	.54
Married Foreign	.0262	.40	-.0119	-.21
Length of Marriage	.0030	.63	.0024	.66
Length of Marriage in U.S.	.0050	0.95	.0040	.99
Intercept	4.144	64.79	3.754	55.58
R^2	.242		.198	

Table A.8

AUGMENTED EQUATION FOR OTHER HISPANIC MALE WORKERS

Variables	1980 Parameter Estimate	1980 "t" Statistic	1970 Parameter Estimate	1970 "t" Statistic
States				
California	.0447	1.16	-.0509	-1.19
Florida	-.0790	-2.69	-.1476	-4.16
Illinois	.1011	2.57	.0410	1.03
New Jersey	-.0551	-1.74	-.0840	-2.42
New York	-.0333	-1.31	-.0580	-2.00
Texas	.1129	1.69	-.1280	-1.29
New Mexico-Arizona	.0203	.13	-.0507	-.24
Experience				
Experience	.1142	8.45	.0836	5.62
$Experience^2$	-.0072	-5.09	-.0046	-3.05
$Experience^3$	.0002	3.66	.0001	1.85
$Experience^4$ (*1000)	-.0021	-2.98	-.0009	-1.29
Immigrant Status				
Naturalized	.0889	1.34	.1887	2.66
Alien	-.0397	-.66	.0459	.72
Time Since Immigration	.0070	2.50	.0023	.80
Education	.0461	17.09	.0397	14.16
Location				
SMSA	.0347	.79	.1078	2.49
Central City	-.1071	-5.57	-.0957	-4.33
Augmented Variables				
Foreign Education	-.0058	-1.57	-.0011	-.27
Foreign Experience	-.0028	-.83	-.0027	-.90
Ever Married	.1403	2.48	.0977	1.87
Married U.S.	-.0012	-.024	.0255	.54
Married Foreign	.0312	.47	-.0119	-.21
Length of Marriage	.0027	.56	.0024	.66
Length of Marriage in U.S.	.0054	1.03	.0040	.99
Intercept	4.147	64.73	3.754	55.58
R^2	.242		.198	