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Publication Date

2008-06-01



California Center for Population Research
University of California - Los Angeles

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CCPR-011-08

June 2008

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On-Line Working Paper Series***

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Word Count: 10,017

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UCLA Sociology

We evaluate recent revisions of assimilation theory by comparing the labor market performance of Mexican immigrants and their descendants to those of native white and African Americans. Using unique data from the CPS Contingent Worker Series, we assess evidence of assimilation across employment sector distribution, fringe benefits, and earnings of four Mexican foreign born cohorts, second generation, and third generation Mexican Americans. Although we find improvement amongst older cohorts and the second and third generation, Mexican origin workers never converge with native whites on any measure except earnings. Instead, Mexican origin workers mirror African Americans by their high probability of public sector employment and under representation in self-employment, as well as their lower likelihood of fringe benefits within the private sector and in self-employment.

The authors gratefully acknowledge helpful comments from Jennifer Flashman, Maria Dziembowska, as well comments on earlier drafts by Nelson Lim and David Montejano.

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Introduction

Whether immigrants and their children will move ahead is the central question confronting students of contemporary immigration to the United States. Sociological proponents of assimilation answer yes, but that response encounters an empirical challenge in the size and characteristics of Mexican migration – the largest and most enduring component of today’s population movements to the United States. For roughly a century, Mexican migrants, most of them displaced peasants possessing little formal schooling, have moved to the United States. Two features have consistently characterized their experience once having crossed the border: convergence on low skilled, poorly paid, stigmatized jobs; and a negative reception context, of which the most salient feature has been unauthorized status. In recent years, these initial disadvantages have been compounded by changes in the US labor market: the shift from a manufacturing to service based economy has increased the earnings premium placed on higher education, while job security and benefits have simultaneously declined. This background, as well as deep-seated tendencies toward persistent discrimination against persons of Mexican origin – whether foreign or native – has led some scholars to wonder whether the U.S.-born descendants of Mexican immigrants can surmount the difficult circumstances that they encounter (Portes and Zhou 1993; Portes and Rumbaut 2001).

Confronting this challenge head-on, Alba and Nee’s recent effort to update assimilation theory for the 21st century -- *Remaking the American Mainstream* (2003) – contends that the forces propelling advancement for immigrants of all skill levels remain strong. On the one hand, significant continuities in immigrant characteristics and their labor market placement link the current and past eras of mass migration: whether past or present, whether from Italy or Mexico, peasant migrants and their descendants are likely to follow a similar path of upward mobility in the labor markets. On the other hand, conditions affecting *all* immigrants, whether highly or lowly skilled, have changed in one crucial respect: unlike the *last* era of mass migration, labor markets are now structured in such a way as to diminish discrimination. This shift facilitates movement into the economic “mainstream,” where good jobs – of the same quality as those accessed by Italian, Polish and other children of the last mass migration – can still be found.

While the perspective outlined by Alba and Nee is formulated at a general level, it can be distilled and applied to the case of Mexican Americans in the form of the following hypotheses to be tested empirically in this paper:

1. *Absolute and relative economic mobility*: second and subsequent generation Mexican Americans will enjoy employment conditions -- job quality and earnings distributions -- that improve upon those of their parents, eventually converging with the majority group of white, native-born Americans.
2. *Allocation across job types*: later generation Mexican Americans will experience dispersion from the low quality or ethnic enclave clusters of the foreign-born, shifting into the mainstream labor market, occupying mainstream jobs at levels that compare with those of white, native-born workers.
3. *Labor market rewards*: Mexican immigrants and their children should experience the best remuneration and lowest degree of inequality within the economic mainstream, where large, regulated firms prevail and discriminatory practices have been greatly reduced.

This paper evaluates these hypotheses with unique data from the February 1995, 1997, 1999, and 2001 series of the Current Population Survey. These data provide measures of labor market incorporation that are more expansive than those customarily used to evaluate assimilation hypotheses. First, the CPS asks not only about wages, but also about the receipt of health insurance and retirement benefits, providing a more comprehensive measure of compensation. Second, the CPS is unique in that it is the only nationally representative data source identifying both foreign born and second and later generation Mexican Americans. This allows us to compare first, second and third generation Mexican origin workers to native whites and blacks of the third generation and beyond. Last, the CPS special supplement that we use includes additional information about the nature of the employment relationship, not available from any other source. This material allows us to distinguish mainstream, standard long term employment relationships from alternative employment types - non-standard jobs, involving work for an intermediary

such as a contract or temporary agency or temporary or part-time employment; public sector employment through the government; or self-employment.

Adding in information about class of worker, we categorize all jobs within one of four types - private sector, standard; private sector, non-standard; public sector; and self-employment – and then examine inter-ethnic differences in allocation across these job types and in rewards in ways not previously pursued by other researchers. Consistent with the first hypothesis, we find evidence of intergenerational *improvement* in the labor market outcomes of second and third generation Mexican American men. However, evidence of *convergence* with native whites is far more limited. Although relatively few Mexican Americans work in the non-standard jobs in which the foreign-born are over-represented, as predicted by hypothesis 2, second and third generation Mexican Americans continue to differ significantly from whites, more closely mirroring African Americans in their high representation in the public sector and low representation in self employment. Finally, hypothesis three is generally rejected: while non-standard jobs are consistently the least well-remunerated, across all three dimensions, public sector jobs are more likely, than standard, private sector jobs to offer health insurance and retirement benefits (though they offer lower wages). Inter-ethnic differences are also *highest* in the standard private sector, with receipt of health insurance and retirement benefits more equally distributed in the public sector than in standard, private sector jobs. Consequently, the overrepresentation of African Americans and second and third generation Mexican Americans in the public sector *reduces* ethnic inequality, contrary to the claim that rewards are highest in an ethnically undifferentiated mainstream.

The rest of the paper is organized as follows. We first offer a brief review of the migration and labor market literature that is relevant to our case. Second, we describe our data, methods, and our results. We end with a short conclusion that offers interpretations of our findings.

Mexican Migration and Labor Market Segmentation

Research on the labor market outcomes of Mexican Americans is well developed in the fields of economics, demography, sociology, and race and ethnic studies. Several books and edited volumes are dedicated to the topic, most comparative in either a historical (Alba and Nee 2003; Perlmann 2005; Bean

and Stevens 2003; Min 2002; Borjas 2007) or contemporary perspective (Portes and Rumbaut 2001; 2007). Despite the variety of interpretations, many of the empirical findings of these works are similar. In the aftermath of mid-1960s changes in immigration policy – the end of the Bracero program and the enactment of the Immigration and Nationality Act amendments of 1965 -- large numbers of very low educated Mexican immigrants entered the United States. Mexican foreign born men have very strong employment rates, but they earn very low wages, even after controlling for their human capital, and continue to earn less than the native born even after many years in the United States. Research on their children is slightly more tentative, given their youth and the difficulty in identifying them in large datasets¹. However, there is general consensus that most second generation Mexican Americans have made considerable gains in their labor market performance, relative to their foreign born parents. Many studies have shown that the Mexican second generation has attained superior educational and occupational attainment as compared to their foreign born parents (Perlmann 2005; Portes et al 2005). On the other hand, many scholars still caution against a conclusion of *convergence*. Telles and Ortiz (2007), for instance, describe considerable heterogeneity in economic outcomes, finding tenacious residential and occupational segregation for the majority of their sample in their longitudinal study of Mexican Americans in San Antonio and Los Angeles.

Deterioration of the Mainstream

Thus, the matter of whether Mexican American progress entails movement into a seamless economic “mainstream” in which ethnicity plays little or no role in structuring employment relations, as suggested by Alba and Nee’s revision of assimilation theory, is very much in question. The literature suggests reasons for skepticism.

First, the economic mainstream heralded by Alba and Nee may no longer fully exist. Two complementary shifts have occurred in the US labor market since the arrival of the post-1965 immigrant wave. The disappearance of “core” manufacturing and large-scale industrial jobs has eroded the labor market stability of the working class, with the proliferation of “peripheral” part-time (Tilly 1996), temporary and de-skilled service sector employment replacing the stable work within large firms that

characterized the post-WWII period of prosperity (Jacoby 2004). At the same time, the decline of union strength has resulted in the erosion of the benefits associated even with lasting employment relationships, resulting in fewer benefits for less skilled workers in all employment sectors (Bernhardt et al 1995).

Second, the “good jobs” obtained by the offspring of the immigrants of the 1900s provided a package of rewards, involving not only high wages, but also health and retirement benefits that offset the threats to workers’ security posed by illness and old age (O’Rand, 1986). At the turn of the 21st century that package may be harder to find, even among mainstream employers, who, facing greater competition, are seeking to externalize costs to their employees (Shuey and O’Rand, 2004; Kalleberg 2000). Moreover, cost-reduction pressures within the mainstream may offset the equalizing tendencies accented by Alba and Nee, since hard-pressed organizations may conclude that they can only offer the full package of wages and benefits to those workers to whom they are most committed – a group that may not include minority employees. Indeed, in an earlier paper using 1995 CPS data, Kalleberg (2000) finds significant evidence of ethnic disparities in nonstandard employment and benefits, with nonwhite groups less eligible for benefits than similarly educated whites. Given these changes, we might expect that Mexican Americans will remain disproportionately concentrated in nonstandard working arrangements, even across generations.

Enduring Ethnic Segmentation

Alba and Nee largely develop their conceptualization of the "mainstream" economy as a contrast to the ethnic economy, which is why they portray the former as largely undifferentiated. Although they concede that the ethnic economy may be important for immigrants, they find it “implausible” that ethnic economies "will prove attractive to substantial members of the second generation" (2003: 235). Given the historically low level of ethnic entrepreneurship among Mexican Americans, it does indeed seem unlikely that the ethnic economy will provide significant employment opportunities. However, whether movement beyond either low level immigrant jobs or the ethnic economy involves entry into an undifferentiated mainstream, where organizations behave as Alba and Nee predict, is not clear.

The “mainstream,” conceptualized as an ethnically undifferentiated labor market, may instead be just one of a series of pathways to labor market incorporation. Individuals’ efforts to search out the good life may not require a “decline of an ethnic difference” (Alba and Nee, 2003: 14) whereby the homeland centered network processes that propel the immigration process and channel immigrants into concentrated ethnic communities get reversed. Rather, as first argued by Glazer and Moynihan (1963) and refined by numerous authors since, the distinctive ethnic social structures put in place by migration can persist even as immigrants and their descendants progress in the labor market.

Indeed, the historical record provides numerous cases of second generations advance, not via dispersion into a “mainstream”, but rather through different and better concentrations than those occupied by the immigrants. As relevant examples, we note the experience of the Irish moving from the docks to government employment, Jews moving from garment contracting to a broader, more rewarding set of business activities, and Poles moving from common laboring to semi-skilled work in heavy manufacturing. While not all niches are beneficial in terms of employment or remuneration (Alba, Nee and Stults 2003) writers such as Lim (2001) or Waldinger (1996) contend that convergence on an ethnic niche may provide a mechanism for collective upward mobility. While the impact of converging on ethnic niches remains in debate, the sociology of immigrant labor markets consistently underscores the ways in which ethnic ties connect to organizations, employment practices, and job search activities in such a way as to impede diffusion across job types and sectors, producing, instead, ethnic clusters.

The literature has drawn particular attention to two types of employment clusters: self-employment and the public sector. Self-employment has served as an important incorporation pattern for less accepted immigrant groups throughout US history, whether linked to the mass migrations of the turn of the 20th or the 21st centuries (Light and Karageorgis 1994). Mexican immigrants bring fewer educational and financial resources than might be found among the Cuban, Korean, and Persian immigrants who are currently over-represented in self-employment (Light and Gold, 2000). Nonetheless, business ownership in landscaping, construction, and food service is an important component of Mexican foreign-born employment, particularly amongst the older cohorts (Rajman and Tienda 2000).

Conceivably, Mexican immigrant offspring might take on and expand these businesses, or use their higher education levels to leverage ownership in more profitable industries.

Alternatively, Mexican-Americans might avail themselves of jobs in the public sector. Government employment offers the attractions of a highly formalized personnel system, diminishing the potential for discrimination, along with a compensation system that, while limiting the potential for very high earnings, has retained a full benefit package to a greater extent than in the private sector. As indicated by the earlier experience of Irish and Italian Americans, and more recently, African-Americans, ethnic networks can become fully embedded within the public sector, increasing access for co-ethnics with ties to established government workers (Erie, 1990; Modell, 1993; Katz and Stern, 2006). Various scholars have already noted Mexican American concentration in the public sector (Ortiz, 1996; Katz, Stern, and Fader, 2007). Given the rising size, U.S. citizenship, and higher levels of education among the Mexican second generation, as well as the possible advantages associated with the use of Spanish in providing government services to new immigrants, one might expect government to serve as a mechanism of parallel, rather than dispersed, Mexican American mobility.

Though the second generation is likely to begin at starting points quite different from those of the first, their social networks are still likely to be tied to their ethnic community, and it is well known that even higher qualified positions still operate along ethnic network distinctions (Neckerman and Kirschenman 1991; O'Regan and Quigley 1993). Insofar as the second generation is embedded in a cluster of interlocking organizations, networks, and activities, all of which link them to in-group associates, commonalities of this sort will shape their aspirations and careers (for a historical example, see Morawska, 1985). As the Mexican origin population, both recently arrived and older generations, grows entrenched in certain areas of the public and private sector, we might expect to see continued concentration of even later generations in these areas. While this may or may not imply a disadvantage or inequality of the hierarchical sort, it does speak against the mainstream hypothesis of Alba and Nee where ethnic differentials, at best, modestly shape economic life.

With this research in mind, we test whether mainstream incorporation is the dominant outcome for Mexican immigrants and their children. To reiterate, Alba and Nee predict 1) progress across time and generations, 2) entrance into the economic “mainstream” with labor market distributions that converge with native whites, and 3) greatest equality of rewards within the “mainstream” standard private sector jobs. Using more comprehensive measures of employment relationships and benefits, in addition to earnings, we test here the alternative hypotheses of enduring inequality in nonstandard employment as well as that of parallel mobility within the public sector or self employment.

Data, Variables, and Methods

Data

This paper uses the February releases of the Current Population Survey (CPS) and the CPS Contingent Labor Supplement to examine the effect of ethnic and generational differences on the stability and quality of employment, retirement and healthcare benefits, and wages. The survey is based on a nationally representative sample of approximately 50,000 households, excluding persons in the armed forces and institutionalized living quarters, and is the only nationally representative survey that enables identification of first, second and third generation Mexican origin workers, as well as third generation plus whites and African Americans. While the survey asks for place of birth, it does not inquire into the legal status of respondents; it is therefore likely that our foreign born sample includes undocumented workers. As the focus of this paper is changes *across*, rather than within generations, this should not impact conclusions of *general* differences between first and subsequent generation Mexican origin workers.

In the odd years from 1995-2001 (1995, 1997, 1999, 2001) the February CPS series included a Contingency Labor Supplement, an additional set of questions that contains information on contingent and temporary work, employee benefits, and earnings. In order to ensure a large enough sample for analysis, particularly of the Mexican second generation, Contingent Labor Supplement survey years from 1995-2001 were merged and analyzed together, controlling for survey year in all analyses. In the

February series, earnings information is obtained only for workers who are part of an out-going rotation sample (approximately one-quarter of the total sample)².

Although it would have been interesting to extend the analysis beyond the first years of the current decade, the supplement was discontinued after 2001. Moreover, while we recognize that labor market segmentation processes are likely to occur differently at the regional level, and has been shown to be the case in metropolitan level studies (Zhou 2007; Kasinitz et al 2002; Waldinger 1996), we trade here a more general, nation-wide appraisal with the CPS data that allows us to examine intergenerational processes, for the more in-depth, regional or metropolitan level studies available with Census data that unfortunately do not allow the identification of different second generation origin groups.

Sample

The sample includes both native and foreign-born wage and salary employed men, ages 24-64. The paper's focal indicators – employment sector, employer-subsidized health and retirement benefits, and wages – are all indicators of inequality *within* the employed population. As a result, we restrict our analysis to the employed population only. We also limit the focus to men for two reasons: 1) since job sorting is gendered, different models would be required for men and women and 2) as other authors have shown (see for instance Waldinger and Feliciano 2003; Katz and Stern, 2006) Mexican-Americans are characterized by significant *intra-ethnic* gender differences in wages, occupational status and employment, and these differences change across generation.

For similar reasons, we restrict the sample to prime-age adults. Young adults still making the transition from school to full-time employment are likely to hold jobs of a distinctive sort (Osterman, 1980): as of 1999, 20% of workers who expect their job not to last longer than a year were younger than 25 and 60% of these workers were enrolled in school (Edwards and Grobar, 2002). By limiting our analysis to adults age 24 – 64, we attempt to exclude students and retirees from our sample who may also be working. Despite the young age of many second-generation Mexicans (at least one foreign-born parent), after limiting the sample to those 24 and over we still retain 2,652 of the Mexican first generation cohorts, 684 second generation, and 1,159 third plus generation Mexican Americans of the 89,403 prime

aged men in the merged 1995, 1997, 1999 and 2001 February CPS. Samples differ slightly across models and are reported in the results that follow³.

Following the practice adopted by other researchers (Farley and Alba, 2002; Grogger and Trejo, 2002; Bean and Stevens, 2003; Blau and Katz, 2005), the contrasts between Mexican-origin generations developed in this paper are cross-sectional: neither directly nor indirectly do they match parents with children who may have entered the labor market at an earlier period of time. The disadvantages of this approach are well known, principally pertaining to any unmeasured impact of changes in migrant selectivity or to inter-generational shifts in ethnic persistence.⁴

To control for the problem of changing selectivity, we include year of migration for our foreign born cohorts and focus on outcomes among the more settled migrants (1970 cohort and earlier) to provide a reasonable proxy for the Mexican immigrants from whom today's second generation are likely to be descended. Regarding changes in ethnic persistence, the cross-sectional approach has the advantage, as argued by Grogger and Trejo (2003), Bean and Stevens (2003), and Blau and Katz (2005), of holding the social and economic environment constant. A longitudinal approach might conflate intergenerational changes due to shifting conditions, which affect all generations (whether positively, such as a decline in discrimination against Mexican Americans, or negatively, such as an increase in inequality), and those which are due to strictly generational factors.

Dependent Variables

We focus on three important sources of inequality in the labor market: employment sector, fringe benefits, and weekly wages.

Sector of Employment

We define four different employment sectors in our paper: private sector standard and nonstandard employment, public sector employment, and self-employment. Respondents are categorized according to the characteristics of their main job. 1. Standard employment, as defined here, is described by Tilly (1998), as the “core,” full time employment that best characterizes the mainstream. We define standard employment here as working for 35 hours a week or more, with the expectation of employment

for at least a year or more, at the employer's place of business, and under the employer's direction. This sector is our omitted category for all analyses where employment sector is controlled. 2. Nonstandard employment is defined as employment without any expectation of long term employment, where the employee is unlikely to receive any firm-specific training or expensive fringe benefits. We include employment via an intermediary such as a contract or temp agency, temporary employment and part-time employment in this category. 3. Public Sector Employment we define as any job with standard characteristics where the employer is classified as federal, state, or local government. Employees of the government who are employed temporarily or in part-time positions, constituting less than 1% of the total sample, are omitted from all analyses⁵. 4. Self Employment consists of individuals who report working for themselves, either incorporated or as individuals, and are responsible for their own taxation and have no employer.

We compare Mexican-American outcomes across foreign born cohorts and generations to test for both intra- and intergenerational shifts in employment sector. Assimilation theory posits increased dispersion into the "mainstream," which we approximate here with the outcomes of third generation plus whites. We would therefore expect less recently arrived foreign born cohorts and second and third generation Mexican Americans to have greater similarity with native whites in their employment relationships than earlier cohorts or the foreign born.

In addition to testing convergence in employment relationships, we next turn to the other critical suppositions of assimilation theory. First, that Mexican Americans improve in their benefits and earnings across generations and second, that within the mainstream employment sectors, Mexican immigrants and their descendents gain equal access to rewards and resources. In the following analyses, we include sector of employment as an *independent* variable in predicting benefits and wages, testing for both the main and interaction effect of employment sector on interethnic differences in wage and nonwage indicators of job quality.

Fringe Benefits

We define both health care and retirement as dichotomous variables. For wage and salary workers, those who are eligible for employer sponsored healthcare are coded as 1, with all others coded as 0. Eligibility is defined as having healthcare from the employer, or reporting eligibility for any “employer offered” plan regardless of the respondent’s use of this eligibility. This better captures job inequality than the more common dichotomy of health care/no healthcare, as it is independent of employee preferences for healthcare⁶. Self employed individuals have no employer, therefore we use the less direct measure of healthcare from any source (=1) to capture health insurance variation amongst the self employed. Retirement is a dichotomous variable, coded 1 if the respondent is included in an employer-sponsored retirement account such as an IRA or Keogh plan, and zero otherwise. As the self-employed have no employer, we exclude them from this analysis.

In the United States, fringe benefits are largely provided by employers, and represent 27% of total compensation for the average worker (Bureau of Labor Statistics 2000). Denying healthcare coverage to workers therefore provides considerable savings to employers and is an important source of variation in job quality that is not fully captured by variation in earnings (Kalleberg 2000; Waldinger et al 2007). Health care and retirement benefits thus represent a critical source of labor market inequality and should be closely tied to employment sector. It is well documented that nonstandard employees are less likely to be eligible for benefits than standard workers (Kalleberg et al 2000). Even amongst the self-employed, we might expect considerable variation in health care coverage dependent on the size and profit margins of the business.

Earnings: Finally, following the economic and sociological convention, wages are observed as the natural log of a continuous weekly earnings variable. Wages are combined with overtime, commissions, and tips in the CPS as weekly earnings, which includes overtime for salary earners. Given that reported earnings of the self-employed are defined as receipts minus expenses, their earnings include profits in addition to their wage earnings. This presents difficulties in comparisons of self-employed individuals to wage and salary earners, thus the self-employed are modeled separately.

Independent Variables

We include a set of traditional control variables, as well as the inter-group comparison variables that are the focus of this paper.

Group Variables

Our paper compares the labor market experiences of nine different categories of workers: non-Hispanic whites of native parentage, non-Hispanic blacks of native parentage, four cohorts of foreign-born Mexicans⁷, native-born Mexican-Americans with at least one foreign born parent, and native-born Mexican-Americans of native parentage. The third generation Mexican American category is a self-identified, heterogeneous mix of those with Mexican-born grandparents as well as older generations. All other persons are retained and grouped into “Others;” as a catch-all, this category does not in any sense represent a sociological group, and thus results for the category of “others” are not discussed.

Control Variables

As a common indicator of human capital, education is included in all analyses. We divide education into a set of categorical variables: primary school or less, some high school, high school diploma or its equivalent, some college or an associates degree, or some graduate education, with a college degree as the omitted category in all models. Survey year is included to control for the different years of data collection under consideration, with 1995 as the omitted year. Years of work experience is a continuous variable constructed from respondent’s age-years of schooling – 6; experience squared is the difference of this equation squared. Metropolitan status is a dummy variable, 1 if in metropolitan area, 0 otherwise; married likewise is coded 1 if the respondent is married with spouse present, 0 otherwise. Following the results of previous research showing that each of our employment sectors may differ in terms of benefits and wages, when modeling fringe benefits and wages we include dummy variables for the four different employment sectors outlined above, with standard work arrangements as the omitted category. Finally, we control for hours worked weekly in our wage model to control for workweek differences beyond the full-time/part-time distinctions.

Descriptive Statistics

Raw numbers and means for all variables by ethnic group and generation are found in table one. All groups are fairly evenly represented across survey years, with the exception of the most recently arrived Mexican foreign born. Foreign born Mexicans are more highly represented in the most recent survey year, primarily due to steady increases amongst the most recent cohort (1990-2001), half of which were surveyed in 2001. While whites are the most educated group, the most striking aspect of the education distribution involves the huge discrepancy between foreign born Mexicans and all other groups. Over 39% of all Mexican-born cohorts have a primary education or less (a high of 51% in the 1970 cohort), as compared with 9% amongst second generation Mexican-Americans and less than 8% for all other groups. Notwithstanding the rapid shift from a majority with only a primary school degree in the first generation to a majority with a high-school diploma by the second generation, gains appear to stagnate from second to third generation: the percentage of Mexican-Americans with some college or more levels at 46% for the second generation and 47% for the third, lagging well behind the 62% of third generation whites with some college or more. The sample is distinctly urban, with the metropolitan proportion over 86% for all non-whites, and 78% for whites. Pre-1970 foreign-born Mexicans have the highest marital rates of all the groups at 87%, whereas blacks have the lowest at 57%. Not surprisingly, very few of the Mexican foreign-born report U.S. military experience, while all other groups have around 20% reporting veteran status.

Turning to our dependent variables, we see that the majority of the sample holds standard jobs. Surprisingly, standard employment is actually lowest among native whites and blacks; rates of standard job-holding amongst all Mexican-American generations are higher. Even before taking into account their lower levels of college education, Mexican origin workers do *not* appear to be disproportionately suffering from the proliferation of nonstandard jobs, as downward assimilation hypotheses might predict. As table one shows, native-whites are distinctive in another respect, namely, the very high proportion (15 percent) who are self-employed. This rate is matched only by the oldest Mexican foreign born cohort and our “other” category. Initial results therefore do not point towards self-employment as a distinctive incorporation pattern for second and third generation Mexican Americans. Public sector employment, at

first glance, *does* appear to be a distinctive pattern; even Mexican foreign born reach the same level of representation in public sector employment as native born whites, with 12% of the oldest cohort in the public sector, and their children approaching similar levels as native born blacks at 17%.

Despite their representation in stable working environments, Mexican-Americans and African Americans, experience much lower rates of healthcare and retirement coverage, as well as lower wages. The percentage of foreign born Mexicans who have no healthcare coverage from any source is as high as 66% in the most recent cohort, with retirement benefits all but nonexistent for this group. Even the second and third generations include two times more uninsured workers than native whites, at 25% and 21% as compared to 11%. African-Americans fare slightly better, with 19% reporting no health insurance. When we look at healthcare eligibility and retirement amongst wage and salary earners, however, ethnic disparity is much more compressed, suggesting different benefit take-up rates amongst our groups, as well as different availability of fringe benefits. Earnings also paint a more optimistic picture of intergenerational improvement. While the Mexican foreign born earnings are, on average, much lower than native whites, we see a clear pattern of convergence, with the much younger second generation Mexican Americans matching the wage performance of the oldest foreign born cohorts, and the third generation surpassing the earnings of native blacks and second generation by over \$200 week. These findings suggest clear progress across time and generations for Mexican origin workers, though with a higher level of success in the more traditional measure of earnings than that of fringe benefits.

In what follows, we will look more closely at these differences, controlling for group differences in characteristics associated with each of the outcomes, seeking to assess the size and stability of ethnic disparities, as well as their determinants and consequences.

[Table 1: Weighted Descriptive Statistics]

Analysis: To account for the stratified sampling of the Current Population Survey, weights provided by the CPS are applied in all analyses. We used weighted multinomial logistic regression to predict the likelihood of employment in each of the employment sectors outlined above. Weighted logistic regression was used to predict the likelihood of eligibility for fringe benefits, both before and

after sector controls.⁸ Coefficients for the models are presented in multiplicative odds form. For our wage equation, we used weighted ordinary least squares controlling for sector of employment, ethnicity and generational effects.

Sector of Employment

We present the full results of the sector of employment regression in table two; the coefficients represent the change in the odds of each kind of non-standard employment, in contrast to the omitted category of standard employment. All control variables are significant predictors of employment sector, suggesting a clear hierarchy of the desirability of jobs within different sectors. Human capital, age, and marital stability decrease the odds of employment in nonstandard, rather than standard employment, whereas these variables increase the odds of self employment and employment in the public sector.

Intergroup Comparisons

Regression results show that ethnicity and generation sort out the groups across job categories in distinctive ways. For all employment outcomes, ethnicity and generation are significant at the .01 level in the full model⁹. To summarize these differences – presented in full in table two – we see that net of all controls, all ethnic and generational groups differ significantly from whites at the .05 level in their likelihood of public sector and self-employment, rather than standard employment, with the exception of the oldest Mexican foreign born cohort. All nonwhite native born groups are significantly more likely than whites to be employed in the public sector rather than the private sector, consistent with the conceptualization of public employment as a protected niche for nonwhite groups. Second and third generation Mexican origin workers do *not* differ from African Americans in their odds of any employment outcome (at the .05 level), as compared to standard employment. In contrast to the well documented entrepreneurial activity of many immigrant groups, the odds of Mexican-origin self employment is never significantly higher than that of whites, and diminishes sharply in the second and third generations. Finally, at odds with fears that Mexican immigrants will suffer most from economic restructuring, our model shows that only the most recent Mexican immigrants are more likely than native whites to be in a nonstandard employment relationship, as compared to a standard employment

relationship. After only two decades in the US, Mexican immigrants and their children are just as likely to secure jobs with steady, full time characteristics. In terms of employment relationships, Mexican Americans seem to follow both mainstream and parallel, public sector employment integration strategies.

[Table 2: Odds Ratios of Employment Sector]

To further demonstrate employment sector sorting amongst different cohorts and generations of Mexican origin workers, we also compute predicted probabilities of employment sector for each group, holding all control variables constant at the sample mean. The results in table three show two clear results. First, only the most recent Mexican foreign born cohorts display any sizeable disadvantage in terms of a higher probability of nonstandard employment, being twice as likely as whites to be employed in nonstandard relationships. Second, we see greater similarity in employment sector distribution between African Americans and native born Mexican origin workers than between native born Mexican origin workers and whites: both groups have low self employment, high private sector employment, and similar standard and nonstandard employment probabilities to whites. This second finding is suggestive of an ethnically structured incorporation path, as Mexican Americans share employment sector probabilities, not with the native white “mainstream,” but rather with the other largest minority in the United States, African Americans.

[Table 3: Predicted Probabilities of Employment Sector]

Benefits

This section of the paper inquires into contrasts in two key forms of non-monetary compensation – healthcare and retirement – asking whether any variations are accounted for by employment sector or ethnicity and generational status.

Healthcare Benefits

Full results in relative odds ratios of eligibility for employer sponsored insurance amongst wage and salary earners, before and after sector controls, are found in columns 2-5 in table four. The odds ratios of having healthcare from any source amongst self-employed workers can be found in columns 6-7 of the

same table. For both wage and salary and self employed workers, all human capital measures share a significant, positive association with healthcare coverage.

[Table 4: Odds Ratios of Healthcare Coverage]

Inter-Group Comparisons

Ethnicity and generation are important predictors of healthcare coverage for both wage and salary, and self employed workers. Amongst wage and salary earners, all non-white groups are significantly less likely to be eligible for employer healthcare, even after all our controls. While the odds of healthcare coverage dramatically improve with time spent in the US and across generations, Mexican origin workers never achieve parity with native whites *or* native blacks, and experience a fifth lower odds of healthcare eligibility than whites even into the third generation. While it is more difficult to make healthcare *access* comparisons amongst the self-employed, we do see large and lasting inequality in terms of coverage: net of all of our control variables, all Mexican origin self employed workers, even those of the second and third generations, experience .63 and .38 lower odds of healthcare coverage, respectively.

Effects across sectors

Turning to the addition of our sector controls, all sectors differ significantly from the standard sector in terms of healthcare coverage. Consistent with the literature, public sector employees experience over 4 times the odds of healthcare eligibility than standard private sector workers, whereas nonstandard workers experience .86 lower odds. In a model comparing the odds of any healthcare coverage amongst the self employed to the odds of other employment sectors, the self employed are over 2 times more likely to have no coverage, as compared to standard workers, and are only slightly more likely than nonstandard workers to have healthcare coverage¹⁰. While sector effects are large and significant, their addition to the model does little to alter the ethnic disparity in healthcare coverage: the odds of healthcare coverage for all ethnic and generational groups remain significantly lower than whites and do not alter more than 10% in size. More importantly, perhaps, adding sector effects to the model *increases* the gap between whites and minorities, suggesting that black and Mexican over-representation in the public sector may actually serve to diminish their disadvantage relative to whites¹¹.

To better interpret the size of these inter-group disparities, we also report predicted probabilities of health care coverage for each group in table five. The probabilities are computed for each group with all control variables held constant at the sample mean. The foreign born have very low probabilities of healthcare eligibility and coverage across all sectors of employment upon arrival, but make significant gains across cohorts. Among all respondents, the Mexican second generation remains 9% less likely than whites to be eligible for healthcare, and amongst the self employed, the Mexican second generation is 22% less likely than whites to have healthcare from any source. Making improvements on the second generation (statistically significant at the .05 level), the third generation is only about 3% less likely to have healthcare eligibility amongst wage and salary workers, though self employed third generation Mexican origin workers remain 9% less likely than self employed whites to have healthcare coverage. Again, by the third generation, Mexican origin workers more closely mirror the healthcare eligibility and coverage of blacks than of native whites.

[Table 5: Predicted Probabilities of Healthcare Eligibility and Coverage]

Retirement: We next examine inter-group differences in eligibility for an employer retirement program, restricting our sample to wage and salary workers.

Intergroup Comparisons: Models of retirement benefit inclusion, both before and after sector controls, are included in table six. Predicted probabilities, with all probabilities computed with the controls at sample means, are found in table seven. The findings for retirement eligibility largely mirror those of healthcare eligibility: (1) human capital variables are strongly and significantly correlated with the odds of retirement coverage amongst wage and salary workers; (2) all non white groups also experience lower odds of retirement benefits, both before and after sector controls; (3) second generation and older cohort foreign born Mexican workers make significant gains in terms of retirement eligibility over more recently arrived foreign born cohorts, following a similar pattern of convergence as observed in the healthcare model. There is, however, one key difference, most evident in the predicted probabilities in table seven: as compared to health insurance, ethnic disparities in retirement are more compressed, reflecting the relatively low level of eligibility for retirement overall.

[Table 6: Odds Ratios of Retirement Program Inclusion]

[Table 7: Predicted Probabilities of Retirement Program Inclusion]

Effects across sectors: Net of ethnic and control variables, nonstandard employees experience .8 lower odds of retirement than standard employees, whereas public sector employees have over 6 times the odds of retirement coverage than standard private sector employees. While the direction of each group coefficient does not change, the net *disadvantage* of second and third generation Mexican origin and black workers again *increases* after the addition of sector controls. This finding, while counterintuitive, is not surprising in light of the overrepresentation of native born Mexican origin workers in the public sector, which also provides much higher rates of retirement coverage than private standard employers. Hence, the employment sector distribution of Mexican 2nd and 3rd generation may substantially *mitigate* their disadvantage in retirement.

Effects within Sectors: The additive models of healthcare and retirement eligibility described above suggest the possibility of an interaction between employment sector and ethnicity: in both models, inequality in eligibility for benefits amongst wage and salary earners *increased* with the introduction of sector level controls. To test whether employment sector is a statistically significant mediator in the relationship between ethnicity and fringe benefits, we included an interaction term in the model above. Including the interaction terms rendered the model inestimable due to an empty cell in the public sector 1970-1979 foreign born cohort and we therefore collapsed the immigration cohorts into a single foreign born category. The resulting ethnicity category*sector interactions were collectively significant at the .05 level¹². Predicted probabilities from the interactive models of healthcare and retirement eligibility are found in table eight, separated by ethnicity, generation, and sector of employment.

Not only does receipt of health insurance vary by sector, so too do inter-ethnic disparities. For healthcare, inter-ethnic differences are lowest in the nonstandard and public sectors. However, the former treats all groups of workers poorly whereas the latter provides almost all workers, whether members of the majority or the minority, with health insurance. While all Mexican origin generations are significantly less likely to be eligible for employer healthcare than blacks and whites in the standard sector, in the

public and nonstandard sectors, all groups, with the exception of the Mexican foreign born, are statistically indistinguishable in their likelihood of healthcare coverage. Retirement benefits are similar: relative to whites, disadvantage is low in the nonstandard sector, where retirement benefits are nearly nonexistent for all groups. Although disadvantage is also low in the public sector, almost all public sector workers, regardless of group, are eligible for retirement benefits. In contrast to healthcare benefits, retirement is relatively rare in the standard sector for all our groups: even native born whites experience only a 59% probability of retirement benefits. Within the standard employment sector, inter-group differences in retirement are significant only between the Mexican foreign born and other groups¹³

[Table 8: Predicted Probabilities of Healthcare and Retirement with Ethnicity and Sector Interactions]

Earnings

Using the wage samples from our data, we now turn to differences in weekly earnings amongst wage and salary earners and the self-employed. The first set of analyses includes all tips, commissions and over-time earnings of those who are not self-employed; the second set includes all earnings derived from farm and nonfarm business amongst the self-employed. Wage and salary workers are found in the first panel (columns 1-4) of table nine, and self-employed in the second (columns 5-6). The dependent variable is logged, and beta coefficients in the text are exponentiated to represent the approximate percentage change in earnings with each unit increase in the independent variable.

Inter-group Differences Net of all of the control variables, black Americans earn 21% and 19% less than whites, as wage and salary and self-employed earners, respectively. We see evidence of an assimilation effect amongst the Mexican origin groups: the oldest foreign born cohort¹⁴ and the third generation plus Mexican-Americans do not differ significantly from native whites in this analysis, net of other variables in the model. The most recently arrived Mexican foreign born cohorts earn about 28% less than native whites when wage/salary employed, and a full 62% less when self-employed. Second generation Mexicans also lag behind native whites, with wage and salary workers and the self employed earning 19% less than whites, net of other variables. By contrast, earnings among third generation Mexican Americans appear not to differ significantly from those of third generation whites.

Effects across and within sectors

Employment outside the standard sector depresses wages, with the coefficients for public and nonstandard sectors both negative, though the latter a good deal more so. As before, inter-group differences persist after controls for sector. However, in contrast to the pattern seen when analyzing benefits, sector controls have only modest effects on net inter-group differences, leading to a very slight widening of the gap among second generation Mexicans, relative to whites, but producing slight declines among most other groups. Even *within* employment sectors, all groups of minority workers, except for third-plus generation Mexicans, lag behind whites. Though the negative sign for the public sector suggests that government work compresses wages, that impact fails to reduce ethnic differences, at least in this sample. Interactions between ethnic and generation and sector of employment were tested and found insignificant at the .05 level, further suggesting that sector does not mediate the relationship between earnings and ethnicity in our sample.

[Table 9: Logged Earnings Coefficients]

Conclusion

The “new immigration” is the label conventionally applied to the growing number of foreigners that have moved to the United States from the Americas, Asia, and, in recent years, Africa over the past several decades. Ironically, however, the single largest source of today’s U.S. immigrants – Mexico, the birthplace of roughly one-quarter of all foreign-born persons living in the United States – involves a century long migration. Ebbing and flowing, the movement of Mexicans to the United States has been a continuous experience. Mexican migration is a peasant migration, in which displaced agriculturalists, coming with educational backgrounds well below those of the U.S. population, have taken up positions at the bottom of the job structure. This long lasting movement of people has left a multi-generational Mexican origin population in its wake. We have utilized the multigenerational population of Mexican Americans in the US to preview the applicability of assimilation theory for the second generation Mexican Americans coming of age today. Given this migration’s size, its characteristics, and its history,

the trajectory of Mexican immigrants and their descendants is a crucial, perhaps *the* crucial, issue in immigration research in the United States today.

Assimilation theory, in the updated form provided by Alba and Nee (2003), contends that immigrants and their children are impelled by the search for the good life: stable, well paying work, access to resources, and a better living environment, a quest facilitated by legal changes that have reduced the impact of discrimination. Consequently, Alba and Nee expect Mexican immigrants and their descendants to progress via diffusion from their initial lower-level concentrations, increasingly converging on the economic mainstream. Their conceptualization of the mainstream as undifferentiated by ethnicity is a direct response to alternative theories of immigrant intergenerational mobility that emphasize labor market segmentation and the role of ethnic enclaves. Their forecast of convergence on the mainstream also provides a reply to fears that today's lesser skilled immigrants, entering an increasingly deregulated and economy, will become trapped in unstable, undesirable and perhaps racialized nonstandard employment relationships.

Drawing on insights from the sociology of migration, we contend that the offspring of Mexican immigrants are instead likely to engage in a process of "parallel mobility," moving into better jobs than those held by their parents, but continuing to remain distinct from native whites in their employment sector distribution. Most of the findings in this paper support this assertion. Contrary to fears of stagnation and lasting economic disadvantage, second and third generation Mexican Americans do *not* cluster disproportionately in nonstandard jobs. As we show, the low paying, low benefit nonstandard jobs are concentrations of the Mexican foreign-born, but *not* of the Mexican second or third generations. On the other hand, and looking at allocation across the four job types identified in this paper, Mexican second and third generation workers job holding patterns remain very distinct from that of native whites of native parentage, mirroring instead the distribution of native blacks. Compared to whites, and controlling for background characteristics, Mexican immigrant offspring are more likely to be employed in the public sector, as well as much less likely to be self employed. Furthermore, that pattern of concentration significantly *reduces* inequality, with respect to the receipt of health insurance and eligibility for paid

retirement plans. Second and third generation Mexican Americans also share with black Americans a much lower likelihood of self-employment, likely due to their similarly lower levels of human and financial capital. Unlike black Americans, however, second and third generation Mexican Americans do reach parity with native whites in their weekly earnings, though they suffer similar deprivation in terms of benefits within the standard employment sector.

Our focus on benefits points to the likely, underlying rationale impelling Mexican Americans to cluster in government work. Both black and Mexican Americans experience much better returns on their human capital, relative to white Americans, in the public sector as opposed to the private sector and self employment. Contrary to assimilation arguments that portray an undifferentiated “mainstream” characterized by equitable treatment, the greatest inter-ethnic differences are found within the standard employment relationships that best approximate mainstream employment. While public sector employment is equitable in the high level of benefits offered to workers, and the nonstandard sector is relatively equitable in the low levels of benefits offered, our findings suggest considerable heterogeneity in job quality amongst those working in standard employment relationships.

As we show, full time, long term employment in the mainstream no longer guarantees healthcare and retirement eligibility, as nearly a third of all standard private sector workers are ineligible for employer provided healthcare and nearly half are ineligible for retirement. Moreover, nonwhite workers disproportionately bear the costs of this deterioration of job quality: it is within *standard* private sector jobs – not the tenuous and short term nonstandard jobs – where Mexican second and third generation workers, as well as blacks, continue to have lower probabilities of healthcare and retirement than native whites. Given that the mainstream does not appear to be rewarding Mexican American workers, along with native blacks, in equitable ways, it should not be surprising that they cluster in the public sector.

Although the immigrant offspring on whom we have focused are the descendants, not of the current wave of mass migration, but rather of the smaller migration of the mid 20th century, their experiences are telling for the future of the large numbers of second generation Mexican Americans coming of age today. As these Mexican Americans become rooted in the public sector, and unfortunately,

the less desirable jobs of the standard private sector, they will likely serve as network contacts and informational ties for the second generation today. As immigration is a network-driven process, lubricated by the connections that link settlers to newcomers, the web of ties linking immigrants to one another shapes and constrains their ability to pursue opportunity, creating information fields and mobility channels that structure the fabric of ethnic life in durable and significant ways. Unlike the proponents of assimilation, who forecast a reversal of these processes, our findings suggest that the social organization and social relations of the immigrant community are operating with an independent effect, yielding long-term consequences for the employment trajectory of immigrants and their descendants.

Footnotes

¹ To identify the second generation, surveys must ask questions about parent's place of birth. Unfortunately, the Census stopped asking the necessary questions in 1970.

² Only the March CPS asks all workers in the sample for their earnings. Otherwise, all monthly supplements consist of four changing sub-sample groups that rotate into and out of the CPS over the year. Only the outgoing rotation group is asked about wages because of the sensitivity of the question.

³ When predicting non-standard employment, the universe includes the full sample [N= 89,403] of all employed men ages 25-65. When modeling benefits, retirement and health, a reduced sample of [N=84,583] respondents who report full information on these variables is used. Restricting the sample to include only those with earnings and hours worked information reduces the size of the sample to [N=19,532]. The number of self-employed individuals in the wage sample is very high: 12,555, or 64% of the wage sample.

⁴ If migrant selectivity is diminishing, as is likely true among Mexican immigrants (e.g. Borjas, 1994), cross-sectional comparisons between first and second generations may yield upwardly biased indicators of inter-generational change, as the contemporary second generation are the offspring of an earlier, and possibly more selective group than the most recent cohorts. By contrast, cross-sectional comparisons between second and third generations may yield downward biases, due to differences in the ways in which these populations are identified. Whereas the second generation is identified genealogically, using information about parent's birthplace, the third plus generation is identified psycho-socially, using information regarding ethnic identity. While current knowledge does not tell us whether retention of Mexican ethnic identity varies by social class or ethnicity of marital partner, research on other groups (e.g. Alba, 1990) suggests that social mobility and intermarriage decreases the likelihood of continued affiliation.

⁵ Including this group makes all models unestimable, as there are no Mexican foreign born respondents who are employed in the public sector in a nonstandard arrangement. Given that this group represents less than 1% of my total sample (N=528) I omit these respondents.

⁶ Using health care coverage as the dependent variable in our ethnic and generational comparisons results in larger differences between Mexican origin groups and all native whites and blacks, though the direction of the relationships are the same as reported here.

⁷ Fortunately, by pooling 4 survey years together, we are able to capture enough first generation Mexicans to further control for the impact of immigrant cohort from that of time in the United States (Borjas 1985). Four cohort dummies, pre-1970, 1970-1980, 1981-1990, and 1991-2001 are included in each analysis.

⁸ We tested each independent variable for significance against the omitted category (for dummy variables), and used adjusted wald tests appropriate for weighted data to assess the overall significance of our ethnic and generational

categories. Differences are reported in text when necessary, and the full results are available from the authors upon request.

⁹ Wald test not shown here.

¹⁰ No Healthcare model comparing employment sectors not shown.

¹¹ We explore this possibility later by testing for interaction effects between ethnicity and employment sector.

¹² Substantive findings reported above remained the same in the interactive model. Full results from this model available upon request.

¹³ Significance tests consist of the equality of ethnicity main effects plus interaction terms, for each ethnic and generational group in each sector, at the .05 level.

¹⁴ Given the small numbers of foreign born Mexican cohorts in our wage sample, and the greater selectivity in older cohorts, these coefficients should be interpreted with caution.

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Table 1. Weighted Descriptive Statistics by Ethnic and Generational Cohort, US Employed Men 1995-2001

	Native Whites	Native Blacks	Mexican Foreign Born Cohorts			1990-2001	2nd Gen Mexicans	3rd Gen Mexicans	Others
			Pre-1970	1970s	1980s				
Survey Year 1995	.249	.248	.281	.201	.247	.074	.252	.18	.203
Survey Year 1997	.25	.241	.261	.291	.262	.142	.28	.226	.235
Survey Year 1999	.252	.261	.255	.276	.237	.271	.241	.28	.263
Survey Year 2001	.249	.25	.203	.232	.254	.512	.227	.313	.3
<i>Education</i>									
Primary or Less	.013	.021	.409	.514	.409	.394	.089	.044	.079
Less than Highschool	.048	.081	.086	.122	.17	.163	.095	.104	.063
High School Grad	.316	.399	.203	.179	.22	.242	.338	.371	.236
Some College	.281	.31	.174	.107	.09	.082	.348	.306	.206
College Graduate	.221	.135	.047	.028	.054	.043	.079	.123	.225
Graduate Education	.113	.042	.052	.005	.015	.029	.032	.036	.172
Years Work Experience	21.39	20.54	31.7	26.91	19.38	16.72	20.1	20.33	20.79
Experience Squared	859.94	808.26	1568.31	1193.19	730.56	590.25	816.92	797.76	832.17
Metropolitan Status	.777	.855	.887	.895	.907	.924	.897	.86	.963
Married with Spouse Present	.719	.566	.872	.859	.76	.666	.652	.694	.731
Veteran Status	.234	.25	.123	.017	.001	0	.188	.217	.063
<i>Sector of Employment</i>									
Standard Sector	.666	.661	.683	.82	.806	.836	.683	.709	.701
Public Sector	.126	.195	.124	.036	.023	.008	.173	.148	.082
Nonstandard Sector	.053	.085	.052	.07	.09	.117	.065	.06	.074
Self Employed	.155	.059	.14	.074	.081	.038	.079	.083	.143
No Health Insurance	.114	.185	.315	.406	.538	.659	.252	.214	.249
Average Weekly Wage	820.07	543.14	474.32	538.77	405.04	353.81	544.74	753.41	760.96
<i>Wage and Salary Only</i>									
Employer Healthcare Eligible	.853	.809	.741	.635	.545	.419	.746	.782	.73
Has Retirement Plan	.625	.552	.432	.291	.195	.098	.487	.51	.431
N	70870	5631	269	699	1062	622	684	1159	8407

Table 2. Odds Ratios of Employment Sector, US Wage and Salary and Self Employed Men, 1995-2001 [N= 89,403]

Standard Employment Omitted	Public Sector		Nonstand ard		Self Employed	
	E [^] b	S.E.	e [^] b	S. E.	e [^] b	S.E.
Blacks 3+ Generation	1.96	.082	1.382	.082	.427	.028
<i>Mex FB</i>						
Pre-1970	1.371	.308	.67	.21	.775	.152
1970-1979	.498	.114	0.999	.175	.46	.076
1980-1989	.349	.08	1.273	.162	.596	.08
1990-2001	.135	.065	1.722	.255	.334	.077
Mex 2nd Generation	1.956	.233	1.041	.174	.637	.102
Mex 3rd Generation	1.719	.114	1.156	.107	.604	.051
Other	.65	.032	1.326	.072	.904	.035
Survey Year 1997	.912	.029	.873	.039	.921	.027
Survey Year 1999	.91	.029	.813	.037	.847	.025
Survey Year 2001	.843	.03	.818	.04	.767	.025
Primary or Less	.247	.029	1.668	.164	.455	.036
Less than Highschool	.245	.019	1.687	.128	.55	.031
High School Grad	.473	.017	1.215	.063	.67	.021
Some College	.765	.026	1.497	.077	.77	.025
Graduate Education	2.124	.08	1.03	.077	1.448	.057
Years Work Experience	1.064	.007	.899	.006	1.095	.006
Experience Squared	.999	0	1.002	0	.999	0
Metropolitan Status	.727	.022	1.073	.048	.699	.018
Married with Spouse Present	1.062	.03	.501	.018	1.064	.029
Veteran Status	1.503	.045	1.303	.057	.74	.022

Table 3. Predicted Probabilities of Employment Sector, US Employed Men 24-64

Sample Means	Standard	Public	Nonstandard	Self Employed
Whites	.755	.078	.034	.133
Blacks 3+ Generation	.742	.155	.048	.055
<i>Mex FB</i>				
Pre-1970	.757	.107	.024	.112
1970-1979	.846	.043	.038	.072
1980-1989	.839	.028	.046	.087
1990-2001	.882	.011	.062	.046
Mex 2nd Generation	.737	.143	.034	.086
Mex 3rd Generation	.754	.126	.042	.078
Other	.779	.052	.046	.123

Table 4. Odds Ratios of Healthcare Coverage, US Wage and Salary and Self Employed Men 24-64 [N=84,583]

	Wage and Salary: Employer Healthcare				Self Employed: Any Healthcare	
	Before Sector Controls		After Sector Controls		E^b	S.E.
	e^b	S.E.	e^b	S.E.		
Blacks 3+ Generation Mex FB	.872	.038	.839	.039	.636	.097
Pre-1970	.751	.131	.686	.123	.134	.053
1970-1979	.489	.05	.486	.052	.175	.073
1980-1989	.344	.029	.348	.031	.103	.036
1990-2001	.203	.022	.209	.023	.047	.029
Mex 2nd Generation	.667	.069	.576	.064	.373	.131
Mex 3rd Generation	.864	.055	.811	.055	.625	.117
Other	.438	.016	.45	.017	.453	.039
Survey Year 1997	1.045	.032	1.031	.033	1.069	.074
Survey Year 1999	1.098	.034	1.075	.035	1.135	0.08
Survey Year 2001	1.168	.04	1.162	.042	1.036	0.08
Primary or Less	.209	.014	.236	.016	.118	0.02
Less than Highschool	.24	.012	.274	.015	.162	0.02
High School Grad	.447	.016	.48	.018	.358	.028
Some College	.618	.023	.675	.026	.52	.042
Graduate Education	1.559	.09	1.408	.085	1.996	.231
Years Work Experience	1.059	.006	1.031	.006	1.008	.014
Experience Squared	.999	.000	.999	.000	.999	.000
Metropolitan Status	1.157	.034	1.237	.038	1.172	.07
Married with Spouse Present	1.706	.043	1.539	.041	3.424	.2
Veteran Status	1.027	.032	1.007	.034	.843	.061
Public Sector			5.218	.344		
Nonstandard			.14	.005		

Table 5. Predicted Probabilities of Healthcare Eligibility and Coverage

	Eligible for Employer Healthcare Plan	
	All Sectors	Self Employed
Whites 3+ Generation	.839	.75
Blacks 3+ Generation	.815	.658
Mex FB		
Pre-1970	.782	.287
1970-1979	.718	.346
1980-1989	.646	.237
1990-2001	.522	.123
Mex 2nd Generation	.752	.532
Mex 3rd Generation	.809	.654
Other	.701	.572

Table 6. Odds Ratios of Retirement Program Inclusion, US Wage and Salary Men 24-64
[N=71,716]

	Before Sector Controls		After Sector Controls	
	e ^{^b}	S.E.	e ^{^b}	S.E.
Blacks 3+ Generation	.983	.036	.893	.035
Mex FB				
Pre-1970	.612	.091	.546	.087
1970-1979	.413	.044	.419	.046
1980-1989	.282	.028	.295	.029
1990-2001	.113	.018	.124	.02
Mex 2nd Generation	.75	.071	.632	.062
Mex 3rd Generation	.961	.051	.872	.049
Other	.446	.014	.463	.015
Survey Year 1997	1.065	.026	1.072	.027
Survey Year 1999	1.158	.029	1.17	.03
Survey Year 2001	1.188	.032	1.22	.035
Primary or Less	.171	.011	.194	.013
Less than Highschool	.218	.01	.252	.012
High School Grad	.445	.012	.487	.014
Some College	.603	.017	.64	.019
Graduate Education	1.452	.057	1.27	.052
Years Work Experience	1.104	.005	1.085	.005
Experience Squared	.999	0	.999	0
Metropolitan Status	1.023	.024	1.087	.027
Married with Spouse Present	1.633	.034	1.551	.034
Veteran Status	1.006	.025	.944	.024
Public Sector			6.197	.258
Nonstandard			.207	.009

Table 7. Predicted Probabilities of Retirement, Group Means

	All Sectors
Whites 3+ Generation	.584
Blacks 3+ Generation	.556
Mex FB	
Pre-1970	.434
1970-1979	.371
1980-1989	.293
1990-2001	.148
Mex 2nd Generation	.472
Mex 3rd Generation	.551
Other	.392

Table 8. Predicted Probabilities of Healthcare and Retirement with Ethnicity and Sector Interactions

HEALTH CARE			
	Standard	Public	Contingent
Native Whites	.853	.976	.342
Native Blacks	.799	.959	.283
Mexican Foreign Born	.54	.924	.214
Mexican 2 nd Generation	.702	.991	.197
Mexican 3 rd Generation	.755	.963	.352
Others	.775	.947	.352
RETIREMENT			
	Standard	Public	Contingent
Native Whites	.589	.931	.144
Native Blacks	.512	.884	.106
Mexican Foreign Born	.185	.775	.049
Mexican 2 nd Generation	.37	.928	.051
Mexican 3 rd Generation	.455	.914	.137
Others	.47	.861	.137

Table 9. Logged Earnings Coefficients, US Wage and Salary Men 24-64 [N=19,532]

	Wage and Salary				Self Employed	
	Before Sector		After Sector		e^b	S.E.
	Controls		Controls			
	e^b	S.E.	e^b	S.E.		
Blacks 3+ Generation	-.24	.037	-.237	.037	-.209	.051
Mex FB						
Pre-1970	-.051	.151	-.031	.142	-.172	.143
1970-1979	-.16	.089	-.144	.088	-.376	.204
1980-1989	-.377	.059	-.372	.058	-.418	.084
1990-2001	-.326	.056	-.317	.057	-.964	.181
Mexican 2nd Generation	-.209	.088	-.215	.086	-.208	.103
Mexican 3rd Generation	.007	.043	.003	.043	-.004	.063
Other	-.194	.037	-.193	.037	-.088	.032
Survey Year 1997	.076	.029	.06	.029	.049	.024
Survey Year 1999	.193	.029	.174	.028	.128	.026
Survey Year 2001	.233	.032	.208	.032	.215	.028
Primary or Less	-.577	.056	-.565	.056	-.432	.08
Less than Highschool	-.548	.061	-.529	.06	-.307	.046
High School Grad	-.305	.028	-.293	.028	-.226	.028
Some College	-.207	.03	-.191	.03	-.126	.029
Graduate Education	.059	.038	.058	.038	.237	.034
Years Work Experience	.038	.005	.036	.005	.038	.006
Experience Squared	-.001	0	-.001	0	-.001	0
Metropolitan Status	.145	.026	.139	.026	.218	.022
Married with Spouse Present	.176	.022	.161	.022	.159	.023
Veteran Status	-.038	.027	-.026	.027	-.08	.028
Hours Worked	.024	.001	.022	.001	.014	.001
Public Sector			-.077	.038		
Nonstandard			-.176	.021		
Constant	4.865	.065	5.06	.066	5.217	.078