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Myths and Realities of Puerto Rican Poverty

by Edwin Meléndez

The following remarks were made as the closing keynote address at the conference, "Mainland Puerto Ricans: Myths and Realities on Poverty," held at Yale University in New Haven, Connecticut, on October 22 and 23, 1993.

There are two "stories" frequently cited to explain the causes of the poverty among Puerto Ricans: the first suggests that Puerto Ricans are poor because they are going through a transition as they move toward full assimilation; the second proposes that Puerto Ricans are becoming part of an urban "underclass." Neither of these explanations stands the test of reality.

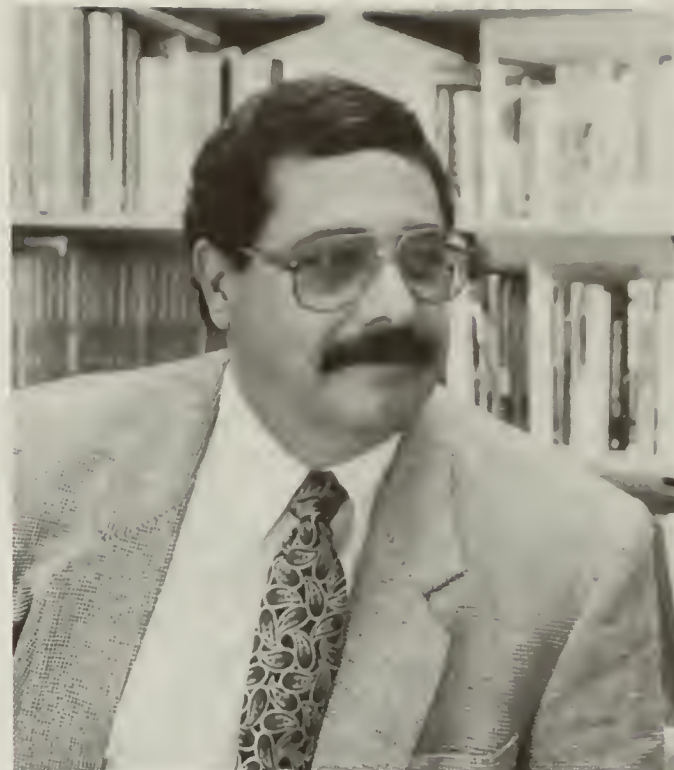
Myths of Puerto Rican Poverty and Migration

The first story that seeks to explain the causes of Puerto Rican poverty concerns immigrant assimilation: Puerto Ricans, like many ethnic groups arriving in this country, concentrate in urban ghettos where they face great cultural and language barriers. But, eventually, immigrants adapt successfully to their new environment. Their standard of living improves dramatically with time. Education and employment opportunities provide the foundation for the second generation to do better than their parents. The problem with this theory as it relates to Puerto Ricans is that first-generation immigrants rarely achieve the promises of the new land, and their children are confronted with even greater challenges.

Three myths exist regarding the relationship between poverty and migration: the first states that:

- Puerto Rican migrants moving to and from the United States are different from those they leave behind. That is, Puerto Ricans coming to the mainland bring little education, skills, or experience compared with their island counterparts. They also have a higher probability of being unemployed or left out of the labor force. If, in addition to exhibiting these characteristics, Puerto Rican migrants concentrate in a few areas, they will induce even higher poverty rates for the population as a whole.

In reality, there is no evidence to indicate that Puerto Rican migration constitutes a selected, more or less skilled contingent from the island's labor force. Workers who left Puerto Rico during the last decade had been active participants in the island's labor force. The occupational distribution of migrants was fairly similar to that of the Puerto Rican labor force as a whole. A similar pattern was found among those who left the United States: migrants returning to Puerto Rico from the mainland were not predominantly less skilled than their fellow islanders.



In short, during the 1980s, Puerto Rican migrants resembled the general island population.¹

The second migration myth says that:

- Puerto Ricans are poor because they go back and forth to the island. This circular migration contributes to family dissolution, intermittent school attendance, lack of cultural identity, and general social instability.

Circular migration is associated with economic dislocation, whether in Puerto Rico or the United States. Studies confirm that unemployment precedes repeat migration. In this sense, Puerto Ricans are no different from other immigrants who seek to maximize their lifetime earnings by searching for better employment opportunities. The difference is that Puerto Ricans are unable to find those opportunities where they live. They are forced to become modern urban nomads in contrast to earlier immigrant groups who had employment opportunities that allowed them to stay where they landed and adapt to the challenges of the new environment.

The third and final myth proposes that:

- Puerto Ricans face similar types of opportunities as previous immigrant groups.

Much has been said regarding the expanding industrial base of the late 1800s and early 1900s and how it increased the demand for migrant labor. Today, there are similar opportunities. The problem is that racial and ethnic discrimination preclude African Americans and Puerto Ricans, in particular, from seizing such opportunities. The 1980s were particularly harsh years in terms of economic development for Puerto Ricans for many reasons: economic restructuring in Northeast cities where Puerto Ricans are concentrated limited job opportunities for Puerto Ricans; the conservative attack on affirmative action prevented Puerto Ricans from gaining access to corporate and government employment; and, the Immigration Reform and Control Act (IRCA) of 1986

increased discrimination against all Latino groups. These are more enduring circumstances than other ethnic groups have faced and will require the use of different methods of gaining equality.

A second argument about the causes of Puerto Rican Poverty proposes that Puerto Ricans are becoming part of an urban underclass. The underclass argument is straightforward: Puerto Ricans, in contrast to other Latinos who are assimilating into the mainstream of society and for whom poverty is transitory, have a higher degree of family dissolution and welfare dependency, as well as suffer from a low work ethic. As Linda Chavez in *Out of the Barrio* asserts, "Puerto Ricans are not simply the poorest of all Hispanic groups. They experience the highest degree of social dysfunction of any Hispanic group and exceed that of blacks on some indicators."² Chavez cites the high number of single female householders, the high incidence of children born out of wedlock, the high proportion of welfare participation among women, and the high rate of criminal incidents among men as evidence to support her argument. In similar fashion, Marta Tienda cites the high rates of welfare utilization as evidence of Puerto Ricans becoming part of an urban underclass.³

The problem with these arguments is that they are based on studies and samples of Puerto Ricans who live in poverty-stricken areas. It follows that they are also more likely to use AFDC (Aid For Dependent Children) and, therefore, are poor by definition, because they must comply with income eligibility requirements in order to qualify for assistance. Researchers tend to make the mistake of generalizing their findings to the population as a whole. In fact, all that has been demonstrated is that poor mothers use AFDC, and that Puerto Rican mothers tend to receive assistance for a longer time. They have not shown that Puerto Rican women with family responsibilities prefer to participate in the AFDC program rather than work outside the home, even if adequate child care were available.

Puerto Ricans have very low earnings and high rates of unemployment.

The available evidence suggests that the high incidence of AFDC participation is explained by certain patterns of family responsibilities, for example, getting married, having children, and separating from partners at an early age.⁴ Other studies have suggested that Puerto Rican women receiving AFDC seek work when they have other adults living in the household to provide child care, or when they have access to adequate day care.⁵ Other researchers using the same database as Tienda, found that only a relatively small proportion of parents, in fact, were idle. They also found there were socially acceptable reasons for not working outside the home, for example, health disabilities or child-rearing responsibilities. Despite

the higher incidence of unemployment among Puerto Ricans, studies show they take jobs faster than other ethnic groups in similar circumstances.⁶

A corollary to the underclass argument is the idea that migration, and circular migration in particular, contributes to the development of the underclass. The composition of the migrant community could adversely affect the economic status of Puerto Rican neighborhoods to the extent that there is an overrepresentation of workers with the lowest skills and others who are likely to join the ranks of the poor. It is worse if those migrants tend to concentrate where poverty already exists.

However, in a recent study, Ramon Borges found that migration constitutes a unique source of strength for Puerto Rican communities. Migration is shown to be the primary factor in the evolution of *colonias* into *barrios*. Immigrants who moved into small towns in Massachusetts brought with them experience in community activism, as well as human and, sometimes, financial resources, that served to strengthen these communities.⁷

These explanations of Puerto Rican poverty are proffered because the alternative, which addresses the essence of the problem with the economic system, is harder to accept. What they have in common is they blame the Puerto Rican community for its poverty.

Causes of Puerto Rican Poverty

There are two major causes of Puerto Rican poverty: The status of Puerto Rican workers in the labor market; and, the antagonism toward Puerto Rican communities in urban centers. These are the main causes, but they are not the only causes. Migration, age structure and demographic change, family formation patterns, and many other factors often cited in the literature, play a secondary role.

The two most frequently used indicators of labor market disadvantage are low earnings and joblessness; Puerto Ricans have very low earnings and high rates of unemployment. The implication of these indicators for poverty are clear: fewer earners along with workers with low earnings result in a high incidence of poverty. The real question is, What explains these low earnings and high unemployment?

Factors explaining the low earnings of Puerto Ricans have been extensively documented. The conventional arguments include the following factors: lack of educational attainment; relative youth of the population; and lack of English fluency. However, there is growing evidence that factors less frequently cited, such as segmentation into low-paying jobs and discrimination, have played a prominent role in perpetuating the low earnings of Puerto Ricans. In a study of the relative importance of these factors for Puerto Ricans in New York City, the combined effect of discrimination and segmentation was shown to account for 61 percent of the earnings differences of Puerto Rican women and 51 percent of that of Puerto Rican men compared to whites after controlling for the effects of education, experience, immigrant background, and other measurable characteristics.⁸

Higher rates of joblessness, on the other hand, have resulted from industrial restructuring, residential discrimination, and employers' prejudices. The causal relationship between industrial change and job displacement among Puerto Rican women is well established. For instance, several studies have shown a decline in the labor-force participation of Puerto Rican women during the 1970s in response to a decline in the manufacturing industry in cities where Puerto Rican women were concentrated, most notably, New York City and Chicago. Other conditions causing the decline in labor-force participation include the transition to a service-based economy, the suburbanization of jobs, skills mismatch, polarization of the income structure within the Puerto Rican population, and the concentration of Puerto Ricans in the large cities of the Northeast.⁹

Residential segregation has been particularly harmful to Puerto Ricans. It is not just the suburbanization of low-skilled jobs that harms the employment opportunities of minorities, but the fact that these groups are prevented from access to those jobs by residential segregation. Whether in the inner city or the suburbs, Puerto Ricans are ghettoized: their addresses serve as a warning signal to employers who discriminate against minorities. The perceptions of employers about the poor work ethic of Puerto Ricans are reaffirmed by notions of cultural deprivation: Puerto Ricans belong to what they perceive as a "lower class in the inner city."¹⁰

These generalizations about Puerto Ricans are harmful to the economic well-being of the community and are discriminatory in the absence of other indicators of an applicant's skills and qualifications. Audits in which pairs of low-skilled white and Latino job seekers applied for job openings requiring only a high school diploma have shown that discrimination is rampant: whites received 33 percent more interviews and 52 percent more job offers than Latinos.¹¹

Residential segregation has been particularly harmful to Puerto Ricans.

Antagonism against Puerto Rican communities in urban areas is an explanatory factor of poverty that deserves special consideration. Puerto Ricans migrated primarily to the large urban centers of the Northeast and concentrated in neighborhoods where apartments were plentiful and rents were low. These neighborhoods turned out to be highly unstable due to a number of forces.

During the 1960s, government-sponsored urban renewal displaced Puerto Rican communities in order to create open spaces for universities, middle-class housing, and other projects. During the 1970s, young professionals, in many ways attracted by the urban amenities built at the expense of low-income communities, began to seek living space in urban areas. More recently, evidence has surfaced

indicating that banks have not extended credit to African Americans and Latinos to the same degree as to other groups.

All of these processes—urban job loss, government-sponsored displacement of entire neighborhoods, gentrification of neighborhoods in newly desirable areas of Puerto Rican concentration, and denial of mortgage credit by financial institutions—have induced the dispersion of Puerto Ricans from large cities to medium-sized cities and small towns. New York City, Chicago, Hartford, Philadelphia, and other large cities, now have a smaller proportion of Puerto Ricans than in past decades. In the new locales, Puerto Ricans continue to have exceptionally low rates of home ownership and are just as vulnerable to economic downturn.

Potential Solutions to the Problem of Puerto Rican Poverty

A combination of labor and housing market dynamics is responsible for the above-average poverty rates of Puerto Ricans—not the simplistic, monocausal explanations that blame the poor for their fate. The complexity of factors contributing to Puerto Rican poverty indicates that it is essential to design a multifaceted strategy to alleviate poverty.

Public policy and community-based strategies should focus on labor and work-place activism along with neighborhood development. The economic development agenda for the Puerto Rican community must be linked to education, health, and political empowerment strategies.

The economic development agenda for the Puerto Rican community must be linked to education, health, and political empowerment strategies.

Traditional policies at the federal and state levels have focused on education, employment and training, and income maintenance programs. In many areas of high Latino concentration, these policies have been extended to include bilingual education and ESL. These efforts have had little impact. To a large degree, the ineffectiveness of this approach is due not only to a lack of support and scant financial backing, but to its separation from labor and community activism.

In the work place, there must be renewed efforts to unionize workers to fight for immigrant rights. Puerto Ricans must engage in coalition building with other Latinos, as well as with African Americans, Asians, and other people of color, to promote work-place diversity along with the availability of adult education that promotes the advancement of Puerto Ricans and other people of color. Only a strong, multiracial alliance will advance an agenda that extends beyond the confines of our own community. At the national level, Puerto Ricans must join other groups to reform minimum wage laws, extend universal health

insurance, and provide a more humane welfare system.

Community economic development is another area that deserves special consideration when formulating strategies to alleviate poverty. Conventional approaches to neighborhood economic development have emphasized low-income housing, community development corporations (CDCs), and small business development. These institutions have received only minimal support in the Puerto Rican community. It is time to envision a more comprehensive strategy that includes rent control, commercial revitalization in areas of Puerto Rican business concentration, the strengthening of merchants' associations, and promotion of production cooperatives and community-owned enterprises. Work-place and neighborhood strategies must not be isolated from each other but linked to the greatest extent possible. Despite any potential gains in the work place, however, where Puerto Ricans choose to live will ultimately determine the quality of their children's education, access to jobs, and overall quality of life.

What these two sets of strategies—work-place activism and neighborhood development—have in common is that they focus on strengthening and developing the network of institutions that have allowed Puerto Rican communities to survive for so many years. Neighborhood and labor activism will help rebuild communities by developing labor unions, community-based organizations, community development corporations, production and credit unions, work-place organizations, and small businesses. These will be the foundation for the economic development and empowerment of the Puerto Rican community.

Notes

¹Edwin Meléndez, "Los que se van, los que regresan: Puerto Rican Migration to and from the United States, 1982–88," forthcoming, Centro de Estudios Puertorriqueños, Hunter College, City University of New York.

²Linda Chavez, *Out of the Barrio* (New York: Basic Books, 1991), 140.

³Marta Tienda, "Welfare and Work in Chicago's Inner City," *The American Economic Review* 80, No. 2 (May 1990): 372–376

⁴William Vélez, "Welfare Dependency among Chicanos and Puerto Ricans: The Milwaukee Case," *Hispanic Journal of Behavioral Sciences* 14, No. 1 (February 1992): 19–106.

⁵Miren Uriarte, *Latinas and the Massachusetts Employment and Training (ET) Choices Program* (Boston: Mauricio Gastón Institute, 1991).

⁶Joleen Kirschenman and Kathryn M. Neckerman, "'We'd Love to Hire Them, but ...': The Meaning of Race for Employers," in *The Urban Underclass*, edited by Christopher Jencks and Paul E. Peterson (Washington, D.C.: Brookings Institute, 1991).

⁷Ramon Borges, "The Use of Immigrant Labor in Massachusetts: Evidence from Lowell, Lawrence, and Holyoke," in *Latino Poverty and Economic Development in Massachusetts*, edited by Edwin Meléndez and Miren Uriarte (Boston: Mauricio Gastón Institute, 1994).

⁸Edwin Meléndez, "Labor Market Structure and Wage Inequality in New York City," in *Hispanics in the Labor Force*, edited by Edwin Meléndez, et al. (New York: Plenum Press, 1991).

⁹Edwin Meléndez, "The Effects of Labor Market Conditions on Labor Force Participation of Puerto Rican, White, and Black Women," *Hispanic Journal of Behavioral Sciences* 14, No. 1 (February 1992).

¹⁰Kirschenman and Neckerman, "'We'd Love to Hire Them, but ...,'" in Jencks and Peterson, *The Urban Underclass*.

¹¹Harry Cross, *Employers' Hiring Practices: Differential Treatment of Hispanic and Anglo Job Seekers* (Washington, D.C.: The Urban Institute Press, 1991).

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