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# Has the Mainstream Been Remade? Mexican-Origin Workers in the New Economy

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Mexican-origin workers in the new economy**

by

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Abstract

Alba and Nee's influential *Remaking the Mainstream* contends that a more open, less discriminatory labor market enhances opportunities for assimilation, even for the least skilled of American immigrant groups. This paper seeks to assess that contention by examining the determinants and consequences of inter-ethnic differences in standard v. non-standard jobs, a category including wage and salaried work on a temporary or part-time basis or on the payroll of an intermediary, as well as self-employment. Using the February 1995, 1997, 1999 and 2001 series of Current Population Survey data, we compare first, second, and third-generation-plus Mexican Americans to native whites and African-Americans of the third generation or beyond. We find that non-standard work is actually more common among third generation whites than among minorities. Examination of the *types* of non-standard jobs in which the various groups are engaged yields a different pattern: whites engaged in non-standard work are disproportionately likely to be self-employed, an activity associated with higher levels of education and experience. By contrast, other groups are likely to be wage and salaried workers employed in non-standard jobs of a distinctly undesirable sort, positions into which less-skilled, less experienced workers get sorted. While non-standard jobs compare unfavorably with standard jobs across all types of compensation examined, the net effect of greater minority reliance on non-standard work on inter-ethnic differences is slight. The terms of compensation in non-standard wage and salary jobs are poor across all groups, and ethnic differences are actually greatest among wage and salaried workers employed in standard jobs. Thus, we conclude that the mainstream has indeed been remade, but not in ways consistent with the hypothesis advanced by the contemporary proponents of assimilation.

## **Has the mainstream been remade?**

### **Mexican-origin workers in the new economy**

The question of whether immigrants and their descendants will move ahead lies at the heart of scholarly divides over contemporary immigration to the United States. Debate is sharpened by uncertainty regarding the prospects for low-skilled immigrants, of whom the overwhelmingly largest component arrives from Mexico. Some scholars (Portes and Zhou, 1993; Portes and Rumbaut, 2001) forecast trouble ahead: today's labor migrants from Mexico are entering an economy that provides little reward for workers of modest schooling, regardless of ethnic background, in addition to moving into a social context that has historically been unwelcoming.

In contrast to this pessimistic and admittedly influential assessment, proponents of the more conventional assimilation perspective offer a very different point of view. As argued by Alba and Nee in *Remaking the American Mainstream* (2003), the forces propelling immigrant advancement remain strong in the U.S. today. On the one hand, significant continuities in immigrant characteristics and their labor market placement link the current and present eras of mass migration, such that the trajectories of peasant migrants and their descendants past and present – whether from Italy or Mexico – are likely to converge. On the other hand, there is a central discontinuity that will facilitate advancement, even for the least-skilled of today's arrivals: namely, shifts in the institutional mechanisms of the labor market that diminish discrimination against immigrants and accelerate their movement into the economic “mainstream.”

However, the economic mainstream heralded by Alba and Nee may no longer fully exist. Changes in the economic environment in the United States have transformed employment relations, producing new types of labor market segmentation that have propelled large numbers of workers into temporary, part-time, and other forms of non-standard jobs. While steady work for one employer remains the gold standard, furnishing the greatest stability and the best compensation, these jobs are increasingly scarce, which is why analyses that only focus on the usual indicators of wages or occupational status, regardless of job type, obscure an increasingly important element of job quality. Moreover, groups with lower levels of acceptance – such as Mexican immigrants and their decedents, may find themselves increasingly marginalized in these non-standard forms of employment. This paper seeks to assess this possibility by comparing first, second, and third-generation-plus Mexican Americans to native whites and African-Americans of the third generation or beyond. Using unique data from the February 1995, 1997, 1999 and 2001 series of Current Population Survey data, we first examine inter-ethnic and inter-generational differences in employment relations and then inquire into the impact of those differences on monetary and non-monetary forms of compensation.

We now return to the broader intellectual issues at play, most notably the scholarly controversy over second generation trajectories and the bearings of changes in employment relations for this question. We then describe the data set, discuss variables and statistical methods, and last present results.

### **Mexican American Progress and the New Economy**

*Assimilation theory and Mexican Americans:* In their influential reformulation, Alba and Nee contend that assimilation is propelled by three mechanisms: the purposive

actions of immigrants and their descendants; the role of social networks; and institutional responses. Immigration is motivated by the search for the better life, a quest that usually has no inherent relationship to assimilation. However, that same effort typically confronts immigrants with the need to choose between strategies of an “ethnic” or “mainstream” sort. Insofar as the better future is found in a place where out-group contacts are more plentiful than in the neighborhoods or workplaces where the newcomers begin, the new Americans are likely to select “mainstream strategies,” thereby progressing toward assimilation, whether wanted or not.

Social networks also matter, as they provide the collective resources needed to both get started and to advance when faced with obstacles imposed by established groups. More important, and of particular significance to the concerns of this paper, are institutional responses: these can either block acceptance – and thereby motivate continued adhesion to the group – or promote acceptance – and thereby encourage immigrants and their descendants to enter social structures of progressively greater ethnic diversity. In Alba and Nee’s view, change in the latter mechanisms distinguishes today’s immigrant world from yesterday’s: on the one hand, racism, and its associated ways of thinking and feeling, has lost legitimacy; on the other hand, discrimination on the basis of racial or ethnic origins has been prohibited, to very significant effect. Most significant is the change in the “*formal rules of state organizations* (53; italics in the original):” the “institutional mechanisms extending civil rights to minorities and women have increased the cost of discrimination...in non-trivial ways (57).” Consequently, those processes of labor market segmentation that might shunt newcomers into sectors of diminished mobility or reduced compensation are likely to have at best a modest impact on the

careers of contemporary immigrants and immigrant offspring; instead, according to Alba and Nee, the latter can expect to move into the economic “mainstream.”

Moving from theory to empirical analysis, Alba and Nee agree that the Mexican and Mexican-American experience represents assimilation’s acid test case, given this group’s history, size, and relatively low class standing. They do note that the prospects for the relatively large population of low-skilled immigrants and their descendants remain uncertain. In particular, they observe that many of these immigrants are living in that legal twilight zone of unauthorized status, in practice allowed to work, but legally prohibited from both employment and residence in the United States. On the other hand, Alba and Nee contend that there are many indicators of advancement, and far more so than pessimistic assessments would allow. They note that the fact that Mexican immigrant parents begin at the very bottom of the occupational ladder makes upward – not downward – mobility the more likely outcome. Furthermore, the schooling performance of second generation Mexicans represents a significant advance as compared to the first generation. The same pattern also holds for occupational attainment, where sizeable growth in second generation white-collar employment points to a major departure from the parental pattern. Moving beyond economic indicators, they show that that the Mexican American move up from the bottom is not only possible, but inevitably yields more diversified social relations, with inter-ethnic exposure probabilities growing as socio-economic standing improves.

*Into the mainstream?* 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 thus far a matter of assertion, *not* empirical research. While the contemporary literature provides little support for the earlier view of sharp demarcation between labor market segments, there is ample evidence that job characteristics co-vary. As the Tillys argue (1998; see also Jencks, et al. 1988) well-paying jobs offer opportunities for on-the-job training and less onerous supervision, whereas low-pay is correlated with frequent supervision, work repetitiveness, and perceived risk of job loss. Moreover, movement from one cluster of jobs to another is likely to be impeded. Different segments develop their own institutional practices: as Tilly (1998) has argued, categories interior to organizations get connected to such exterior categories as race, ethnicity, and nativity. These linkages are particularly durable at the lower end of the labor market, where workers heavily rely on personal networks to find jobs (Holzer, 1996), but, as evidenced by the disproportionately high rates of African American employment in the public sector, they are deeply entrenched in others parts of the labor market as well. Although the second generation is likely to begin at starting points quite different from those of the first, as offspring of working-class immigrants they share common traits that predispose them to respond to a similar situation in like ways. Consequently, the second generation is likely to seek or select a common set of jobs where their resources are best rewarded. 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).

Even as ties to co-ethnics channel second and later generation options, prevailing organizational structures circumscribe possibilities for advancement. In this respect, a



crucial factor may *not* be the sorts of barriers highlighted by segmented labor market theory, which underscored the distinction between large organizations, into which workers entered at the bottom and then progressed via a highly elaborated job structure, and small, relatively flat organizations, with few opportunities for upward movement and high exposure to the risks of the market (Doeringer and Piore, 1971). Though this theory possibly provided an accurate description of conditions during the post-World War II boom, a different pattern seems to prevail at the turn of the 21<sup>st</sup> century. Most notably, organizations, both large and small, have sought to externalize instability through the deployment of employment forms that scholars have labeled “contingent,” “non-standard,” or “atypical.”

Looking at the matter over the long term, the organizational world envisioned by Alba and Nee – in which careers stably unfold in large bureaucracies monitored by government regulators – may not so much be the norm as an historical irregularity. In the first decades of the last century, businesses used a variety of practices to deploy labor on a basis that would allow for temporary engagements, devoid of implicit or explicit long-term commitments (Nelson, 1995). Never disappearing, these practices were largely eclipsed by the mid-century rise of the internal labor market (Osterman, 1984), which, under conditions of turn-of-the 21<sup>st</sup> century instability, now seem to be reverting to earlier patterns, at least in part (Jacoby, 2004). As described by Kalleberg (2000; 2003), organizations have embraced “numerical or external flexibility” as a technique for adapting to greater volatility in the business environment, shifting exposure to risk to workers with a limited, possibly tenuous connection to the organization. These new practices often involve the deployment of workers in a non-standard way, whether

employed directly or indirectly (e.g. via the employment of independent contractors or through a contract company or temporary help agency) or on a part-time or short-term/temporary basis. Research suggests that the turn to more flexible employment yields distributional consequences. The advent of non-standard jobs divides an organization's workforce between a core and peripheral component. The former involves jobs intended for the long haul, where workers are highly trained in "local firm knowledge," accrue a variety of non-wage benefits, and gain eligibility for promotion up the hierarchy. The latter involves a "turn-over pool," consisting of workers to whom no implicit or explicit commitments have been made and whose temporariness both justifies their lack of benefits and the lack of in-house training expended on them. As shown by Kalleberg et al (2000), nonstandard are far more likely than standard jobs to be associated with "bad job" characteristics (e.g., low pay and lack of fringe benefits).<sup>1</sup>

The proliferation of non-standard jobs cuts across otherwise very different sectors of the economy. Non-standard work is not limited to the lesser skilled; recent research has found the proliferation of non-standard working arrangements amongst IT workers and business professionals as well (Watts 2001). While the advent of nonstandard employment relations *within* large organizations seems to involve the most marked change, a trend towards employment forms involving heightened instability has also transpired in arenas where internal labor markets never prevailed. Agriculture, for example, has shifted toward more indirect forms of employment: rather than directly recruit labor, farmers increasingly engage labor contractors, who in turn employ a growing proportion of the (heavily foreign-born) labor force.<sup>2</sup> Likewise, street corner labor markets or shape-ups, common at the beginning of the 20<sup>th</sup> century, but

marginalized by mid century, have made a comeback, and are now found in urban and suburban areas throughout the United States (Valenzuela, 2003).

Though the determinants and consequences of non-standard employment have been the object of intense study, much less attention has been paid to the relationship between the advent of these new forms of labor market segmentation and the ethnic composition of America's workforce. Exploratory work on this latter question has generally focused on immigrants at the polar ends of the occupational ladder: high-skilled immigrants working in high technology (Cornelius et al 2001) and extremely low skilled immigrants in day labor markets and marginally or informally self-employed. While these two polar ends of the occupational ladder provide particularly vivid examples of the shift to non-standard employment, the trend is far more widespread and likely to affect a swath of workers wider than the newcomers moving either into high technology or the easiest-entry jobs.

### **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 stability and quality of employment, retirement and healthcare benefits, and wages. The CPS provides information on the nativity of both respondent and respondent's parents, employment, wages, overall numbers and other demographic characteristics. Conducted monthly by the Bureau of the Census for the Bureau of Labor Statistics, it is the premier source of data on the American labor force, and the only large scale dataset capable of distinguishing among persons that are foreign-

born, U.S.-born of foreign parentage, and U.S. born of U.S. born parentage within the larger population. The survey is based on a nationally representative sample of approximately 50,000 households, excluding persons in the armed forces and institutionalized living quarters. The multi-stage area probability sample is based on 1990 census information, and data are from detailed questions about the working status of everyone in these households. To ensure a sample representative of each of the groups in our analysis, weights are used in all analyses.

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 asked of all applicable persons in the sample ages 15 and older. This file contains additional information on contingent and temporary work, employee benefits, and earnings. Important variables for this analysis are several definitions of contingent labor, employer-subsidized healthcare and retirement benefits, and expectation of duration of employment. In order to ensure a large enough sample for analysis, particularly of the second generation, Contingent Labor Supplement survey years from 1995-2001 were merged and analyzed together. In the February series, wage information is obtained only for workers who are part of an out-going rotation sample (approximately one-quarter of the total sample).<sup>3</sup> While it would have been interesting to extend the analysis beyond the first year of the current decade, the supplement was discontinued after 2001. Despite this shortcoming, this data is the only large-scale resource for contingency labor information amongst our population of interest.

**Sample:** The sample includes both native and foreign-born employed men, ages 24-64. The latter include naturalized citizens, permanent aliens, legal temporary workers,

and unauthorized workers. Unfortunately, it is not possible to distinguish between resident aliens who are permanent, legal temporary, or unauthorized. Though this is undoubtedly an important omission in modeling labor market outcomes of the foreign-born, it should not unduly compromise conclusions regarding our target population, as citizenship is a birthright of the second and subsequent generations.

The paper's focal indicators – job type; employer-subsidized health and retirement benefits; and wages – are all indicators of inequality *within* the employed population; hence, we restrict our analysis to job-holders only.<sup>4</sup> Considerations of economy also lead us to limit the focus to men: since job sorting is gendered, different models would be required for men and women; secondly, and, as other authors have shown (Waldinger and Feliciano 2003; Katz and Stern, 2006) Mexican-Americans are characterized by significant *intra-ethnic* gender differences in wages, occupational status and employment; further, 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). While some degree of young adult over-representation in temporary work may be involuntary, one suspects that it also reflects a preference for employment consistent with other activities, namely studying. 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 689 second generation Mexicans of the 90,253 prime aged men in the merged 1995, 1997, 1999 and 2001 February CPS.

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 impact of changes in migrant selectivity or to inter-generational shifts in ethnic persistence.<sup>4</sup> On the other hand, as argued by Grogger and Trejo (2003), Bean and Stevens (2003), and Blau and Katz (2005) the cross-sectional approach adopted in this paper holds the social and economic environment constant, whereas a longitudinal approach might conflate those changes due to shifting conditions, and 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. Potential biases affecting second/third generation contrasts are mitigated by the long-term stability in the social images and social structure of Mexican Americans (as argued by Lopez and Stanton, 2002), which implies that the standing of the self-identified, third-plus generation will affect the options available to the second generation. Controlling for year of migration and focusing on outcomes among the more settled migrants provides a reasonable proxy for the Mexican immigrants from whom today's second generation are likely to be descended. Last, as noted by Blau and Katz (2005), identifying immigrant cohorts allows us to distinguish the impact of immigrant cohort from time spent in the United States.

**Dependent Variables:** The fundamental question motivating this paper is whether ethnicity structures employment relations, yielding significant inter-ethnic and inter-generational differences in the likelihood of atypical or non-standard work. To answer that question we use indicators pertaining to the longevity and security of work as well as monetary and non-monetary forms of compensation.

*Non-standard Work:* Non-standard work, most expansively defined as work that departs from the “standard” work arrangements in which the employee works full-time, for an indefinite amount of time, at the employer’s place of business, and under the employer’s direction (Kalleberg 2000:342) has become increasingly common as increased competition drives employers to externalize labor costs (Tilly 1996; Stratton 1996; von Hippel 1997).

We distinguish among four different kinds of non-standard jobs -- employment via an intermediary; temporary employment; part-time employment; self-employment -- the characteristics of which are described in detail below:

- 1) Employment via an intermediary. This definition includes all wage and salary workers who are not self-employed but are paid by a contract, employee leasing, or temporary help agency. This kind of working relationship has become increasingly common, as temping and contract services provide a buffer from responsibility between employer and employee and provide the most flexible kind of labor, for which hiring and (generally) training costs are taken care of by the agency (Watts 2001; Iredale 2001).
- 2) Temporary employment: Temporary employees generally are not invested in by the firm, nor are they as likely to receive benefits and promotions (Tilly 1998).

This definition includes those workers paid by their employer who are not self-employed or independent contractors and are (1) in a temporary job or a job that could not last as long as they wish, (2) expecting their job to last a year or less for non-personal reasons, (3) in a job where their tenure is a year or less, or (4) are employed as on-call or day-laborers.

- 3) Part-time employment: This third category entails workers paid by their employer (*not* definition 1) in permanent positions (*not* definition 2) who are “usually” working less than 35 hours a week. While there is significant overlap between part-time and other kinds of non-standard work (Kalleberg et al 2000), we isolate here those workers who are otherwise “typically” employed but are part-time, the most frequent type of non-standard work for weaker labor force participants such as women and the very young and old (Tilly 1996; Esping-Anderson 1999).
- 4) Self-employment: This final non-standard category consists of individuals who report working for themselves, either incorporated or as individuals, and are responsible for their own taxation and have no employer.

These definitions leave us with the residual base category of “*standard jobs*”: these are positions held by individuals who (a) are employed directly by their employer; (b) expect their job to last for a year or more, and (c) work at least 35 hours a week on a normal week.

*Fringe Benefits*: Another crucial consideration in job quality entails such fringe-benefits as healthcare and retirement. In the United States, these benefits are largely provided by employers. The growing tendency for employers to shift this responsibility unto the employee represents yet another strategy for the externalization of labor costs.



As health care coverage involves both availability of benefits and employer subsidization, we explore several different healthcare coverage outcomes among wage and salaried workers: 1) no healthcare at all, 2) health-care from a source besides the employer (self-purchased, spouse, etc), 3) healthcare facilitated through employer but worker covers entire premium, 4) healthcare and part of premium through employer, and 5) healthcare and full premium covered by employer.<sup>5</sup>

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. The self-employed are excluded from this analysis.

*Wages:* 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. As this creates difficulties of comparison with wage and salary earners, they are modeled separately.

*N Differences:* When predicting non-standard employment, the universe includes the full sample [N= 90,253] of all employed men ages 25-65. When modeling benefits, retirement and health, a reduced sample [N=85,400, of which 12,867 are self employed] respondents who report full information on these variables is used. CPS protocol is such that only a fourth of the sample (the outgoing rotation) is asked for their wages. Restricting the sample to include only those with earnings and hours worked information

reduces the size of the sample to 20,055, of whom 12,555 are self-employed. This sample includes all employed men aged 24-64 reporting non-zero wages for the previous week.

**Independent Variables:** We include the standard set of independent variables, as well as the intergroup comparison variables which are the focus of this paper

*Control Variables* As a common indicator of human capital, education is included in all analyses. We divide education into a set of categorical variables. Categorical coding of education emphasizes the power of official certification that is lost in a continuous “years of education” variable, allowing certain years of schooling to differ in effects from others. These categories include 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. Given that our dependent variables are functions of institutional factors as well as human capital, some additional control variables were included. We control for class of worker, as public sector employees enjoy greater equity and returns on experience and formal qualifications in terms of fringe benefits than do private sector employees; they are also more likely to enjoy full time employment. Men with military experience differ perhaps in skill set and experience from non-veterans; therefore, veteran status is controlled. Following the results of previous research showing that non-standard jobs are

frequently less desirable in terms of benefits and wages, when modeling fringe benefits and wages we include dummy variables for the four different kinds of non-standard jobs outlined above, with traditional 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.

*Group Variables:* Of greatest interest to this study are group and generational variables. To what extent does ethnicity matter for Mexican immigrants, and what evidence of attenuation of these ethnic differences in subsequent generations in terms of work and benefits do we see in our data? Our paper compares the labor market experiences of nine different categories: non-Hispanic whites of native parentage, non-Hispanic blacks of native parentage, four cohorts of foreign-born Mexicans<sup>6</sup>, native-born Mexican-Americans with at least one foreign born parent, and native-born Mexican-Americans of native parentage. As the sample size of workers with wages is much smaller, we combine all the foreign-born cohorts into one composite category when analyzing wages (but only then). 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. Both full and wage sample sizes for each group can be found in table 1. The benefit sample is largely indistinguishable from the full sample.

**[TABLE ONE HERE]**

**Descriptive Statistics:** Means for all independent variables by ethnic group and generation are found in table 2. 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 48% for the third, lagging well behind the 61% 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 55%. Not surprisingly, very few of the Mexican foreign-born report U.S. military experience, while all other groups have about 20% reporting veteran status. With the exception of high public sector employment (13%) amongst the oldest Mexican foreign born cohort, most of the foreign-born are less likely to be in the public sector; consistent with results reported by previous studies (e.g, Waldinger, 1996) blacks experience the highest rates of public employment at 20%. This

overrepresentation is small, however, relative to the surprisingly high public sector employment of second and third generation Mexican-Americans.

Overall, the great majority of the sample holds “standard jobs”. Surprisingly, standard employment is lowest among whites; rates of standard job-holding among third generation Mexican Americans and African Americans are six percentage points higher. As Table 2 shows, native-whites are distinctive in yet another respect, namely, the very high proportion (15 percent) who are self-employed. In what follows, we will look more closely at these differences, seeking to assess the size and stability of ethnic disparities, as well as their determinants and consequences.

#### **[TABLE TWO HERE]**

**Analysis:** We used weighted logistic models to predict both non-standard employment and fringe benefits. 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; we report significance test results in the appendix. Coefficients for the full models are presented in multiplicative odds form, and can be found in the appendix. The text first briefly presents the net effects of each independent variable; as coefficients from logistic regressions do not lend themselves easily to intuitive interpretations, we focus mainly on the predicted probabilities for each model in the text. For our wage equation, we used weighted ordinary least squares controlling for differing ethnicity and generational effects across kind of employment, as will be discussed in greater detail below.

#### **Non-standard Employment**

We estimated a multinomial logistic regression to predict employment category. We present the full results of this regression in table 1A in the Appendix; coefficients and standard errors represent the odds of each kind of non-standard employment, in contrast to the omitted category of typical employment.

*Inter-group 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 ( $\text{Chi}^2 = 11.82$ ,  $\text{df} = 32$ ,  $p < .01$ ). To summarize these differences -- presented in full in Table 2A in the Appendix -- we see that across all job outcomes, each of our ethnic and generational groups differs significantly from whites at the .01 level, with two exceptions: the difference for second generation Mexicans is significant only at the .1 level, and there is no significant difference between whites and Mexican immigrants who immigrated in 1970 or before. All groups differ significantly from blacks at the .1 level. Focusing on the foreign-born, the oldest cohort does not differ significantly from native whites, second generation Mexicans, or the pre-1980 foreign-born Mexican cohorts; by contrast, the youngest cohort (1990-2001) differs significantly (at the .05 level) from all groups except the second generation. Though second generation Mexican-Americans numbers are very small, they still differ significantly from native whites and blacks (at the .1 level). The third generation does differ significantly from the second generation across all four outcomes, showing a different pattern of working arrangements despite similar educational achievement.

A variety of factors appears to account for these patterns. As shown by results reported in Table 1A, whites' over-representation in self-employment persists

after the application of controls: all other groups, with the single exception of pre-1970 Mexican immigrants, are significantly less likely to be working on their own. We also note a clear and consistent positive relationship between human capital and self-employment: net of other variables in the model, higher levels of education and experience are strongly associated with greater odds of self-employment, rather than standard employment. Net of other variables in the model and as compared to standard employment, marriage is positively associated with self-employment whereas residence in a metropolitan area and veteran status is negatively associated with the odds of self-employment.

Quite a different set of relationships characterize employment through an intermediary or temporary employment. As compared to possession of a college diploma and net of other factors, having less than a high school degree significantly increases the odds of employment through an intermediary; similarly, having less than a college degree significantly increases the odds of temporary employment rather than standard employment. Each year of work experience is likewise associated with lower odds of employment through an intermediary and temporary employment, by 6 and 7% respectively, as compared to standard employment and net of other variables in the model. Whereas marriage increased the odds of self-employment, it lowers the odds of employment in either of these two non-standard categories. Residence in a metropolitan area is positively associated with the odds of employment through an intermediary, perhaps due to the presence of more temp and contracting agencies in cities. In addition, those in the public sector experience 85% lesser odds of employment through an intermediary, whereas the odds of temporary employment are greater in the public sector.

Net of controls and as compared to standard employment, only blacks and “others” are significantly more likely to be employed through an intermediary, and only the more recent foreign born cohorts and “others” are more likely to be employed temporarily. By contrast, the differences disappear amongst the older cohorts and the second and third generation: these groups experience no significant difference from whites in the odds of employment through an intermediary or temporary employment.

Finally, the odds of part time employment decrease rapidly with years of work experience; however, there is no consistent relationship between education and this employment outcome. Net of other factors in the model, both those workers with less and more education are significantly more likely to be employed part time than the college educated, with the exception of the high school educated. Marriage is negatively associated with part-time employment. Inter-group comparisons reveal a similar pattern: after controls, only the most recent foreign born cohort, blacks, and “others” approach significantly greater odds of part time employment than whites.

*Predicted Probabilities* Table 3 displays the predicted probability of different types of non-standard employment by generation and race, with all of the control variables set at the means. These results at first appear rather unremarkable; the predicted probability of non-standard employment is not more than .23 for any group; furthermore, the groups are fairly similar in terms of the probability of typical, mainstream employment.

**[TABLE 3 HERE]**

More important, however, are differences in the probability of the *kinds* of non-standard work among the various groups. As can be seen in Table 3, while whites are not



more likely to be in “standard” jobs, they are much more likely to be self-employed as opposed to the less desirable non-standard alternatives of temporary or part-time work. We also note the variations across cohorts among the Mexican foreign born: the oldest cohorts are much more likely to be self-employed than the more recently arrived. By contrast, self-employment is of modest importance for the second and subsequent generations of Mexican Americans, among whom self-employment probabilities are less than half of the levels for whites.

**[TABLE 4 HERE]**

These differences are clarified in table 4, which displays the predicted probability of the different kinds of work amongst only those in non-standard positions. As already noted above, amongst those atypically employed, whites are most likely to be self-employed: among whites working outside of traditional working arrangements, the probability of self-employment is .63 -- nearly twice the level attained by blacks and second and subsequent generation Mexican-Americans similarly working in non-standard jobs. Although the high self-employment probabilities among the older immigrant cohort *could* be interpreted as an assimilation effect -- leading one to wonder about the very different patterns among the U.S.-born Mexican Americans -- a closer look at the work in which these immigrant “entrepreneurs” are engaged suggests a very different story.

To unpack this finding, we identified the major occupation of the self employed by ethnic and generational status. Given the small numbers of the foreign born, we combine all cohorts here. While whites and foreign born Mexicans are the most likely to be self-employed, they appear to be engaged in substantively different kinds of self-employment: nearly a quarter of all self-employed whites are in managerial or

professional occupations, as compared to only 14% of the Mexican foreign-born. When looking at agricultural jobs, the relationship flips: 24% of foreign born Mexican self-employed are in farming, forestry or fishing occupations, as compared to 13% of whites. A closer look at the top occupations and industries of the self employed Mexican foreign born with 2000 Census data confirms this relationship. Of the key occupations and industries in which self-employed Mexican immigrants cluster (containing at least 3 percent of all self-employed persons of the group) all but two (real estate industry and retail sales occupations) are in agriculture, construction or food service.<sup>7</sup>

While established Mexican immigrants find self-employment opportunities in the least type desirable sort of business activities, we find ample evidence of overrepresentation – for the first generation and beyond – in the other, less desirable forms of non-standard work. As many other sources have documented, recent Mexican immigrants commonly resort to temporary employment (e.g. day labor markets): we find among recent immigrants holding non-standard jobs, the probability of temporary employment was .41. While probabilities drop among more settled cohorts, reliance on temporary employment remains high among all categories, except the most established. Among the third generation the probability of temporary employment is nearly twice that of third generation whites. The findings regarding part-time employment tell a similar story: amongst atypically employed whites the probability of part-time employment is .2, for second and third generation Mexicans holding non-standard jobs, the probability of part-time work is .36 and .33, respectively. As the sample is restricted to *men who are at least 25 years of age* – precisely the population that generally desires full time work – this finding highlights the distinctive disadvantage experienced by Mexican origin

workers , a point underscored when one notes that almost a third (29%) of those Mexican origin men working part-time report doing so unwillingly.

### **Benefits**

This section of the paper inquires into contrasts in two key forms of non-monetary compensation -- healthcare and retirement – asking whether any such variations are related to differences in access to standard employment

*Healthcare:* We begin by examining inter-group differences across five healthcare possibilities: no healthcare, healthcare from a non-employer source, healthcare from employer with no premium coverage, healthcare from employer with partial premium coverage, and healthcare from employer with full coverage. Given the emphasis on premium support from employers, we focus on wage and salary earners.<sup>8</sup> As Table 5 shows, sizeable disparities characterize the groups at the zero-order level: though there are group differences in the odds of all outcomes, particularly in Black-White comparisons, the clearest distinction lies on the healthcare/no healthcare divide. All groups experience significantly greater odds of no healthcare rather than full premium coverage, as compared to whites.

### **[TABLE 5 about here]**

Though slightly reduced, disparities persist after application of controls for background characteristics, with inter-group differences, relative to whites, all significant at the .001 level. Interestingly, we also see that the second and third generation Mexicans do not differ significantly from each other in their odds of healthcare coverage, though nearly all groups differ significantly from African Americans (see table 3A). In a subsequent block, we add controls for job type: each non-standard job type significantly

increases (at the .01 level) the odds of having no health coverage. (Coefficients from the multinomial logistic regressions on healthcare coverage can be found in tables 4A and 4B in the Appendix.)

We see that in this full model, our control variables remain as expected and are only slightly weakened by the addition of the sector of employment, suggesting continued strong human capital and sector effects even within our employment categories. As compared to the college educated and with all other variables held at their means, workers with graduate education experience greater odds of full premium coverage, our omitted outcome, than all other healthcare outcomes. Increasing years of experience also decreases the odds of providing one's own healthcare or not as compared to full coverage. Finally, married workers and workers employed in the public sectors experience higher odds of some or full premium coverage than do their single or private sector counterparts, net of other variables.

Most importantly, inter-ethnic differences in the odds of no coverage barely shift after controlling for sector of employment, with all groups experiencing greater odds of no coverage than do whites. To further understand why job type has such a modest, *net* effect on mediating the ethnic differences in the odds of no healthcare coverage, we compute predicted probabilities of health coverage (combining any form of coverage v. none) *within* each job type, with all our control variables held at their mean; predicted probabilities are presented in Table 6. As can be seen in Table 6, even the most favored group – third generation-plus whites – enjoys limited coverage in non-standard jobs. Furthermore, disparities in coverage are actually *greatest* among workers employed in *standard positions*: as compared to whites, recent Mexican immigrants, for example, are

a little more than twice as likely to have no coverage when working in part-time jobs, but six times as likely to have no coverage, when working in standard jobs. Similarly, the relative gap in coverage is greater among third generation Mexicans working in standard jobs as opposed to part-time jobs, though the disparity is not as extreme as among those recently arrived from Mexico.<sup>9</sup>

**[TABLE 6 HERE]**

*Retirement:* We next examine inclusion in a retirement program. We present the results of the zero-order differences in table 7: all groups experience much lower odds of retirement than whites. Disparities persist after application of controls for background characteristics, with inter-group differences, relative to whites, all significant at the .001 level (see table 5A). In a subsequent block, we add controls for job type: each non-standard job type significantly increases (at the .01 level) the odds of having no retirement benefits. (The odds of the multinomial logistic regressions on healthcare coverage can be found in tables 5A in the Appendix.)

**[TABLE 7 HERE]**

Again, education and experience are strongly and positively correlated with the likelihood of inclusion in a retirement plan. Those in the public sector experience over 5 times the odds of retirement than those in the private sector, net of all other factors in the model. Finally, all three non-standard employment sectors are negatively associated with retirement benefits, with all experiencing at least 75% lower odds of retirement than standard employees, net of other variables in the model.

As in the analysis of health insurance, statistically significant ethnic disparities persist after controlling both for background characteristics and job type. We note that

the results do show that the probability of inclusion in a retirement plan is greater among more established immigrants as opposed to the more recently arrived; likewise, both second and third generation Mexican Americans compare favorably to the longest residing immigrant cohort.

If similar, ethnic inequalities in access to retirement plans differ from the inequalities found when examining inclusion in health insurance plans, as shown in Table 8, which displays predicted probabilities. Pension plans are far less commonly provided than health insurance: for whites working in standard jobs, the probability of having no employer-provided health insurance is .1, as opposed to a much higher probability (.36) of not being included in a pension plan. As for non-standard jobs, the probability of inclusion in a pension plan is slight, even for the most privileged group. Hence, controlling for job type has relatively little impact on ethnic inequalities in retirement. Furthermore, while standard jobs treat groups unequally, with respect to inclusion in pension plans, disparities are modestly compressed when compared to provision of health insurance.

**[TABLE 8 HERE]**

## **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 9, and self-employed in the second (columns 5-6). As our dependent variable is logged, we exponentiate the beta coefficients in the text to represent the approximate percentage change in earnings with each unit increase in the independent variable.

As seen in Table 9, our control variables point in the expected direction. Those with less than a college education earn less than those with a college education, and those with a graduate degree or higher earn more. Graduate education appears particularly advantageous for the self-employed. Each year of work experience is associated with a 4% increase in earnings, with a curvilinear relationship reflected in the small, but highly significant experience squared variable. Those who live in metropolitan areas can expect to earn higher weekly earnings, and those in the public sector will earn less than those similarly educated and experienced in the private sector. Due to the fact that part-time workers are included in this analysis, we include hours worked weekly as a control in predicting earnings. Each hour worked is thus associated with nearly 3% increase in earnings of wage and salary workers, though slightly less for the self-employed. Finally, married wage and salary workers earn 20% more than their single counterparts, and married self-employed earn 17% more than singles net of other variables in the analysis.

Net of all of the control variables, black Americans earn 19% less than whites, whether self-employed or wage and salary earners. Mexican foreign born earn 23% less than native whites when wage and salary, and a full 34% less when self-employed. Second generation Mexicans also lag behind native whites, with wage and salary workers earning 16% less, and the self-employed earning 19% less, net of other variables. By

contrast, earnings among third generation Mexican Americans appear not to differ significantly from those of third generation whites.

**[TABLE 9 HERE]**

Adding controls for job type among wage and salary workers provides further refinement. While all of the control variables remain basically the same, all four forms of non-standard employment are associated with lower earnings, net of the other variables in the model. Those employed through an intermediary can expect to earn 5% less than those working in standard employment arrangements. This form of non-standard employment has by far the smallest effect on earnings, probably because such workers, particularly the more highly educated, may actually experience higher earnings from contract work in high demand fields. Those working on a temporary basis earn 23% less, controlling for all other variables. Part-time employees earn 43% less than similar workers in the traditional sector, even holding all control variables and hours worked weekly constant.

After controlling for sector of employment, inter-group differences not only persist but grow slightly larger. These results indicate that even *within* employment sectors, first and second generation workers of Mexican origin, along with black Americans, earn significantly less than whites of the third generation and beyond. Black Americans earn 20% less than whites, second generation Mexican Americans continue to earn 16% less, and the foreign born earn 22% less than white Americans. The third generation and the older first generation cohorts do not differ in their wages from whites.

For the final wage analysis, we interact the ethnicity and generational variable with the sector of employment variable. This allows us to assess the whether the effect of



race and generation differs across employment sectors; in other words, do our comparison groups experience the effects of non-standard employment on earnings differently?

Table 10 displays the effect of race and generation interacted with sector of employment. The interactions contribute to a significantly better fit in the model, with a p-value of .000 and 47 degrees of freedom. We see that sector does matter in mitigating, or intensifying the disadvantages of Mexican heritage. The interaction terms show that African-Americans experience significantly lower earnings than whites across all employment sectors, with the exception of part-time, indicating that this group is disadvantaged even within disadvantaged sectors. Similarly, first generation Mexicans experience lower wages across all employment sectors (at the .1 level), with the exception of part-time employment. Amongst the second generation, only temporary and part-time employed second generation Mexicans differ significantly from whites, net of the other variables. Second generation Mexican-Americans earn lower earnings when temporarily employed, and higher earnings when part-time employed. These inconsistent findings are explained by the small numbers of second generation in our sample: while there are 114 second generation Mexican workers in our wage sample, only two of them are engaged in part-time work. Finally, the earnings of third generation Mexican-Americans do not differ significantly from whites across any of the employment sectors.

Summing up, the analysis of earnings shows that a) controlling for workers' characteristics, pay rates in standard jobs exceed compensation in non-standard jobs; b) most inter-ethnic differences persist after controlling for differences in job types, indicating that blacks, the foreign born, and second generation do worse within sectors.

## [TABLE 10 HERE]

### Conclusion

Has the mainstream been remade? The answer is yes, but not in the sense meant by today's proponents of assimilation. The economic mainstream which absorbed the descendants of the *last* age of mass migration no longer fully exists. Not only are the high-wage industries of mass production floundering – as best symbolized by the current travails of U.S. auto makers – but the organizational structures common during the mid-20<sup>th</sup> century are in retreat. Although the internal labor market, into which one enters at the bottom and then moves up along a clearly elaborated job ladder, still exists, there are now a variety of other job types – which, following convention, we have labeled as “non-standard” work. As shown by the results of this paper, and in this respect replicating much prior work, non-standard jobs offer compensation that compares unfavorably with what is to be found among standard jobs. Whether the criteria are earnings, health insurance, or pension plans, non-standard jobs provide far less – a pattern that applies both before and after application of controls.

But how does the proliferation of non-standard work affect the options available to ethnic minorities – in this case, workers of Mexican origin, the overwhelming predominant group among contemporary immigrants to the United States? Taken as a whole, including self-employment, temporary employment, part-time employment, and employment by an intermediary, non-standard work is actually more common among third generation whites than among minorities. Quite a different pattern, however, appears when one looks at the *types* of non-standard jobs in which the various groups are

engaged: whites engaged in non-standard work are disproportionately likely to be self-employed, an activity associated with higher levels of education and higher levels of experience. By contrast, other groups are likely to be wage and salaried workers employed in non-standard jobs of a distinctly undesirable sort, positions into which less-skilled, less experienced workers get sorted. Moreover, the one exception – long-settled Mexican immigrants – proves the rule: though self-employment is as common as among whites, the business activities are found in precisely those industries – agriculture, construction, and food services – where the opportunities to employ (and possibly exploit) other immigrants in non-standard jobs are the most developed. Given the greater reliance on sub-contracting in such immigrant-dependent industries as construction and agriculture, the proliferation of temporary employment among recent immigrant cohorts suggests that the opportunity structures available to earlier cohorts are no longer in place, very possibly producing impediments to mobility in the future.

Although substantial, these inter-ethnic differences across job types yield only modest impacts on inter-ethnic disparities in compensation. The explanation involves a paradox: namely, that non-standard jobs are more likely than standard jobs to treat all wage and salaried workers relatively equally – which is to say, badly. As we have seen, white wage and salary workers engaged in non-standard work have little likelihood of being included in a pension plan; likewise, access to employer-provided health is relatively scarce. While the other groups do still worse, the differential is modest. By contrast, it is among standard jobs – that is to say our approximation to the economic mainstream – where ethnic disparities in compensation are generally greatest. Thus, 2<sup>nd</sup> generation Mexican workers in standard jobs are two and a half times more likely than

whites to be without employer-provided health care; they are half again as likely to not be included in a pension plan. While our results do point to greater pay equity in standard work, the small size of the sample (as well as the small size of the minority groups and the need to aggregate all the immigrant cohorts into one single category) makes these findings the least definitive.

In sum, not only has the mainstream been remade in ways unanticipated by the contemporary proponents of assimilation; what remains of the mainstream works in ways quite inconsistent with the model that they propose. On the one hand, for wage and salary workers, ethnic origins continue to affect access to standard employment, and all the benefits it confers. On the other hand, ethnic inequities remain entrenched in standard jobs, a factor all the more important in light of the poor terms of compensation to be found in non-standard work. Accounting for these patterns lies beyond this paper's scope. It is, however, the question to which the students of contemporary patterns of ethnic incorporation need to now turn their attention.

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Table 1. Sample by Ethnicity and Generation, U.S.  
Males [24-65] 1995-2001

	Full Sample		Wage Sample	
	Percent	N	Percent	N
Whites 3+ Generation	79.25	71,528	80.83	16,210
Blacks 3+ Generation	6.32	5,703	4.66	935
<u>Mex FB</u>				
Pre-1970	0.3	273	2.48	497
1970-1979	0.78	705		
1980-1989	1.18	1,062		
1990-2001	0.69	625		
Mex 2nd Generation	0.76	689	0.57	114
Mex 3rd Generation	1.3	1,177	1.05	210
Other	9.41	8,491	10.42	2,089
Total	99.99	90,253	100.01	20,055



Table 2. Weighted Descriptive Variables by Ethnic and Generational Cohort, US Employed Men 1995-2001

	Native Whites	Native Blacks	Mexican Foreign Born Cohorts						
			Pre-1970	1970s	1980s	1990-2001	2nd Gen Mexicans	3rd Gen Mexicans	Others
Survey Year 1995	25%	25%	29%	20%	25%	8%	25%	18%	20%
Survey Year 1997	25	24	26	29	26	14	28	22	24
Survey Year 1999	25	26	25	27	24	27	24	28	26
Survey Year 2001	25	25	20	23	25	51	23	31	30
<i>Education</i>									
Primary or Less	1	2	41	51	41	39	9	4	8
Less than Highschool	5	8	8	12	17	16	10	10	6
High School Grad	32	40	20	18	22	24	34	37	23
Some College	28	31	17	11	9	8	35	31	21
College Graduate	22	13	5	3	5	4	8	13	23
Graduate Education	11	4	5	<1	2	3	3	4	4
Child Migrant	....	....	33	9	1	....	...	...	12
<i>Years Work</i>									
Experience	21	21	31	27	19	17	20	20	21
Experience Squared	861	811	1574	1190	731	588	813	797	829
Metropolitan Status	78	86	89	89	91	92	90	86	96
<i>Married with Spouse</i>									
Present	71	55	87	86	76	67	64	69	72
Marital Status	23	25	12	2	0	0	19	21	6
Public Sector	13	20	13	4	2	1	18	15	9
<i>Contingent Sectors</i>									
Employed Through Intermediary (#1)	1	3	1	2	2	2	1	1	2
Temporarily Employed (#2)	2	3	3	3	4	7	2	3	2
Part-Time Employed (#3)	3	4	3	2	3	4	3	3	4
Self-Employed (#4)	15	5	13	8	7	4	8	8	14
Standard Employed (Residual)	79	85	80	85	84	83	85	85	78

Table 3. Predicted Probability of Non-standard Employment by Ethnic and Generational Category, U.S. Employed Males ages 24-64

	Typical	Intermediary	Temporary	Part-time	Self Employed
Whites 3+ Generation	.776	.014	.022	.048	.140
Blacks 3+ Generation	.825	.030	.029	.066	.050
<u>Mex FB</u>					
Pre 1970	.788	.012	.029	.037	.135
1970-1979	.846	.239	.036	.024	.069
1980-1989	.831	.019	.042	.039	.069
1990-2001	.811	.017	.078	.064	.030
Mex 2nd Generation	.827	.017	.031	.062	.063
Mex 3rd Generation	.823	.016	.034	.059	.068
Other	.768	.020	.026	.055	.131

Table 4. Predicted Probability of Employment Relations amongst those Atypically Employed, by Ethnic and Generational Category, U.S. Employed Males ages 24-64

	Intermediary	Temporary	Part-time	Self Employed
Whites 3+ Generation	.063	.098	.214	.625
Blacks 3+ Generation	.171	.166	.377	.286
<u>Mex FB</u>				
Pre-1970	.056	.136	.174	.634
1970-1979	.649	.098	.065	.188
1980-1989	.112	.249	.231	.408
1990-2001	.090	.413	.339	.159
Mex 2 <sup>nd</sup> Generation	.098	.179	.358	.364
Mex 3 <sup>rd</sup> Generation	.090	.192	.333	.384
Other	.086	.112	.237	.565

Table 5. Odds Multipliers (eb) for a Weighted Multinomial Model of the Ethnic and Generational Differences in Healthcare Coverage, US Non-Self Employed Employed Men 1995-2001 (p-values in parentheses)

	Outcomes: Employer Coverage, Full Premium Omitted			
	No Healthcare	Non-Employer Healthcare	Employer Healthcare, No Premium	Employer Healthcare, Partial Premium
<i>Ethnic and Generational (Whites 3rd Gen + Omitted)</i>				
Blacks 3rd Generation +	2.350 .000	1.067 1.050	2.114 .000	1.250 .000
<u>Mexican Foreign Born Cohorts</u>				
Pre-1970	3.576 .000	.910 .585	1.367 .539	1.196 .377
1970s	5.608 .000	.731 .027	1.731 .065	1.009 .943
1980s	12.780 .000	.803 .275	1.388 .351	1.565 .001
1990-2001	18.848 .000	.643 .130	1.956 .096	1.215 .295
2nd Gen Mexican-American	3.043 .000	.906 .585	1.381 .295	1.156 .240
3rd Gen Mexican-American	2.208 .000	.856 .250	1.539 .065	.934 .475
"Others"	2.093 .000	1.038 .243	1.073 .516	.983 .581

Table 6. Predicted Probabilities of No Healthcare Coverage by Ethnic-Generational Status and Non-standard Employment, U.S. Employed Males ages 24-64 [Excluding Self Employed, N=70,533]

	Part-time	Intermediary	Temporary	Typical
White	.378	.378	.362	.101
Black	.518	.498	.525	.178
<u>Mexican, FB</u>				
Pre-1970	.536	"0"	.587	.254
1970-1979	.707	.737	.751	.380
1980-1989	.835	.794	.863	.510
1990-2001	.872	.884	.921	.674
Mexican, 2nd	.636	.562	.645	.267
Mexican 3+	.516	.504	.523	.195
"Others"	.541	.529	.585	.232

\*"0" means cell with less than 10 cases

Table 7: Retirement Coverage by Ethnic and Generational Category before Controls, U.S. Employed Males ages 24-64 [Excluding Self Employed, N=70,533]

	Retirement Coverage
Blacks 3+ Generation	0.782
<u>Mex FB</u>	
Pre-1970	0.433
1970-1979	0.242
1980-1989	0.153
1990-2001	0.061
Mex 2nd Generation	0.543
Mex 3rd Generation	0.667
Other	0.467

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Table 8. Predicted Probabilities of Retirement by Ethnic-Generational Status and Non-standard Employment, U.S. Employed Males ages 24-64 [Excluding Self Employed, N=70,533]

	Part-time	Intermediary	Temporary	Typical
White	.178	.178	.278	.642
Black	.150	.227	.226	.588
<u>Mexican, FB</u>				
Pre-1970	.159	.000	.177	.444
1970-1979	.084	.088	.080	.312
1980-1989	.039	.064	.038	.218
1990-2001	.017	.027	.018	.092
Mexican, 2nd	.091	.166	.132	.456
Mexican 3+	.140	.208	.207	.540
"Others"	.112	.172	.143	.461

\*"0" means cell with less than 10 cases

Table 9. Regression Coefficients of Logged Wages Amongst US Adult Men, 1995-2001

	Wage and Salary				Self-Employed	
	Model 1		Model 2			
	Beta	P				
<i>Ethnic and Generational Groups (Whites 3rd Gen + Omitted)</i>						
Blacks 3rd Generation +	-.205	.000	-.211	.000	-.203	.051
Mexican Foreign Born	-.262	.044	-.247	.000	-.418	.085
2nd Gen Mexican-American	-.158	.070	-.178	.042	-.209	.042
3rd Gen Mexican-American	-.040	.516	.042	.504	-.028	.780
"Others"	-.182	.000	-.175	.000	-.089	.005
<i>Year of Survey (1995 Omitted)</i>						
1997	.092	.029	.078	.028	.046	.024
1999	.203	.028	.187	.027	.124	.026
2001	.244	.031	.223	.031	.210	.028
<i>Education (College Omitted)</i>						
Primary	-.582	.000	-.579	.000	-.436	.079
Less than Highschool	-.542	.061	-.532	.000	-.308	.046
Highschool Graduate	-.287	.028	-.277	.000	-.225	.028
Some College	-.177	.029	-.161	.000	-.123	.029
Graduate	.079	.037	.086	.011	.237	.033
Years Experience	.039	.004	.035	.004	.037	.006
Experience Squared	.000	.000	-.001	.000	-.001	.000
Metropolitan Status	.153	.025	.136	.025	.211	.022
Married with Spouse Present	.182	.021	.160	.021	.159	.022
Veteran Status	-.037	.155	-.029	.026	-.075	.028
Public Sector	-.191	.031	-.152	.031		
Hours Worked	.026	.001	.020	.001	.014	.001
Employment through an Intermediary	...	...	-.050	.000	...	...
Temporary Employment	...	...	-.252	.000	...	...
Part-Time Employment	...	...	-.569	.000	...	...
Constant	4.732	.059	5.112	.063	5.221	.078



Table 10. Regression Coefficients of Logged Wages with Ethnicity/Generation and Sector of Employment Interaction Term, US Employed Men 1995-2001 (with p-values)

Variable	"Typical"	Intermediary	Temporary	Part-time
Blacks 3rd Generation +	-.179	-.354	-.164	-.077
P	.005	.000	.028	.596
Mexican Foreign Born	-.225	-.364	-.233	-.025
	.059	.073	.068	.170
2nd Gen Mexican-American	-.122	-.665	-.135	.405
	.274	.000	.435	.000
3rd Gen Mexican-American	-.025	-.083	.079	-.195
	.613	.527	.423	.145
"Others"	-.125	.035	-.241	.009
	.032	.067	.084	.121
	<i>b</i>	<i>p</i>		
1997	.075	0.28		
1999	.183	0.027		
2001	.218	0.03		
<i>Education (College Omitted)</i>				
Primary	-.583	0.056		
Less than Highschool	-.529	0.058		
Highschool Graduate	-.276	0.027		
Some College	-.158	0.029		
Graduate	.087	0.035		
Years Experience	.035	0.004		
Experience Squared	-.001	0		
Metropolitan Status	.135	0.025		
Married with Spouse Present	.159	0.021		
Veteran Status	-.030	0.026		
Public Sector	-.154	0.031		
Hours Worked	.020	0.001		
Employed through				
Intermediary	-.170	0.047		
Temporarily Employed	-.247	0.045		
Part-Time Employed	-.493	0.056		
Constant	5.005	0.066		

Appendix Table 1A. Odds Multipliers (e<sup>b</sup>) for a Weighted Multinomial Model of the Determinants of Non-standard Employment, US Employed Men 1995-2001 (p-values below)

Variable	Intermediary Employment	Temporary Employment	Part-Time Employment	Self-Employment
<i>Ethnic and</i>				
<i>Generational (Whites</i>				
<i>3rd Gen + Omitted)</i>				
Blacks 3 <sup>rd</sup> Generation				
+	1.827	1.068	1.175	.426
	.000	.513	.043	.000
<u>Mexican Foreign</u>				
<u>Born Cohorts</u>				
Pre-1970	1.045	1.313	.454	.787
	.945	.508	.070	.223
1970s	1.610	1.576	.547	.457
	.107	.058	.050	.000
1980s	1.085	1.744	.993	.592
	.776	.001	.973	.000
1990-2001	.897	2.888	1.500	.333
	.768	.000	.082	.000
2nd Gen Mexican-American	.871	1.010	.913	.626
	.718	.969	.682	.003
3rd Gen Mexican-American	.949	1.262	1.155	.604
	.776	.105	.242	.000
"Others"	1.386	1.337	1.344	.904
	.001	.001	.000	.009
1997	.906	.907	.924	.924
	.238	.186	.178	.008
1999	.748	.896	.861	.851
	.001	.140	.013	.000
2001	.723	.972	.865	.772
	.001	.716	.027	.000
<i>Education (College</i>				
<i>Omitted)</i>				
Primary	1.228	1.931	1.397	.459
	.042	.000	.017	.000
Less than Highschool	1.438	2.112	1.529	.555
	.011	.000	.000	.000
Highschool Graduate	.978	1.496	1.092	.673
	.815	.000	.211	.000
Some College	1.152	1.500	1.487	.769
	.124	.000	.000	.000

Appendix Table 1A. (con'd)

Variable	Intermediary Employment	Temporary Employment	Part-Time Employment	Self- Employment
Graduate	1.015	.960	1.193	1.484
	.906	.731	.045	.000
Years Experience	.944	.927	.838	1.095
	.000	.000	.000	.000
Experience Squared	1.001	1.001	1.003	.999
	.011	.000	.000	.000
Metropolitan Status	1.408	.897	1.001	.690
	.000	.108	.984	.000
Married with Spouse Present	.605	.580	.422	1.058
	.000	.000	.000	.034
Veteran Status	1.623	1.108	1.168	.723
	.000	.152	.007	.000
Public Sector	.151	1.386	1.015	...
	.000	.000	.813	

Appendix Table 2A. Significance of Inter-group Differences Across all Contingency Categories

	Whites	Blacks	Pre-1970	1970-1980	1980-1990	1990-2001	2nd Gen	Third Gen
Blacks, 3rd Generation +	54.370							
	.000							
Foreign Born, Pre-1970 Cohort	1.270	3.250						
	.278	.011						
Foreign Born, 1970-1980	8.360	1.970	3.080					
	.000	.096	.015					
Foreign Born, 1980-1990	6.820	2.950	1.920	.640				
	.000	.019	.104	.633				
Foreign Born, 1990-2001	14.200	6.780	7.030	5.130	4.560			
	.000	.000	.000	.000	.001			
Mexican-American, 2nd Generation	2.180	1.900	1.100	.790	.670	1.800		
	.069	.107	.353	.532	.614	.125		
Mexican-American, 3rd Generation	10.420	2.300	6.210	3.950	3.780	2.630	4.640	
	.000	.056	.000	.003	.004	.032	.001	
Other	11.450	25.110	3.320	6.090	3.900	6.280	3.200	4.060
	.000	.000	.001	.000	.004	.000	.012	.003
F(4, 90249), pvalue								

Appendix Table 3A. Significance of Inter-group Differences Across all Healthcare Categories

	Whites	Blacks	Pre-1970	1970-1980	1980-1990	1990-2001	2nd Gen	Third Gen
Whites, 3rd Generation +								
Blacks, 3rd Generation +	38.470							
	.000							
Foreign Born, Pre-1970 Cohort	9.010	3.390						
	.000	.009						
Foreign Born, 1970-1980	32.530	13.330	.610					
	.000	.000	.656					
Foreign Born, 1980-1990	72.980	31.970	2.270	3.540				
	.000	.000	.060	.007				
Foreign Born, 1990-2001	80.100	44.360	7.410	9.390	4.690			
	.000	.000	.000	.000	.001			
Mexican-American, 2nd Generation	11.550	2.220	.830	3.420	9.090	18.920		
	.000	.065	.506	.008	.000	.000		
Mexican-American, 3rd Generation	12.400	3.370	1.790	4.770	15.110	24.880	.860	
	.000	.010	.127	.001	.000	.000	.484	
Other	194.970	38.300	1.620	3.210	8.220	17.530	3.600	7.340
	.000	.000	.166	.012	.000	.000	.006	.000
F(4, 90249), pvalue								

Appendix Table 4A. Odds Multipliers (e<sup>b</sup>) for a Weighted Multinomial Model of the Determinates of Healthcare Coverage, US Non-Self Employed Men 1995-2001 (p-values below)

Outcomes: Employer Coverage, Full Premium Omitted				
	No Healthcare	Non-Employer Healthcare	Employer Healthcare, No Premium	Employer Healthcare, Partial Premium
<i>Ethnic and Generational (Whites 3rd Gen + Omitted)</i>				
Blacks 3 <sup>rd</sup>				
Generation +	1.974	1.197	2.166	1.274
	.000	.005	.000	.000
<u>Mexican Foreign Born Cohorts</u>				
Pre-1970	2.685	.598	1.353	1.180
	.000	.108	.553	.418
1970s	2.711	.515	1.383	.903
	.000	.002	.306	.444
1980s	5.242	.704	1.062	2.391
	.000	.008	.867	.016
1990-2001	7.881	.571	1.572	1.077
	.000	.059	.272	.690
2nd Gen Mexican- American	2.291	.918	1.374	1.170
	.000	.626	.305	.206
3rd Gen Mexican- American	1.796	.849	1.484	.918
	.000	.230	.092	.374
"Others"	2.307	1.065	1.032	.993
	.000	.139	.734	.819
<i>Year of Survey (1995 Omitted)</i>				
1997.000	.983	.999	1.019	1.014
	.677	.993	.812	.635
1999.000	.911	.999	.951	1.063
	.820	.994	.542	.035
2001.000	.935	1.096	.927	1.083
	.138	.033	.401	.012
<i>Education (College Omitted)</i>				
Primary	11.563	1.163	2.070	1.219
	.000	.186	.001	.018

Table 4A. (con'd)

	No Healthcare	Non-Employer Healthcare	Employer Healthcare, No Premium	Employer Healthcare, Partial Premium
Less than Highschool	7.933 .000	1.314 .000	2.089 .000	1.075 .215
Highschool Graduate	2.878 .000	1.112 .013	1.435 .000	.928 .015
Some College	1.758 .000	1.148 .001	1.093 .327	.882 .000
Graduate	.474 .000	.882 .022	.905 .403	.851 .000
Years Experience	.961 .000	.957 .000	.993 .640	1.022 .000
Experience Squared	1.000 .399	1.001 .000	.999 .589	.999 .000
Metropolitan Status	.827 .000	.986 .717	.680 .000	.987 .632
Married with Spouse Present	.488 .000	1.887 .000	1.197 .009	1.140 .000
Veteran Status	1.135 .004	1.263 .000	1.260 .004	1.117 .000
Public Sector	.222 .000	.396 .000	.554 .000	.891 .000

Appendix Table 4B. Odds Multipliers (e<sup>b</sup>) for a Weighted Multinomial Model of the Determinants of Healthcare Coverage, US Non-Self Employed Men 1995-2001 (p-values below)

	Outcomes: Employer Coverage, Full Premium Omitted			
	No Healthcare	Non-Employer Healthcare	Employer Healthcare, No Premium	Employer Healthcare, Partial Premium
<i>Ethnic and Generational (Whites 3rd Gen + Omitted)</i>				
Blacks 3 <sup>rd</sup>				
Generation +	1.895	1.160	2.154	1.275
	.000	.024	.000	.657
<u>Mexican Foreign Born Cohorts</u>				
Pre-1970	2.803	.622	1.355	1.179
	.000	.134	.551	.418
1970s	2.788	.511	1.381	.905
	.000	.002	.307	.455
1980s	5.359	.693	1.064	1.393
	.000	.072	.862	.015
1990-2001	7.731	.538	1.548	1.081
	.000	.038	.288	.679
2nd Gen Mexican-American	2.394	.976	1.389	1.166
	.000	.889	.288	.210
3rd Gen Mexican-American	1.821	.855	1.486	.920
	.000	.253	.092	.381
"Others"	3.289	1.033	1.025	.994
	.000	.451	.789	.856
<i>Year of Survey (1995 Omitted)</i>				
1997	1.007	1.011	1.020	1.010
	.873	.786	.800	.657
1999	1.021	1.019	.954	1.062
	.624	.627	.565	.038
2001	.965	1.109	.928	1.082
	.453	.017	.414	.013
<i>Education (College Omitted)</i>				
Primary	11.484	1.234	2.086	1.223
	.000	.065	.000	.017

Table 4B. (con'd)

No Non-Employer Employer Employer Healthcare,



	Healthcare	Employer Healthcare	Healthcare, No Premium	Partial Premium
Less than Highschool	7.929	1.325	2.091	1.078
	.000	.000	.000	.201
Highschool Graduate	2.938	1.127	1.439	.928
	.000	.006	.000	.015
Some College	1.693	1.109	1.086	.883
	.000	.018	.364	.000
Graduate	.466	.849	.899	.851
	.000	.004	.374	.000
Years Experience	.979	.983	.999	1.021
	.005	.018	.950	.000
Experience Squared	.999	1.000	.999	.999
	.108	.011	.333	.000
Metropolitan Status	.808	.980	.680	.987
	.000	.589	.000	.637
Married with Spouse Present	.546	2.163	1.230	1.134
	.000	.000	.002	.000
Veteran Status	1.109	1.232	1.255	1.118
	.022	.000	.005	.000
Public Sector	.201	.368	.544	.894
	.000	.000	.000	.000
Employed through Intermediary	5.593	4.460	1.620	.907
	.000	.000	.042	.416
Temporarily Employed	6.769	5.424	2.034	.663
	.000	.000	.000	.000
Part-time Employee	8.402	10.422	2.400	.804
	.000	.000	.000	.024

Appendix Table 5A. Odds Multipliers (eb) for a Weighted Logistic Model of the Determinants Retirement, U.S. Employed Men 1995-2001 (with p-values)

	Logged Odds of Retirement Benefits			
	without sector controls		with sector controls	
	<i>eb</i>	<i>p</i>		
<i>Ethnic and Generational (Whites 3rd Gen + Omitted)</i>				
Blacks 3rd Generation +	.859	.000	.888	.003
<u>Mexican Foreign Born Cohorts</u>				
Pre-1970	.569	.000	.554	.000
1970s	.437	.000	.435	.000
1980s	.301	.000	.302	.000
1990-2001	.119	.000	.126	.000
2nd Gen Mexican-American	.663	.000	.639	.000
3rd Gen Mexican-American	.764	.000	.762	.000
"Others"	.569	.000	.579	.000
<i>Year of Survey (1995 Omitted)</i>				
1997	1.079	.002	1.069	.008
1999	1.174	.000	1.161	.000
2001	1.218	.000	1.210	.000
<i>Education (College Omitted)</i>				
Primary	.184	.000	.181	.000
Less than Highschool	.248	.000	.249	.000
Highschool Graduate	.491	.000	.487	.000
Some College	.632	.000	.649	.000
Graduate	1.209	.000	1.234	.000
Years Experience	1.102	.000	1.085	.000
Experience Squared	.999	.000	.999	.000
Metropolitan Status	1.068	.000	1.076	.003
Married with Spouse Present	1.638	.000	1.528	.000
Veteran Status	.951	.045	.974	.298
Public Sector	4.906	.000	5.356	.000
Employed through Intermediary			.248	.000
Temporarily Employed			.185	.000
Part-time Employee			.128	.000

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<sup>1</sup> In this paper we use the pairs of standard/typical, non-standard/atypical interchangeably, though generally preferring to use the standard/non-standard distinction, following the prevailing practice in the literature.

<sup>2</sup> In California, for example, employment by farm producers, involving direct hire, declined by two percent between 1985 and 2000, during which time total farm employment grew by 22 percent. All of the growth employment occurred in farm services, dominated by contractors. For further details, see Martin, 2003.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> For all aspects of compensation, both monetary and non-monetary, we conducted an additional analysis of the self-employed. Given space constraints, as well as the modest size of the self-employed among the groups in question, we will briefly summarize the results of this analysis in footnotes. Detailed tabulations are available from the authors upon request.

<sup>6</sup> . 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.

<sup>7</sup> Detailed tabulations available from the authors upon request.

<sup>8</sup> Given space constraints, we will simply summarize results for the self-employed in a footnote following the discussion of results for the employers. Further details can be supplied upon request.

<sup>9</sup> Self Employed: Among the self employed, all groups experience significantly lower odds of healthcare coverage than whites; the greatest disparities are amongst the recently arrived foreign born but extending even to third generation plus self-employed. Though reduced, disparities persist after application of controls for background characteristics, with inter-group differences, relative to whites, all significant at the .001 level. The predicted probability of healthcare coverage amongst the self-employed, with all controls set at their mean, tell a story of ethnic inequality. While self-employed whites have coverage rates of 74%, self-employed foreign born Mexicans begin with a very low 8%

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coverage rate in the most recent cohorts, with the oldest cohorts reaching coverage rates of only 40%. These low levels of coverage for the most extensively self-employed Mexican group are consistent with our characterization of these positions: namely, labor-only contracting into which these immigrants are likely to have “graduated” following work as field hands. While one could view the higher rates of coverage among second (41%) and third (57%) generation Mexican-Americans as evidence of intergenerational assimilation, the overall impact on health care coverage is slight, given the very low levels of self-employment among these groups.

