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### **Authors**

Waldinger, Roger  
Reichl Luthra, Renee

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Intro the Mainstream?  
Labor Market Outcomes of Mexican Origin Workers

by

Renee Reichl Luthra\* and Roger Waldinger

UCLA

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INSTITUTE FOR RESEARCH  
ON LABOR AND EMPLOYMENT  
UNIVERSITY OF CALIFORNIA, LOS ANGELES

\*Please direct all correspondence to the first author, Renee Reichl Luthra at [rreichl@ucla.edu](mailto:rreichl@ucla.edu).  
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Abstract

*We evaluate recent revisions of assimilation theory by comparing the labor market performance of Mexican immigrants and their descendants to those of native white and Black Americans. Using unique data from the CPS Contingent Worker Series, we measure the employment sector distribution, fringe benefits, and earnings of four Mexican foreign born cohorts, second generation, and third generation Mexican Americans. We find little evidence that Mexican Americans are clustered in nonstandard work, noting instead improvement in benefits and pay amongst older cohorts and the second and third generation. However, all Mexican origin workers are disadvantaged relative to native whites in terms of benefits. It is only within the public sector that the labor market outcomes of Mexican origin workers fully converge with native whites.*

## Introduction

Whether immigrants and their children will move ahead is a central question confronting scholars of contemporary immigration to the United States. Proponents of assimilation theory answer yes, but that response encounters an empirical challenge in the size and characteristics of Mexican migration – the largest and most enduring component of today’s immigration to the United States. For roughly a century, Mexican migrants, most of them displaced peasants possessing little formal schooling, have moved to the United States. Two features have consistently characterized their experience: convergence on low skilled, poorly paid, stigmatized jobs, and a negative reception context, of which the most salient feature has been unauthorized status. In recent years, these initial disadvantages have been compounded by changes in the US labor market: the shift from a manufacturing to service based economy has increased the earnings premium placed on higher education (Goldin and Katz 2007), while job security and benefits have simultaneously declined. This state of affairs, as well as deep-seated tendencies toward discrimination against persons of Mexican origin – whether foreign or native – has led some scholars to wonder whether the U.S.-born descendents of Mexican immigrants can surmount the difficult circumstances that they encounter (Portes and Zhou, 1993; Portes and Rumbaut, 2001). Hypothesizing “segmented” assimilation, these scholars forecast a future of lasting inequality, where second generation Mexican Americans “stagnate” in the working class position of their foreign born parents (Portes and Fernandez-Kelly 2008).

Confronting this challenge head-on, Alba and Nee’s recent effort to update assimilation theory for the 21<sup>st</sup> century -- *Remaking the American Mainstream* (2003) – contends that the forces propelling advancement for immigrants of all skill levels remain strong. On the one hand, there are significant similarities in the characteristics and labor market placement of immigrants in the current and past eras of mass migration. Whether past or present, whether from Italy or Mexico, peasant migrants and their descendents are expected to follow a similar path of upward mobility in the labor market. On the other hand, conditions affecting *all* immigrants, whether highly or lowly skilled, have changed in one crucial respect: unlike the *last* era of mass migration, labor markets are now structured in such a way as to diminish discrimination. This shift facilitates movement into the economic “mainstream,” “that part of society within which ethnic and racial origins have at most minor impacts on life chances (Alba and Nee, 2003:12)” and where good jobs – of the same quality as those accessed by Italian, Polish and other children of the last mass migration – can still be found.

There is, however, a third possibility: the perspective that Alba and Nee dubbed as “the pluralist alternative,” representing, in their words “a safe route between the Scylla of racial subordination and

exclusion and the Charybdis of assimilation (2003:163).” In this view, first presented by Glazer and Moynihan (1963), and most extensively developed in the literature on ethnic niches (Lieberson, 1980; Waldinger, 1996; Rosenfeld and Tienda 1999; Lim, 2001), distinctive ethnic social structures put in place by migration persist even as immigrants and their descendents move ahead in the labor market. *Like* the neo-assimilation approach developed by Alba and Nee, the pluralist alternative forecasts second (and later) generation advance; similarly, pluralism also sees continuity in immigrant experiences past and present. *Unlike* the neo-assimilation approach, however, pluralism expects that progress will not take place through dispersion into an ethnically undifferentiated “mainstream.” Rather, second and later generations can best achieve upward mobility through the continued development of a different and better set of labor market concentrations than those occupied by immigrants, displaying distributions across jobs that remain distinct from native whites.

While the perspectives outlined above are formulated at a general level, they can be applied to the case of Mexican Americans as the following hypotheses to be tested empirically in this paper:

1. *Absolute and relative economic mobility*: Neo-assimilation and pluralist perspectives predict that second and subsequent generation Mexican Americans will enjoy employment conditions – more stable working relationships, better benefits, and higher earnings --that improve upon those of their parents. . Segmented assimilation theory, in contrast, posits stagnation in employment conditions from one generation to the next and the continued confinement of the second and later generations to the unstable, poorly remunerated jobs held by Mexican immigrants.
2. *Distribution across job types*: The neo-assimilation perspective predicts that later generation Mexican Americans will disperse from the low quality ethnic enclave clusters of the foreign-born into the mainstream labor market, eventually displaying similar distributions across employment sectors as those of white, native-born workers. The pluralist perspective forecasts continuing ethnic difference in job type, as second and later generations seek better returns for their human capital within employment clusters that continue to distinguish them from the dominant group. Finally, segmented assimilation predicts that overrepresentation in unstable and working class occupations will endure for Mexican Americans.
3. *Labor market rewards*: The neo-assimilation perspective expects Mexican immigrants and their children should experience the best remuneration and lowest degree of inequality within the economic mainstream, where large, regulated firms prevail and

discriminatory practices have been greatly reduced. By contrast, both pluralist and segmented assimilation perspectives question whether white majority mainstream institutions can provide equitable rewards to minority workers. Both these theories expect lasting inequality within mainstream jobs, but better, more equitable rewards within clusters where there are a higher proportion of co-ethnic workers. Segmented assimilation emphasizes self-employment as an escape from discrimination in a labor market dominated by white employers. Pluralism anticipates that advantageous concentrations can be found in a variety of sectors, particularly within public employment.

This paper evaluates these hypotheses with unique data from the February 1995, 1997, 1999, 2001, and 2005 series of the Current Population Survey. These data provide measures of job type and rewards that are more expansive than those customarily used to evaluate assimilation hypotheses. First, the CPS special supplement that we use includes additional information about the nature of the employment relationship, not available from any other source. This material allows us to distinguish standard, long term employment relationships from new, alternative kinds of working arrangements. Our paper is thus the first to analyze the distribution of first and second generation Mexican origin workers in “non-standard” jobs, involving work for an intermediary such as a contract or temporary agency, temporary employment, or part-time employment, in addition to the information on class of worker (public, private, or self-employed) available from customary sources. *This gives us traction on the relationship between ethnic inequality and recent changes in the employment relationship – most notably the growth in non-standard work.*<sup>1</sup>

Another increasingly important source of labor market inequality is access to employer sponsored healthcare and retirement benefits. In addition to asking about earnings – as does the Census of Population – the CPS, unlike the Census of Population, also collects information about the receipt of health insurance and retirement benefits. The employment relationship is identified by Kalleberg as “the main means by which workers in the United States have obtained rights and benefits associated with work with respect to labor law and social security” and that they are “... intimately related to... demographic characteristics of the labor force (2009:12).” We therefore measure the impact of ethnicity, job type, and the interaction between the two on eligibility for employer sponsored healthcare and retirement plans.

Last, the CPS is unique in that it is the only nationally representative data source identifying both foreign born and second and later generation Mexican Americans. Rather than collapsing the

second and subsequent generations together, this allows us to compare first and second generation Mexican origin workers to native whites, blacks, and Mexican-origin respondents of the third generation and beyond.

Drawing on information about employment relationships and adding in information about class of worker, we categorize all jobs within one of four types - private sector, standard; private sector, non-standard; public sector; and self-employment – and then examine inter-ethnic differences in allocation across these job types and in rewards in ways not previously pursued by other researchers. Consistent with the predictions of neo-assimilation and pluralist perspectives, we find evidence of intergenerational *improvement* in terms of employment relationships among second and third generation Mexican American men. However, evidence of *distributional* convergence with native whites anticipated by neo-assimilation theory is far more limited. Neither do our findings support the segmented assimilation model: second and third generation Mexican Americans do not stagnate in the non-standard jobs in which the foreign-born are over-represented nor do they show a reliance on self-employment. Rather, as predicted by the pluralism perspective, Mexican origin workers shift from a concentration in nonstandard work in the first generation to a concentration in the public sector in the second and third generation, trading a poorly remunerated niche for a better remunerated one. Finally, an assessment of rewards also finds support for the pluralist perspective. Although non-standard jobs provide the lowest rewards in *absolute* terms, Mexican origin disadvantage relative to native whites is highest in the standard sector. Steady, long term employment relationships no longer guarantee health and retirement benefits – and this deterioration in job quality is disproportionately borne by Mexican origin workers. It is only within the public sector that Mexican origin workers have access to benefits on par with native whites. Consequently, the concentration of second and third generation Mexican Americans in the public sector *reduces* ethnic inequality, providing a protected niche.

### **Mexican Migration and Labor Market Segmentation**

Several books and edited volumes are dedicated to the topic of Mexican labor market performance, most comparative in either a historical perspective (Alba and Nee 2003; Perlmann 2005; Bean and Stevens 2003; Min 2002; Borjas 2007) or comparative across groups (Portes and Rumbaut 2001; 2007). Despite the variety of interpretations, many of their empirical findings are similar. In the aftermath of mid-1960s changes in immigration policy – the end of the Bracero program and the enactment of the Immigration and Nationality Act amendments of 1965 -- large numbers of very low educated Mexican immigrants entered the United States. Mexican foreign born men have strong



employment rates, but they earn low wages, even after controlling for their human capital, and continue to earn less than the native born even after many years in the United States.

Research on their children is slightly more tentative, given their youth and the difficulty in identifying them in large datasets.<sup>2</sup> However, there is general consensus that most second generation Mexican Americans have made considerable gains in earnings and occupational status, relative to their foreign born parents (Perlmann 2005; Portes et al 2005). Despite these gains, many scholars still caution against a conclusion of convergence with native whites. Telles and Ortiz (2007), for instance, find tenacious residential and occupational segregation for the majority of their sample in their longitudinal study of Mexican Americans in San Antonio and Los Angeles. Similarly, recent studies by Farkas and Hall (2008) and Mosisa (2006) show continued inequality in terms of occupational status and earnings between second generation Latinos and US native born whites.

Though assimilation is a multi-generational process, initial evidence from studies of first, second (and in some cases third) generation Mexican Americans casts doubt on whether Mexican American progress entails movement into an economic “mainstream” in which ethnicity plays little or no role in structuring employment relations. The question of whether ethnic origins will continue to structure the labor market status of later generations, as contended by pluralist or segmented assimilation perspectives, is very much in question.

#### *Enduring Ethnic Segmentation*

The contention that ethnic differences in job type persist was first articulated by labor economists who developed the hypothesis of “labor market segmentation”. The most influential perspective emphasized the difference between *primary* and *secondary* labor market segments -- the first containing “good,” the second containing “bad” jobs – as well as the barriers to mobility across these sectors (Doeringer and Piore, 1972). This dualistic approach to labor market segmentation lost favor, largely because efforts to determine the boundaries of the primary and secondary sectors proved unsuccessful (Hodson and Kaufman, 1982). Assessing its application to the study of ethnic differences, Alba and Nee (2003: 159-63) similarly contend that dual labor market theory attributes a degree of rigidity and impermeability to ethnic boundaries that is inconsistent with historical evidence of boundary change amongst white ethnics.

Yet more recent perspectives of ethnic labor market segmentation, such as Tilly’s (1998) concept of “durable inequality,” suggests that ethnicity and the economy may be intertwined, even in the absence of the sort of barriers to movement emphasized by dual labor market theory. To begin

with, categorically distinct job types can be defined: “core” jobs offer opportunities for on-the-job training, full benefit packages, and protection from unemployment, whereas “peripheral jobs” are characterized by low levels of firm-specific knowledge, ineligibility for fringe benefits, and perceived risk of job loss. Workers with favorable working conditions tend to “hoard” opportunities through referral recruitment and promotion systems, so that historical inequalities in job placement are reproduced even in the absence of present discrimination. Thus relative newcomers, such as women, non-whites, and immigrants, are effectively blocked from privileged positions where their skills would be best rewarded.

Arguments of this sort recurrently appear in the immigration literature. While the emphasis varies depending on the author and the context, the literature discussing immigrant networks (Massey et al, 1987), immigrant enclaves (Portes and Bach, 1985), immigrant niches (Waldinger, 1996), and, most explicitly, *segmented* assimilation (Portes and Zhou, 1993) sounds a common theme, picking up on the earlier ideas of labor market segmentation. In these literatures, however, it is the immigrants who hoard opportunity: although immigrants and their children may be excluded from the social networks that lead to recruitment and promotion in an economy dominated by white natives, they may also be able to rely on ethnic ties that can funnel them into ethnic niches where fellow immigrants have already gained a foothold.

The literature has drawn particular attention to ethnic clusters of two types: entrepreneurship and public sector employment. Self-employment has served as an important incorporation pattern for a variety of immigrant groups throughout US history. Proponents of segmented assimilation argue that by generating social capital, ethnic economies could provide the children of working-class immigrants with better opportunities than the mainstream market. By contrast, Alba and Nee find it “implausible” that ethnic economies “will prove attractive to substantial members of the second generation” (2003: 235). In particular, Mexican immigrants bring fewer educational and financial resources than are found among the Cuban or Korean immigrants who are currently over-represented in self-employment. Nonetheless, business ownership in landscaping, construction, and food service is an important component of Mexican foreign-born employment, particularly amongst the older cohorts (Rajman and Tienda 2000). Whether Mexican immigrants’ descendants might take on and expand these businesses, or use their higher education levels to leverage ownership in more profitable industries, remains an empirical question.

Alternatively, Mexican-Americans might avail themselves of jobs in the public sector. Government employment offers the attractions of a highly formalized personnel system, diminishing the

potential for discrimination, along with a compensation system that, while limiting the potential for very high earnings, has retained a full benefit package to a greater extent than most jobs in the private sector. As indicated by the earlier experience of Irish and Italian Americans, and more recently, black Americans, ethnic networks can become fully embedded within the public sector, increasing access for co-ethnics with ties to established government workers (Erie, 1990; Modell, 1993; Katz and Stern, 2006). Various scholars have already noted Mexican American concentration in the public sector, most recently Katz and Stern who argue that “Like Black Americans, Mexican Americans found the road to economic mobility in public and publicly funded employment rather than in owning small businesses (2006: 117; but see also, Ortiz, 1996)”. Given the U.S. citizenship and higher levels of education among the Mexican second generation, as well as the possible advantages associated with the use of Spanish in providing government services to new immigrants, one might expect government to serve as a mechanism of Mexican American mobility.

These perspectives contradict the rational choice approach of neo-assimilation models, in which individuals’ efforts to search out the good life produces a “decline of an ethnic difference” (Alba and Nee, 2003: 14). Instead, the pluralist and segmented assimilation perspectives point to the enduring significance of ethnicity in the distribution of benefits and rewards, arguing that the rational choice may be the maintenance, rather than the abandonment of the homeland centered, network processes that originally propelled the migration. Moreover, in an economy that is growing ever more “precarious” (Kalleburg 2009) and bifurcated (Portes and Rumbaut 2001), full time work in the mainstream may no longer guarantee the opportunity for upward mobility that characterized the 1940s and 1950s, when the last second generation came of age. In such an economy, self-employment and concentration in the public sector may prove an important buffer to market risks.

#### *A diminished, restructured mainstream*

As suggested above, the questions of whether immigrants and their descendants cluster in particular segments or diffuse into the economic “mainstream”, and which tendency is most likely to yield success, have garnered extended sociological attention. Yet despite the fact that economic restructuring and the “hourglass economy” are frequently cited as potential barriers to immigrant success (Portes and Zhou 1993; Portes and Rumbaut 2001), there is very little empirical work that actually measures the employment relationships of immigrants and their descendants.

In particular, we focus on two types of changes in the employment relationship. First, many organizations, large and small, have recently adapted to greater volatility in the business environment by embracing “numerical or external flexibility,” shifting exposure to risk to workers with a limited,

possibly tenuous connection to the organization (Kalleberg, 2000, 2003). These new practices often involve the deployment of workers in a non-standard way, whether through indirect employment (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. As shown by Kalleberg et al (2000), nonstandard employment is far more likely than standard employment to be associated with “bad job” characteristics (e.g., low pay and lack of fringe benefits) and that minority workers are more likely to be found in non-standard jobs than their majority counterparts. Linking this change to the prospects for assimilation, segmented assimilation scholars argue that access to the economic mainstream, as conceptualized by Alba and Nee, may be shrinking, with immigrants and their descendants increasingly confined to non-standard jobs. While a key supposition of the segmented assimilation perspective, this link has not yet been empirically tested.

Second, employment relationships even *within* the standard jobs that best approximate the mainstream may be changing, in ways that work to the disadvantage of immigrants and their descendants. The offspring of the labor migrants of the 1900s – whose experience exemplifies the trajectory forecast by the neo-assimilation approach – moved ahead via a mainstream that provided a package of rewards, including not just high wages, but also health and retirement benefits that offset the threats to workers’ security posed by illness and old age (O’Rand, 1986). At the turn of the 21<sup>st</sup> century, however, that package may be harder to find, even among mainstream employers, who, facing greater competition, are seeking to externalize costs to their employees (Shuey and O’Rand, 2004; Kalleberg 2000), a tendency illustrated by the decline in health and pension plans (Kalleberg, 2009: 8). Moreover, cost-reduction pressures within the mainstream may offset the equalizing impact of “non-zero sum mobility” emphasized by neo-assimilation theory (Alba 2008), since hard-pressed organizations may conclude that they can only offer the full package of wages and benefits to those workers to whom they are most committed – the “insiders” who have not historically included minority employees. Consequently, Mexican Americans may find that diffusion into the mainstream does not reduce inequality, but rather, as predicted by the pluralist and segmented assimilation approaches, that entrepreneurship or clustering within public employment offers more equitable rewards.

## **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 ethnic and generational differences in job type, retirement

and healthcare benefits, and earnings. The survey is based on a nationally representative sample of approximately 50,000 households, excluding persons in the armed forces and institutionalized living quarters. While the survey asks for place of birth, it does not inquire into the legal status of respondents; it is therefore likely that our foreign born sample includes undocumented workers. As the focus of this paper is changes *across*, rather than within generations, this should not impact conclusions of *general* differences between first and subsequent generation Mexican origin workers.

In the odd years from 1995-2001 (1995, 1997, 1999, 2001), and again in 2005, the February CPS series included a Contingency Labor Supplement, an additional set of questions that contains information on contingent and alternative working arrangements, employee benefits, and earnings. To measure employment sector and benefits, we merge and analyze all available Contingent Labor Supplements, from 1995-2001 and 2005, controlling for survey year in all analyses. This data is unique for the analysis of employment sector and benefits, the main contributions of this paper. Earnings information, however, for the Supplement Sample is not representative of both contingent and standard workers after 1999. Therefore, we must restrict our earnings analysis to 1995-1999.<sup>3</sup>

#### *Sample*

The sample includes both native and foreign-born employed men, ages 25-60. The paper's focal indicators – employment sector, employer-subsidized health and retirement benefits, and wages – are all indicators of inequality *within* the employed population. As a result, we restrict our analysis to the employed population only. We also limit the focus to men for two reasons: 1) since job sorting is gendered, different models would be required for men and women and 2) as other authors have shown (see for instance Waldinger and Feliciano 2003; Katz and Stern, 2006) Mexican-Americans are characterized by significant *intra-ethnic* gender differences in wages, occupational status and employment, and these differences change across generation.

For similar reasons, we restrict the sample to prime-age adults. Young adults still making the transition from school to full-time employment are more likely to be in unstable jobs: as of 1999, 20% of workers who expect their job not to last longer than a year were younger than 25 and 60% of these workers were enrolled in school (Edwards and Grobar, 2002). By limiting our analysis to adults age 25 – 60, we attempt to exclude students and retirees who may also be working from our sample. Finally, for our employment sector and benefits analysis, we restrict our sample to those with complete data for all independent and dependent variables, resulting in a loss of 3% (N= 3,352) of our sample of employed, prime-aged men. To account for the sampling design of the Current Population Survey, Contingent Labor Supplement sample weights provided by the CPS are applied for all descriptive statistics and analyses<sup>4</sup>.

Following the practice adopted by other researchers (Farley and Alba, 2002; Grogger and Trejo, 2002; Bean and Stevens, 2003; Blau and Katz, 2005), the contrasts between Mexican-origin generations developed in this paper are cross-sectional: neither directly nor indirectly do they match parents with children who may have entered the labor market at an earlier period of time. The disadvantages of this approach are well known, principally pertaining to any unmeasured impact of changes in migrant selectivity or to inter-generational shifts in ethnic persistence.<sup>5</sup> To control for the problem of changing selectivity, we include year of migration for our foreign born cohorts. Regarding changes in ethnic persistence, the cross-sectional approach has the advantage, as argued by Grogger and Trejo (2003), Bean and Stevens (2003), and Blau and Katz (2005), of holding the social and economic environment constant for intergenerational comparisons.

#### *Dependent Variables*

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

#### *Sector of Employment*

We define four different employment sectors in our paper: private sector standard and nonstandard employment, public sector employment, and self-employment. Respondents are categorized according to the characteristics of their main job. 1. Standard employment, as defined here, is described by Tilly (1998), as the “core,” full time employment that best characterizes the mainstream. We define standard employment here as working for 35 hours a week or more, with the expectation of employment for at least a year or more, at the employer’s place of business, and under the employer’s direction. 2. Nonstandard employment includes employment via an intermediary such as a contract or temp agency, temporary employment (lasting a year or less) and part-time employment. Our definition seeks to approximate the increase in flexible working arrangements and the externalization of risk by employers. 3. Public Sector Employment we define as any job with standard characteristics where the employer is classified as federal, state, or local government. Employees of the government who are employed temporarily or in part-time positions, constituting only 1% of the total sample (N=1,308), are omitted from all analyses<sup>6</sup>. 4. Self Employment consists of individuals who report working for themselves, either incorporated or as individuals, and are responsible for their own taxation and have no employer.

#### *Fringe Benefits*

We define both health care and retirement as dichotomous variables. For wage and salary workers, those who are eligible for employer sponsored healthcare are coded as 1, with all others coded

as 0. Eligibility is defined as having healthcare from the employer, or reporting eligibility for any “employer offered” plan regardless of the respondent’s use of this eligibility. This better captures job inequality than the more common dichotomy of health care/no healthcare, as it is independent of employee preferences for healthcare<sup>7</sup>. Self employed individuals have no employer, therefore we use the less direct measure of healthcare from any source (=1) to capture health insurance variation amongst the self employed. Retirement is a dichotomous variable, coded 1 if the respondent is included in an employer-sponsored pension plan, and zero otherwise. As the self-employed have no employer, we exclude them from this analysis.

*Earnings:* Finally, wages are observed as the natural log of a continuous weekly earnings variable, converted into constant 1999 dollars (Bureau of Labor Statistics 2009). Wages are combined with overtime, commissions, and tips in the CPS as weekly earnings, which includes overtime for salary earners. Given that reported earnings of the self-employed are defined as receipts minus expenses, their earnings include profits in addition to their wage earnings. This presents difficulties in comparisons of self-employed individuals to wage and salary earners, thus the self-employed are modeled separately. As noted above, only the 1995, 1997, and 1999 Contingent Labor Supplements had representative earnings information, and therefore we restrict this analysis to those years.

#### *Independent Variables*

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

#### *Group Variables*

Our paper compares the labor market experiences of nine different categories of workers: non-Hispanic whites of native parentage, non-Hispanic blacks of native parentage, four cohorts of foreign-born Mexicans<sup>8</sup>, native-born Mexican-Americans with at least one foreign born parent (second generation), and native-born Mexican-Americans of native parentage (third + generation). The third generation Mexican American category is a self-identified, heterogeneous mix of those with Mexican-born grandparents as well as older generations<sup>9</sup>. All other persons are retained and grouped into “Others.”

#### *Control Variables*

We divide education into a set of categorical variables: primary school or less, some high school, high school diploma or its equivalent, some college or an associate degree, or a college degree, with respondents with a graduate degree as the omitted category in all models. Survey year is included to control for the different years of data collection, 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. Marital status is coded 1 if the respondent is married with spouse present, 0 otherwise. Following the results of previous research showing that each of our employment sectors may differ in terms of benefits and wages, when modeling fringe benefits and wages we include dummy variables for employment in the public and nonstandard employment sectors outlined above, with standard work arrangements as the omitted category. Finally, we control for weekly hours worked in our wage model to control for workweek differences beyond the full-time/part-time distinctions.

### *Descriptive Statistics*

Table 1 provides descriptive information. Though our sample is restricted to employed workers, we provide a frame of reference for our discussion of interethnic differences across employment outcomes with statistics on labor force participation and employment for all men ages 25-60 at the top of table 1. A look at employment status reveals that our sample includes the majority of men ages 25-60, though white men and the Mexican foreign born have the highest percentage employed (87%), with black American men reporting the lowest rates of employment at 75%, and second and third generation Mexican origin men somewhere in the middle at 86% and 83%, respectively. Unemployment rates are fairly similar across the groups, ranging from 3-6%. The largest interethnic difference we observe is that nearly twice as many Black American men are out of the labor force as any other group.

Turning to dependent variables within our analytic samples, we see that the majority of the sample holds standard jobs. Although standard job holding rates are similar across our comparison groups, the alternative employment relationships show strong evidence of ethnic segmentation. Most importantly, Mexican and black Americans are overrepresented in the public sector, whereas white Americans are overrepresented in self employment. Although overrepresentation in nonstandard work is only truly notable among the more recently arrived foreign born cohorts, both native blacks and all Mexican origin workers have slightly higher percentages in nonstandard work than native whites. Initial results therefore do not point towards either self-employment as a distinctive incorporation pattern for second and third generation Mexican Americans, nor to stagnation in nonstandard jobs, but rather to clustering in the public sector.

Despite their representation in stable working environments, Mexican-Americans and black Americans experience much lower rates of healthcare and retirement coverage, as well as lower wages, than native whites. Among the self employed, the differences are especially large. The percentage of self employed foreign born Mexicans who have no healthcare coverage from any source is as high as 85% in



the most recent cohort, as compared to only 22% of self employed whites. Even the second and third generations include more than two times more uninsured self employed workers than native whites, at 50% and 47%, respectively. Black Americans fare better, with only 38% reporting no health insurance. At first glance, self employment appears to be a sector where ethnic inequality in rewards is exacerbated, rather than reduced.

When we look at healthcare *eligibility* and retirement amongst wage and salary earners, however, ethnic disparity is much more compressed, suggesting different benefit take-up rates amongst our groups, as well as different availability of fringe benefits. In addition, there are clear signs of improvement across foreign born cohorts and generations. Though healthcare and retirement eligibility rates remain over 10% lower for both second and third generation Mexican origin workers than for native whites, with over two thirds eligible for healthcare and over half eligible for a pension plan, the second and third generation have made clear progress over the foreign born.

Earnings paint a similar picture of intergenerational improvement. Second generation Mexican Americans earn on average \$200 a week more than the most recently arrived foreign born cohort, and the third generation surpasses the earnings of native blacks and the second generation by about \$100 a week.

These findings suggest progress in benefits and earnings across time and generations for Mexican origin workers, although parity with native whites is not achieved. Given their lower education levels (see independent variables in Appendix A), it is likely that Mexican origin and black American workers are sorted into jobs of lower quality than the jobs of whites, with a negative influence on their benefits, a possibility that will be explored more fully in our multivariate analyses.

[Table 1: Weighted Descriptive Statistics]

### *Sector of Employment*

Weighted multinomial regression is used to estimate the likelihood of employment sector. Full results are presented in table two.

All control variables are significant predictors of employment sector, suggesting a clear hierarchy of the desirability of jobs within different sectors. Educational attainment, work experience, and being married are negatively associated with the odds of employment in nonstandard, rather than standard employment, whereas these variables are positively associated with the odds of self employment and employment in the public sector. A look at the survey year reveals a relationship between market cycles and employment relationships: the boom years of 1997, 1999, and 2001 are associated with higher likelihoods of standard employment, with the likelihoods of public, non-standard

and self employment reaching their lowest levels at the peak of the boom in 2001 and then rising again in 2005.

### *Intergroup Comparisons*

Regression results show that ethnicity and generation sort workers across job categories in distinctive ways. To summarize these differences, we see that net of all controls, all ethnic and generational groups differ significantly from whites at the .05 level in their likelihood of public sector and self-employment, rather than standard employment, with the exception of the oldest Mexican foreign born cohort. Public employment proves a niche for minority groups, as all nonwhite native born groups are significantly more likely than whites to be employed in the public sector rather than the private sector.

In contrast to the emphasis placed on entrepreneurship in segmented assimilation theory, the odds of Mexican-origin self employment are never significantly higher than that of whites. With the exception of the oldest foreign born cohort (likely a fairly selective group due to return migration patterns), every group in the sample reports significantly lower odds of self employment, even net of all controls.

Finally, table 2 reveals a complex relationship between ethnicity, generation, and work in the nonstandard sector. In line with assimilation hypotheses, we see that the most recently arrived foreign born cohorts have much higher odds of nonstandard employment, rather than standard employment, but that the pre-1970 and 1970 foreign born cohorts, as well as second generation Mexican Americans, do not differ significantly from whites in their odds of nonstandard employment. As anticipated by segmented assimilation theory, however, more settled minority groups do have higher odds of nonstandard employment than native whites: 26% higher for third generation Mexican Americans, and 31% higher odds for native blacks of native parentage.

Finding similarities in employment sector between black Americans and Mexican Americans supports the perspective that ethnicity will have a lasting impact on the labor market distribution of Mexican Americans. To further explore this possibility, we rerun the model with black Americans as the omitted category<sup>10</sup>. While we find that both second and third generation Mexican Americans have significantly higher odds of self employment than do black Americans, they do not differ significantly from black Americans in their odds of either public or nonstandard employment.

[Table 2: Odds Ratios of Employment Sector]

Aid interpretation, we also compute predicted probabilities of employment sector for each group, holding all control variables constant at sample modes and means. The results, plotted as a bar

graph in Graphic 1, can be interpreted as the probability of sector employment if all differences in human capital and other controls between the ethnic and generational groups disappeared. These predicted probabilities are suggestive of upward mobility across generations via an ethnically structured incorporation path. With higher probabilities of public sector employment, and lower probabilities of self-employment, Mexican Americans share greater similarity in employment sector probabilities with the other largest minority in the United States, black Americans, than with the native white “mainstream”. Yet contrary to the prediction of “stagnation,” only the most recently arrived foreign born cohorts have higher probabilities of nonstandard employment than native whites, and Mexican origin workers are more likely than native blacks to be self employed.

[Graphic 1: Predicted Probabilities of Employment Sector]

### *Benefits*

This section of the paper inquires into two key forms of non-monetary compensation – healthcare and retirement – asking how they vary by ethnicity and generational status or employment sector.

#### *Healthcare Benefits*

Our estimates of eligibility for employer sponsored insurance amongst wage and salary earners, before and after sector controls, are found in columns 2-5 in table four. Our discussion of wage and salary workers below draws from the second model including sector controls (columns 4 and 5). The estimates of having healthcare from any source amongst self-employed workers can be found in columns 6-7 of the same table. For both wage and salary and self employed workers, all human capital measures, along with marriage and living in a metropolitan area, share a significant, positive association with healthcare coverage.

[Table 3: Odds Ratios of Healthcare]

#### *Inter-Group Comparisons*

Ethnicity and generation are important predictors of healthcare coverage for both wage and salary and self employed workers. Amongst wage and salary earners, all non-white groups are significantly less likely to be eligible for employer healthcare, even after controlling for differences in education, work experience, and marital and metropolitan status. While the odds of healthcare coverage dramatically improve with time spent in the US and across generations, Mexican origin workers never achieve parity with native whites *or* native blacks<sup>11</sup>, and experience 39% lower odds of healthcare eligibility than whites even into the third generation. While it is more difficult to make healthcare *access* comparisons amongst the self-employed, we do see large and lasting inequality in

terms of actual healthcare benefits: net of all control variables, Mexican origin self employed workers, even those of the second and third generations, experience less than half the odds of healthcare coverage than native whites.

#### *Effects across sectors*

Turning to our sector controls, all sectors differ significantly from the standard sector in terms of healthcare coverage. Consistent with the literature, public sector employees experience over 5 times the odds of healthcare eligibility than standard private sector workers, whereas nonstandard workers experience .81 lower odds. While sector effects are large and significant, their addition to the model does little to decrease the ethnic disparity in healthcare coverage. To the contrary, adding sector effects to the model *increases* the gap between whites and minorities, suggesting that the lack of convergence in employment sector observed amongst Mexican origin workers above may actually serve to diminish their disadvantage relative to whites<sup>12</sup>.

To better interpret the size of these inter-group disparities, we also report predicted probabilities of health care coverage for each group in graphic two, with all control variables and employment sector held constant at the sample means and modes. The foreign born have very low probabilities of healthcare eligibility and coverage across all sectors of employment upon arrival, but make significant gains across cohorts. After controls, the Mexican second generation remains 6% less likely than whites to be eligible for healthcare, and amongst the self employed, the Mexican second generation is 14% less likely than whites to have healthcare from any source. For both wage and salary and self employed workers, improvement stalls after the second generation, and the third generation has nearly identical probabilities of healthcare eligibility and coverage as the second.

As predicted by the pluralist perspective, and in contrast to the segmented assimilation perspective, Mexican origin workers achieve great improvement in healthcare across time and generations. Further in contrast with the segmented assimilation perspective, inequality in health care is greatest among the self-employed. At the same time, Mexican origin probabilities of health care coverage, even net of human capital and employment sector differences, never converge with native whites.

[Graphic 2. Predicted Probabilities of Healthcare Eligibility and Coverage]

*Retirement:* We next examine inter-group differences in eligibility for an employer retirement program, restricting our sample to wage and salary workers. Once again our control variables are significant and in the expected direction.

*Intergroup Comparisons:* Models of retirement eligibility for employer pension plans, both before and after sector controls, are included in table four. A bar graph of predicted probabilities, with all probabilities computed with the controls at sample means and modes, is found in graphic three. The findings for retirement eligibility largely mirror those of healthcare eligibility. Second generation and older cohort foreign born Mexican workers make significant gains in terms of retirement eligibility over more recently arrived foreign born cohorts, yet continue to have 22% lower odds of retirement eligibility than native whites in the third generation. This result is largely congruent with the pattern observed in the healthcare model. There is, however, one key difference: as compared to health insurance, ethnic disparities in retirement are more compressed, reflecting the relatively lower level of eligibility for retirement overall.

[Table 4: Odds Ratios of Retirement Program Inclusion]

[Graphic 3: Predicted Probabilities of Retirement Program Inclusion]

*Effects across sectors:* Net of ethnic and control variables, nonstandard employees experience .72 lower odds of retirement than standard employees, whereas public sector employees have over 6 times the odds of retirement coverage than standard private sector employees. While the direction of each group coefficient does not change, the net *disadvantage* of second and third generation Mexican origin and black workers again *increases* after the addition of sector controls. This finding, while counterintuitive, is not surprising in light of the overrepresentation of native born Mexican origin workers in the public sector, which also provides much higher rates of retirement coverage than private standard employers. Hence, the employment sector distribution of Mexican 2<sup>nd</sup> and 3<sup>rd</sup> generation may substantially *mitigate* their disadvantage in terms of both health care and retirement benefits.

#### *Ethnic Inequality in Healthcare and Retirement within Sectors*

Inequality in healthcare and retirement eligibility relative to whites *increased* amongst non-white wage and salary earners with the introduction of sector level controls. To statistically investigate whether Mexican origin workers experience greater inequality in some sectors than others, we included an interaction term between the ethnicity/generation identifiers when predicting healthcare and retirement among wage and salary earners. To improve estimation, the foreign born cohorts were collapsed into a single foreign born category.<sup>13</sup> The resulting ethnicity category and sector interactions were collectively significant at the .01 level<sup>14</sup>. Predicted probabilities from the interactive models of healthcare and retirement eligibility were computed with all control variables set at the sample mean, but allowing the impact of sector to differ by ethnicity and generation. The results, found in table 5, can

be interpreted as the probability of healthcare and retirement for a member of each ethnic group, within each sector, who has “average” levels of human capital and other control variables.

Not only does receipt of benefits vary by sector, so too do inter-ethnic disparities. In contrast to the expectations of neo-assimilation theory, Mexican origin workers experience the greatest inequality relative to native whites within the standard sector. An “average” white wage and salary employee in the standard sector has an 6% higher probability of healthcare and retirement eligibility than a third generation Mexican American with the exact same level of human capital and other controls. Clearly, there is considerable heterogeneity even within stable, mainstream jobs and this heterogeneity in job quality aligns with ethnicity.

In comparison, in the public sector, third generation Mexican Americans surpass native whites in their probability of retirement, and remain only 2% lower in their probability of healthcare. In light of the inequality observed in the private sector, it is no surprise that Mexican Americans cluster in public sector employment.

It is not surprising that the public sector rewards workers well – and more equitably. It is also not surprising that nonstandard jobs also reward workers poorly – regardless of ethnicity. Mexican Americans reach near parity with native whites in their probability of both health care and retirement within the nonstandard sector. However, as benefit eligibility is very low in this sector, this equality means little in terms of the job quality experienced. Still, inequality remains greatest within the standard sector, suggesting considerable heterogeneity in benefits within standard jobs – and that the erosion of benefits within standard work is being disproportionately borne by the descendents of Mexican immigrants.

[Table 5: Predicted Probabilities of Healthcare Eligibility and Retirement by Origin and Sector]

#### *Earnings*

Using the earnings 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 six, and self-employed in the second (columns 5-6). As before, for wage and salary workers the results discussed correspond to the full model including sector of employment controls. The dependent variable is logged, and beta coefficients in the text are exponentiated to represent the approximate percentage change in earnings with each unit increase in the independent variable.

*Inter-group Differences:* Net of all of the control variables, black Americans earn 20% and 22% less than whites, as wage and salary and self-employed earners, respectively. We see evidence of convergence with native whites amongst the Mexican origin groups: amongst the self employed, the oldest foreign born cohort as well as the second and third generation plus Mexican-Americans, do not differ significantly from native whites in this analysis, net of other variables in the model. Amongst wage and salary workers, while the Mexican second generation continues to earn 14% less than native whites, the third generation no longer differs significantly in their earnings, net of our control variables and both before and after controls for sector of employment.

*Effects across and within sectors*

Employment outside the standard sector depresses wages, with the coefficients for public and nonstandard sectors both negative, though the latter a good deal more so. As before, inter-group differences persist after controls for sector. However, in contrast to the pattern seen when analyzing benefits, sector controls have essentially no impact on the size of the coefficients observed for Mexican origin and black workers. Though the negative signs for the nonstandard and public sector suggests that work outside of the standard sector compresses wages, controlling for the overrepresentation of the nonwhite groups in these occupations fails to reduce ethnic differences, at least in this sample. On the other hand, in contrast to the benefits, Mexican origin workers do achieve parity in earnings with native whites, net of our controls. The impact of ethnicity on more institutional structures surrounding access to jobs and benefits is stronger than on earnings alone.

[Table 9: Logged Earnings Coefficients]

## **Conclusion**

The “new immigration” is the label conventionally applied to the growing number of foreigners that have moved to the United States from the Americas, Asia, and Africa over the past several decades. Ironically, however, the single largest source of today’s U.S. immigrants – Mexico, the birthplace of roughly one-quarter of all foreign-born persons living in the United States – involves a century long migration. Mexican migration has historically been a peasant migration, in which displaced agriculturalists, coming with educational backgrounds well below those of the U.S. population, have taken up positions at the bottom of the job structure. This long lasting movement of people has left a multi-generational Mexican origin population in its wake. Given this migration’s size, its characteristics, and its history, the trajectory of Mexican immigrants and their descendents is a crucial, perhaps *the* crucial, issue in immigration research in the United States today. Uncertainties regarding the eventual

trajectory of Mexican origin men and women lie behind the pessimistic scenario forecast by segmented assimilation, as well as the influence it has exercised, since first formulated almost two decades ago.

By contrast, assimilation theory, in the updated form provided by Alba and Nee (2003), contends that the labor migrants of the turn-of-the 21<sup>st</sup> century will eventuate in the type of upward progression experienced by the labor migrants of the century before. In this view, immigrants and their children, regardless of class background or circumstance of arrival, are commonly motivated by the search for the good life. Their goals involve stable, well paying jobs, access to resources, and a better living environment, a quest facilitated by legal changes that have reduced the impact of discrimination. Consequently, Alba and Nee expect Mexican immigrants and their descendents to progress via diffusion from their initial lower-level concentrations, increasingly converging on the economic mainstream. In forecasting convergence on the mainstream Alba and Nee also reply to fears that today's lesser skilled immigrants, entering an increasingly deregulated economy, will become trapped in unstable, undesirable and perhaps racialized nonstandard employment relationships.

Our paper is one of the first to empirically confront the fear that the descendents of immigrants will bear the brunt of increasingly unstable working relationships. Contrary to these fears of stagnation and lasting economic disadvantage, we find that second and third generation Mexican Americans do *not* cluster disproportionately in nonstandard jobs. As we show, the low paying, unstable nonstandard jobs are concentrations of recently arrived Mexican foreign-born, much less so among the Mexican second or third generations. Mexican American men are largely finding stable employment commensurate with their education credentials.

On the other hand, and looking at allocation across the four job types identified in this paper, Mexican second and third generation workers job holding patterns remain very distinct from that of native whites of native parentage, mirroring instead the distribution of native blacks, contrary to the claims of assimilation. Compared to whites, and controlling for background characteristics, Mexican immigrant offspring are more likely to be employed in the public sector, as well as much less likely to be self employed. Furthermore, that pattern of concentration significantly *reduces* inequality, with respect to the receipt of health insurance and eligibility for paid retirement plans. Second and third generation Mexican Americans also share with black Americans a much lower likelihood of self-employment. Unlike black Americans, however, second and third generation Mexican Americans do reach parity with native whites in their weekly earnings, though they suffer similar deprivation in terms of benefits within the standard employment sector.



Though the segmented assimilation perspective finds support in the continuing ethnic divisions in employment relationships we observe, it is the major tenet of assimilation theory, that of improvement across time and generations, that is solidly confirmed with our data. We therefore argue that, taken together, the findings of this paper best align with the “middle ground” of the pluralist perspective. Rather than predicting stagnation, or convergence with native whites, this view suggests that the offspring of Mexican immigrants are instead likely to engage in a process of “parallel mobility,” moving into better jobs than those held by their parents, but continuing to remain distinct from native whites in their employment sector distribution.

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

As we show, full time, long term employment in the mainstream no longer guarantees healthcare and retirement eligibility, as nearly a fifth of all standard private sector workers are ineligible for employer provided healthcare and 41% are ineligible for retirement (own calculations, not shown). Moreover, nonwhite workers disproportionately bear the costs of this deterioration of job quality: it is within *standard* private sector jobs – not the tenuous and short term nonstandard jobs – where Mexican second and third generation workers, as well as blacks, continue to have lower probabilities of healthcare and retirement than native whites.

Although the immigrant offspring on whom we have focused are the descendents, not of the current wave of mass migration, but rather of the smaller migration of the mid 20<sup>th</sup> century, their experiences are telling for the future of the large numbers of second generation Mexican Americans coming of age today. As these Mexican Americans become rooted in the public sector, and unfortunately, the less desirable jobs of the standard private sector, they will likely serve as network contacts and informational ties for the adult children of today’s immigrants. Our findings suggest that

the labor market distributions of Mexican immigrants and their descendants will remain distinct for a long time to come.

## Footnotes

<sup>1</sup> While the CPS special supplement provides information on benefits and non-standard employment not available in the census, the smaller size of the CPS precludes the type of detailed disaggregations that might identify employment clusters or niches *within* the nonstandard sector as we have defined it here.

<sup>2</sup> To identify the second generation, surveys must ask questions about parent's place of birth.

Unfortunately, the Census stopped asking the necessary questions in 1970.

<sup>3</sup> The Current Population Survey uses a rotating sample scheme, in which one fourth of the sample, the "outgoing rotation", exits every month. Only the March CPS asks all workers in the monthly sample for their earnings. Otherwise, all basic monthly surveys only ask earnings information of the "outgoing rotation" group members. In the Contingent Labor Supplement, earnings data is collected *only* for supplement respondents who report contingent employment (wage and salary as well as self employed workers who expect their current job, or their self employment, to last a year or less for non-personal reasons) or an "alternative" working arrangement, defined by the Bureau of Labor Statistics as independent contractors, on-call workers, workers employed by a temporary help agency, and workers provided by contract firms (Email communication with Peter Horner, February 7, 2009). In 1995-1999, we use earnings information from the Contingent Supplement, in conjunction with earnings data collected from the outgoing rotations in the basic survey, for our earnings analysis. Unfortunately, in 2001 and 2005, the Contingent Labor Supplement no longer included the outgoing rotations. This means that for these years, there is no wage information for workers in the Supplement who do not fulfill the contingent or "alternative" work definition above. The result is that for these years, only comparisons between contingent workers and workers in alternative arrangements were possible.

<sup>4</sup> To correctly calculate the standard errors of weighted data, only the cases in the subpopulation of employed men ages 25-60 are used in the calculation of the estimates, but all supplement cases are used in the calculation of the standard errors.

<sup>5</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>6</sup> Including this group makes all models unestimable, as there are no Mexican foreign born respondents who are employed in the public sector in a nonstandard arrangement. Given that this group represents only 1% of my total sample (N=1,308) I omit these respondents.

<sup>7</sup> Using health care coverage as the dependent variable in our ethnic and generational comparisons results in larger differences between Mexican origin groups and all native whites and blacks, though the direction of the relationships are the same as reported here.

<sup>8</sup> Fortunately, by pooling 4 survey years together, we are able to capture enough first generation Mexicans to control for the impact of immigrant cohort (Borjas 1985). Four cohort dummies, pre-1970, 1970-1980, 1981-1990, and 1991-2005 are included in each analysis.

<sup>9</sup> In 1995-2001, those third generation members who report a Chicano, Mexican American, or Mexicano ethnicity are counted as third generation plus Mexican origin. Starting in 2005, the CPS introduced changes to the ethnicity question to correspond to 2000 Census changes, and "Mexican" was the only option.

<sup>10</sup> Full results not shown

<sup>11</sup> Black/Mexican origin comparisons tested with a model where African Americans are omitted. With the exception of the pre-1970 foreign born cohort, all Mexican origin groups have significantly lower odds of healthcare coverage as compared to African Americans

<sup>12</sup> We explore this possibility later by testing for interaction effects between ethnicity and employment sector.

<sup>13</sup> Including the interaction terms rendered the model inestimable due to an empty cell in the public sector 1970-1979 foreign born cohort and we therefore collapsed the immigration cohorts into a single foreign born category.

<sup>14</sup> Wald significance tests adjusted for survey weights test whether the ethnicity by sector interaction terms are collectively equal to 0, at the .01 level. For healthcare  $F(10,260026) = 4.55$ ,  $P < .0001$ , for retirement  $F(10,260026) = 2.33$ ,  $P < 0.009$ . Full results from the interaction models are found in Appendix B.



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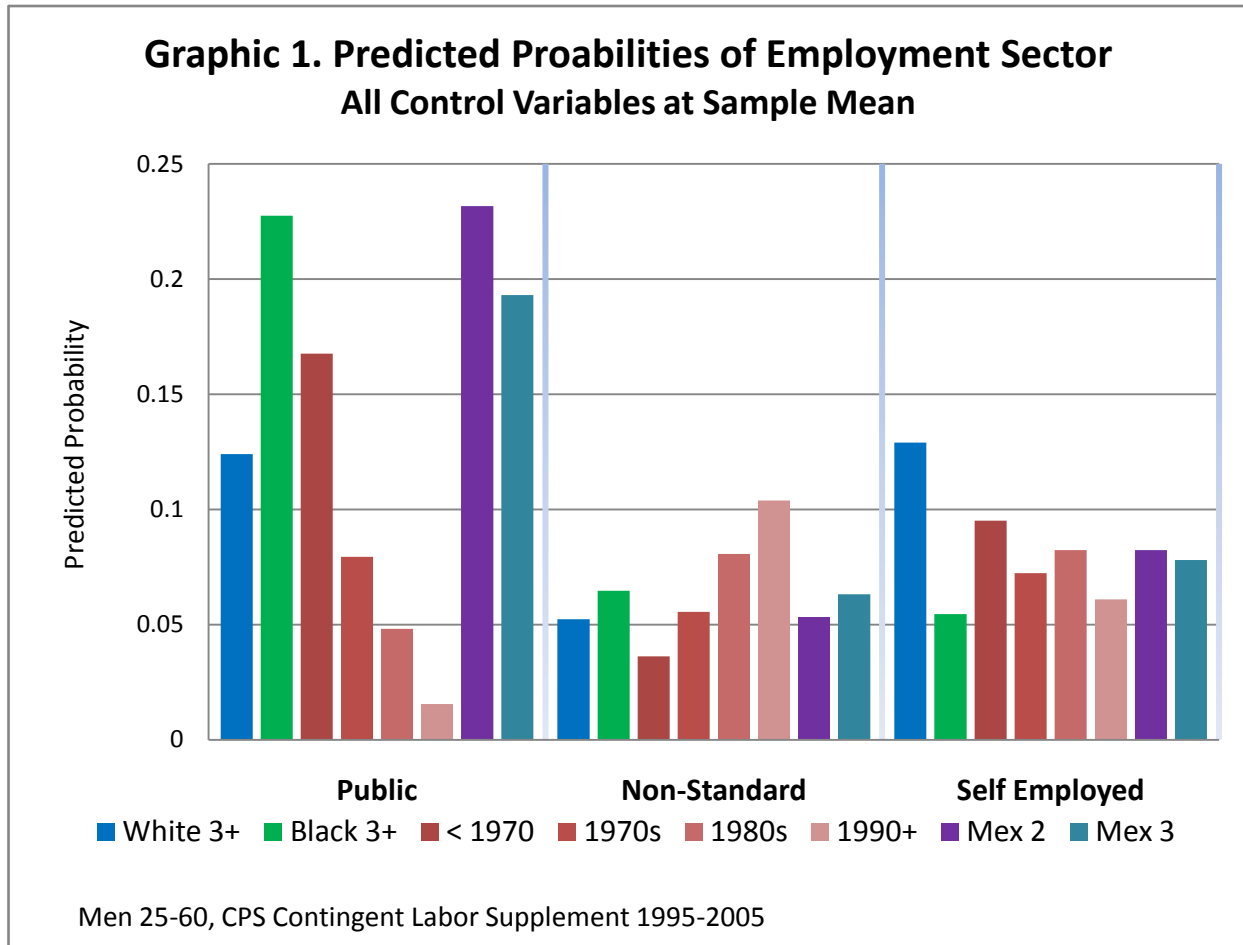
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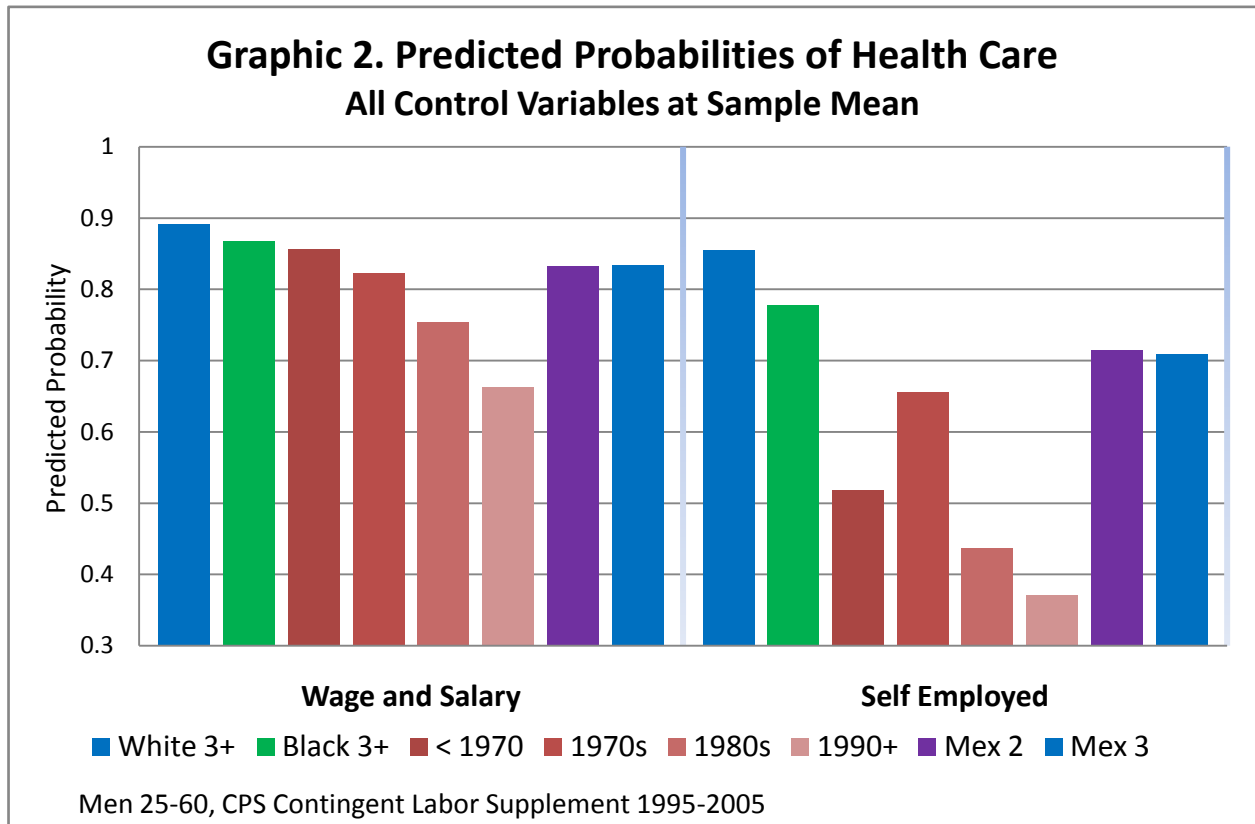
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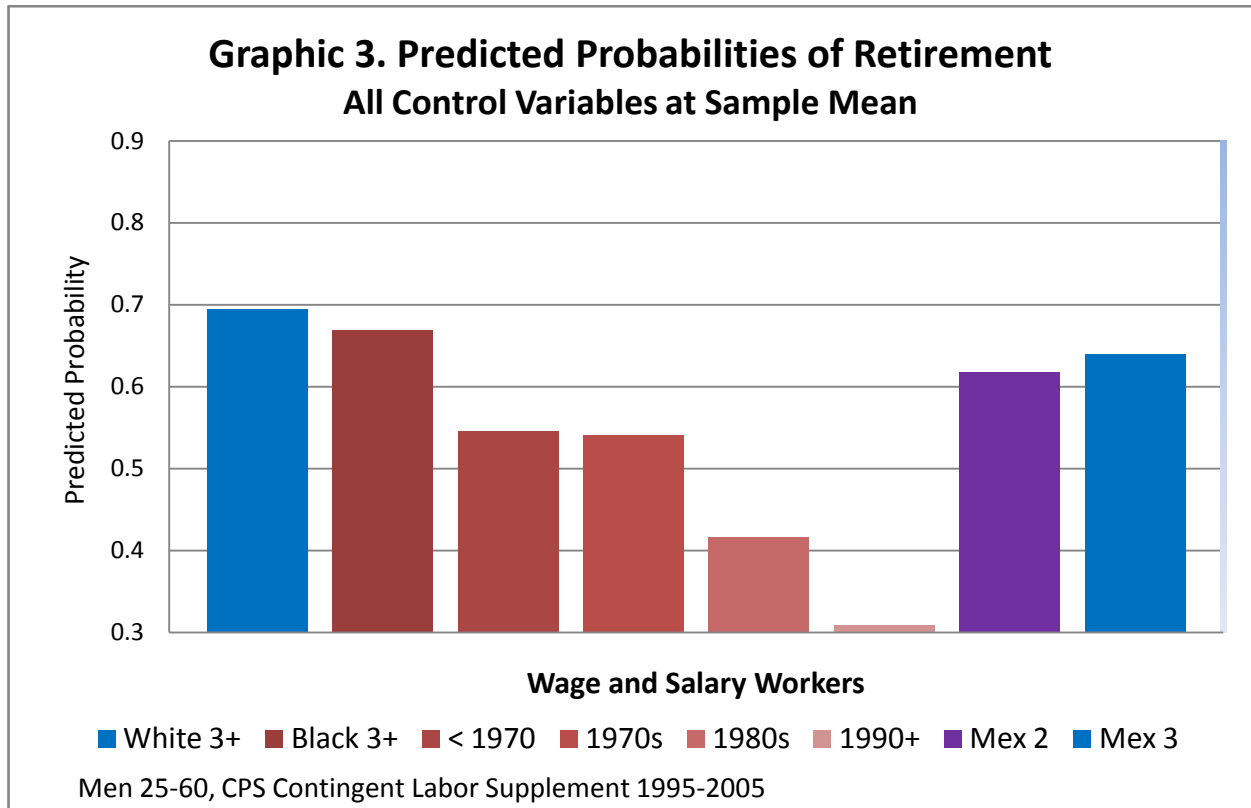


Table 1

## Weighted Descriptive Statistics by Ethnic and Generational Cohort, US Employed Men 1995-2005

	Mexican Foreign Born Cohorts								
	Whites 3+	Blacks 3+	< 1970	1970s	1980s	1990+	Mex 2	Mex 3	Other
<b>All Men Ages 25-60</b>									
Percent Employed	.874	.745	.804	.860	.872	.873	.860	.832	.855
Percent Unemployed	.034	.063	.036	.059	.067	.046	.051	.056	.039
Percent Out of Labor Force	.091	.191	.160	.082	.062	.081	.089	.112	.106
N	76,908	6,965	287	821	1,294	1,036	847	1,536	18,229

**Sector and Benefits Analytic Sample, 1995-2005***Sector of Employment*

Standard Sector	.660	.658	.715	.807	.789	.788	.666	.681	.664
Public Sector	.124	.190	.118	.038	.022	.006	.170	.150	.104
Non-Standard Sector	.062	.093	.052	.081	.119	.162	.083	.088	.087
Self Employed	.155	.059	.115	.074	.070	.043	.081	.081	.145

*Benefits*

No Health Insurance (Self Employed)	.218	.383	.625	.583	.759	.847	.503	.466	.295
Employer Healthcare (Wage and Salary)	.846	.782	.736	.614	.497	.361	.729	.733	.750
Has Retirement Plan (Wage and Salary)	.676	.613	.449	.344	.231	.144	.542	.570	.547

N	72,055	6,086	266	740	1,184	957	777	1,384	16,631
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**Earnings Analytic Sample, 1995-1999**

Weekly Earnings, Constant 1999 Dollars	806.74	548.27	549.32	452.10	379.71	356.55	586.87	681.15	784.70
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N	20,064	1,502	87	202	295	111	195	316	4,551
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Source: CPS Contingent Labor Supplement 1995-2005

## Odds Ratios of Employment Sector, US Wage and Salary and Self Employed Men 25-60, 1995-2005

Standard Employment Omitted	Public Sector			Non-Standard			Self Employed		
	b	SE	e <sup>b</sup>	b	SE	e <sup>b</sup>	b	SE	e <sup>b</sup>
<i>Ethnic/Generational Group, Whites 3+ Omitted</i>									
Blacks 3+	0.668	0.040	1.951*	0.274	0.054	1.316*	-0.798	0.063	0.450*
<1970	0.292	0.222	1.339	-0.373	0.306	0.689	-0.313	0.208	0.731
1970s	-0.579	0.218	0.561*	-0.071	0.158	0.932	-0.710	0.163	0.492*
1980s	-1.072	0.222	0.342*	0.307	0.107	1.359*	-0.575	0.129	0.563*
1990+	-2.239	0.487	0.107*	0.521	0.107	1.684*	-0.915	0.179	0.401*
Mex 2	0.718	0.112	2.050*	0.115	0.149	1.122	-0.356	0.149	0.701*
Mex 3	0.485	0.088	1.624*	0.232	0.110	1.262*	-0.460	0.112	0.631*
Other	-0.160	0.033	0.852*	0.271	0.038	1.311*	0.014	0.029	1.015
<i>Education (Grad or more omitted)</i>									
Primary or Less	-2.448	0.121	0.0865*	0.369	0.091	1.446*	-1.058	0.082	0.347*
Less than Highschool	-2.151	0.073	0.116*	0.347	0.071	1.415*	-0.864	0.055	0.421*
High School Grad	-1.471	0.037	0.230*	0.026	0.057	1.026	-0.738	0.037	0.478*
Some College	-0.924	0.035	0.397*	0.159	0.057	1.172*	-0.615	0.037	0.541*
BA or Equivalent	-0.685	0.036	0.504*	-0.170	0.061	0.843*	-0.360	0.038	0.698*
<i>Experience</i>									
Years Work Experience	0.048	0.005	1.049*	-0.059	0.006	0.942*	0.088	0.005	1.092*
Experience Squared	0.000	0.000	1.000*	0.001	0.000	1.001*	-0.001	0.000	0.999*
<i>Marital Status (all other omitted)</i>									
Married with Spouse Present	0.040	0.027	1.041	-0.600	0.031	0.549*	0.073	0.025	1.076*
<i>Geographic(non-metro omitted)</i>									
Metropolitan Status	-0.324	0.028	0.723*	0.050	0.038	1.052	-0.340	0.025	0.712*
<i>Survey Year (1995 Omitted)</i>									
Survey Year 1997	-0.083	0.033	0.920*	-0.122	0.042	0.885*	-0.075	0.031	0.928*
Survey Year 1999	-0.110	0.033	0.896*	-0.231	0.043	0.794*	-0.156	0.031	0.856*
Survey Year 2001	-0.203	0.037	0.817*	-0.242	0.047	0.785*	-0.252	0.035	0.777*
Survey Year 2005	-0.107	0.036	0.898*	-0.059	0.045	0.943	-0.100	0.034	0.905*
Constant	-1.184	0.070		-1.343	0.084		-1.937	0.070	

+ p&lt;0.10, \* p&lt;0.05

Source: CPS Contingent Labor Supplement 1995-2005

Odds Ratios of Healthcare Coverage, US Wage and Salary and Self Employed Men 25-60, 1995-2005

	Wage and Salary: Employer Healthcare						Self Employed: Any Healthcare		
	Before Sector Controls			After Sector Controls			b	SE	e <sup>b</sup>
	b	SE	e <sup>b</sup>	b	SE	e <sup>b</sup>			
<i>Ethnic/Generational Group, Whites</i>									
<i>3+ Omitted</i>									
Blacks 3+	-0.167	0.040	0.846*	-0.224	0.042	0.799*	-0.522	0.135	.593*
<1970	-0.244	0.173	0.784	-0.312	0.177	0.732+	-1.702	0.405	.182*
1970s	-0.556	0.094	0.573*	-0.562	0.097	0.570*	-1.135	0.368	0.321*
1980s	-1.005	0.075	0.366*	-0.980	0.080	0.375*	-2.031	0.340	0.131*
1990+	-1.473	0.086	0.229*	-1.422	0.089	0.241*	-2.305	0.582	0.0998*
Mex 2	-0.379	0.095	0.684*	-0.497	0.102	0.608*	-0.863	0.313	0.422*
Mex 3	-0.440	0.074	0.644*	-0.490	0.080	0.613*	-0.884	0.240	0.413*
Other	-0.587	0.028	0.556*	-0.571	0.029	0.565*	-0.530	0.065	0.589*
<i>Education (Grad or more omitted)</i>									
Primary or Less	-2.299	0.070	0.100*	-2.094	0.074	0.123*	-3.091	0.174	0.0455*
Less than Highschool	-2.001	0.058	0.135*	-1.804	0.061	0.165*	-2.577	0.131	0.0760*
High School Grad	-1.354	0.050	0.258*	-1.222	0.053	0.295*	-1.785	0.103	0.168*
Some College	-0.967	0.051	0.380*	-0.846	0.054	0.429*	-1.432	0.104	0.239*
BA or Equivalent	-0.449	0.054	0.638*	-0.391	0.057	0.677*	-0.717	0.110	0.488*
<i>Experience</i>									
Years Work Experience	0.036	0.005	1.036*	0.018	0.005	1.019*	0.006	0.012	1.006
Experience Squared	0.000	0.000	1.000*	0.000	0.000	1.000+	0.001	0.000	1.001*
<i>Marital Status (all other omitted)</i>									
Married with Spouse Present	0.621	0.022	1.860*	0.546	0.023	1.726*	1.247	0.053	3.481*
<i>Geographic(non-metro omitted)</i>									
Metropolitan Status	0.103	0.027	1.108*	0.154	0.028	1.167*	0.142	0.055	1.153*
<i>Survey Year (1995 Omitted)</i>									
Survey Year 1997	0.047	0.031	1.048	0.038	0.032	1.039	0.068	0.070	1.071
Survey Year 1999	0.073	0.031	1.075*	0.049	0.033	1.050	0.121	0.071	1.129+
Survey Year 2001	0.119	0.034	1.126*	0.107	0.036	1.113*	0.028	0.079	1.028
Survey Year 2005	-0.073	0.033	0.930*	-0.073	0.035	0.929*	-0.164	0.074	0.849*
<i>Employment Sector (Standard Omitted)</i>									
Public Sector				1.681	0.063	5.369*			
Non-Standard Sector				-1.664	0.032	0.189*			
Constant	1.723	0.070		1.906	0.074		1.213	0.173	

+ p<0.10, \* p<0.05

Source: CPS Contingent Labor Supplement 1995-2005

Table 4  
Odds Ratios of Retirement Program Inclusion, US Wage and Salary Men 25-60, 1995-2005

	Before Sector Controls			After Sector Controls		
	b	SE	e <sup>b</sup>	b	SE	e <sup>b</sup>
<i>Ethnic/Generational Group, Whites</i>						
<i>3+ Omitted</i>						
Blacks 3+	-0.024	0.034	0.976	-0.120	0.036	0.887*
<1970	-0.548	0.150	0.578*	-0.642	0.160	0.526*
1970s	-0.672	0.097	0.510*	-0.661	0.100	0.516*
1980s	-1.203	0.085	0.300*	-1.164	0.086	0.312*
1990+	-1.719	0.109	0.179*	-1.626	0.109	0.197*
Mex 2	-0.200	0.087	0.819*	-0.346	0.092	0.707*
Mex 3	-0.186	0.066	0.830*	-0.249	0.069	0.780*
Other	-0.531	0.023	0.588*	-0.517	0.024	0.597*
<i>Education (Grad or more omitted)</i>						
Primary or Less	-2.307	0.063	0.0996*	-2.041	0.065	0.130*
Less than Highschool	-1.892	0.045	0.151*	-1.633	0.047	0.195*
High School Grad	-1.204	0.035	0.300*	-1.015	0.037	0.363*
Some College	-0.850	0.035	0.428*	-0.706	0.037	0.493*
BA or Equivalent	-0.377	0.037	0.686*	-0.281	0.039	0.755*
<i>Experience</i>						
Years Work Experience	0.060	0.004	1.061*	0.047	0.004	1.048*
Experience Squared	-0.001	0.000	0.999*	-0.001	0.000	0.999*
<i>Marital Status (all other omitted)</i>						
Married with Spouse Present	0.526	0.019	1.692*	0.485	0.020	1.625*
<i>Geographic(non-metro omitted)</i>						
Metropolitan Status	-0.028	0.022	0.972	0.021	0.023	1.022
<i>Survey Year (1995 Omitted)</i>						
Survey Year 1997	0.066	0.025	1.068*	0.074	0.026	1.077*
Survey Year 1999	0.158	0.025	1.171*	0.166	0.026	1.181*
Survey Year 2001	0.201	0.028	1.223*	0.226	0.029	1.254*
Survey Year 2005	0.114	0.027	1.121*	0.138	0.029	1.148*
<i>Employment Sector (Standard Omitted)</i>						
Public Sector				1.823	0.041	6.191*
Non-Standard Sector				-1.279	0.033	0.278*
Constant	0.351	0.053		0.276	0.056	

+ p<0.10, \* p<0.05

Source: CPS Contingent Labor Supplement 1995-2005



Table 5. Predicted Probabilities by Origin and Sector, All Controls at Mean, Men 25-60 1995-2005

	Eligible for Employer Healthcare Plan		
	Standard	Public	Nonstandard
Whites 3+ Generation	.894	.978	.586
Blacks 3+ Generation	.874	.962	.534
Mex FB	.746	.963	.465
Mex 2nd Generation	.827	.992	.471
Mex 3rd Generation	.829	.962	.572
Other	.817	.969	.520

	Eligible for Retirement Plan		
	Standard	Public	Nonstandard
Whites 3+ Generation	.714	.939	.402
Blacks 3+ Generation	.698	.913	.355
Mex FB	.446	.865	.195
Mex 2nd Generation	.627	.953	.303
Mex 3rd Generation	.647	.956	.394
Other	.593	.912	.318

Source: CPS Contingent Labor Supplement 1995-2005

Table 6  
 Logged Earnings Coefficients, US Wage and Salary Men 25-60, CPS 1995-1999

	Wage and Salary						Self Employed		
	Before Sector Controls			After Sector Controls			b	SE	eb
	b	SE	eb	b	SE	eb			
<i>Ethnic/Generational Group, Whites 3+ Omitted</i>									
Blacks 3+	-0.235	0.018	0.791*	-0.225	0.018	0.799*	-0.254	0.059	0.776*
<1970	-0.145	0.079	0.865+	-0.163	0.073	0.850*	-0.126	0.162	0.881
1970s	-0.236	0.044	0.789*	-0.244	0.043	0.783*	-0.035	0.123	0.966
1980s	-0.334	0.039	0.716*	-0.309	0.038	0.734*	-0.434	0.096	0.648*
1990+	-0.277	0.050	0.758*	-0.251	0.052	0.778*	-0.890	0.272	0.410*
Mex 2	-0.142	0.046	0.868*	-0.146	0.043	0.864*	-0.184	0.116	0.832
Mex 3	-0.040	0.046	0.961	-0.034	0.047	0.967	-0.051	0.120	0.950
Other	-0.140	0.017	0.870*	-0.127	0.016	0.881*	-0.017	0.028	0.983
<i>Education (Grad or more omitted)</i>									
Primary or Less	-1.011	0.035	0.364*	-0.994	0.035	0.370*	-0.698	0.074	0.498*
Less than Highschool	-0.909	0.033	0.403*	-0.891	0.032	0.410*	-0.582	0.051	0.559*
High School Grad	-0.642	0.020	0.526*	-0.641	0.020	0.527*	-0.436	0.035	0.646*
Some College	-0.482	0.020	0.617*	-0.479	0.020	0.620*	-0.338	0.036	0.713*
BA or Equivalent	-0.174	0.021	0.840*	-0.183	0.021	0.833*	-0.187	0.038	0.829*
<i>Experience</i>									
Years Work Experience	0.029	0.002	1.029*	0.027	0.002	1.027*	0.030	0.006	1.031*
Experience Squared	0.000	0.000	1.000*	0.000	0.000	1.000*	-0.001	0.000	0.999*
<i>Marital Status (all other omitted)</i>									
Married with Spouse Present	0.215	0.012	1.240*	0.192	0.012	1.211*	0.162	0.024	1.176*
<i>Geographic(non-metro omitted)</i>									
Metropolitan Status	0.157	0.012	1.170*	0.163	0.012	1.177*	0.192	0.024	1.212*
<i>Survey Year (1995 Omitted)</i>									
Survey Year 1997	-0.016	0.013	0.984	-0.023	0.013	0.977+	-0.026	0.024	0.974
Survey Year 1999	0.045	0.012	1.047*	0.035	0.012	1.035*	0.039	0.024	1.039
<i>Employment Sector (Standard Omitted)</i>									
Public Sector				-0.044	0.013	0.957*			
Non-Standard Sector				-0.286	0.017	0.751*			
Constant	6.286	0.029		6.391	0.029		6.195	0.075	

Source: CPS Contingent Labor Supplement 1995-1999

## Appendix A

## Weighted Descriptive Statistics by Ethnic and Generational Cohort, Sector and Benefits Analytic Sample 1995-2005

	Whites 3+	Blacks 3+	Mexican Foreign Born Cohorts				Mex 2	Mex 3	Other
			< 1970	1970s	1980s	1990+			
<i>Survey Year</i>									
Survey Year 1995	.201	.198	.257	.167	.192	.037	.191	.146	.166
Survey Year 1997	.200	.197	.243	.252	.209	.071	.206	.187	.186
Survey Year 1999	.202	.210	.223	.235	.188	.141	.181	.225	.194
Survey Year 2001	.200	.201	.175	.195	.204	.262	.170	.199	.213
Survey Year 2005	.197	.194	.101	.152	.208	.491	.252	.243	.241
<i>Education</i>									
Primary or Less	.011	.018	.376	.497	.416	.400	.079	.043	.052
Less than Highschool	.053	.089	.104	.171	.197	.220	.122	.126	.067
High School Grad	.320	.409	.232	.184	.226	.246	.346	.380	.241
Some College	.280	.306	.185	.109	.095	.071	.348	.317	.245
College Graduate	.223	.134	.050	.034	.048	.042	.078	.098	.233
Graduate Education	.113	.044	.052	.005	.018	.021	.027	.036	.161
<i>Experience</i>									
Years Work Experience	21	21	30	27	20	18	19	20	21
Experience Squared	550	524	986	814	493	397	486	492	520
<i>Geographic</i>									
Metropolitan Status	.775	.855	.899	.898	.912	.918	.894	.856	.926
<i>Marital Status</i>									
Married with Spouse Present	.713	.540	.847	.802	.716	.591	.665	.678	.678

Source: CPS Contingent Labor Supplement 1995-2005

## Appendix B

## Odds Ratios of Healthcare and Retirement, Interacting Origin and Employment Sector, Men 25-60

	Healthcare Eligibility			Retirement Inclusion		
	b	SE	e <sup>b</sup>	b	SE	e <sup>b</sup>
<i>Ethnic/Generational Group, Whites 3+ Omitted</i>						
Blacks 3+	-.197	.048	.821	-.079	.039	.924
Mexican FB	-1.054	.055	.349	-1.133	.057	.322
Mex 2	-.563	.112	.570	-.395	.102	.674
Mex 3	-.553	.085	.575	-.306	.076	.736
Other	-.630	.031	.532	-.538	.026	.584
<i>Employment Sector (Standard Omitted)</i>						
Public Sector	1.664	.082	5.280	1.818	.051	6.157
Non-Standard Sector	-1.782	.039	.168	-1.311	.040	.270
<i>Interactions (White Standard Sector Omitted)</i>						
Public Sector* Blacks 3+	-.354	.172	.702	-.308	.123	.735
Public Sector*Mexican FB	.520	.492	1.681	.257	.305	1.292
Public Sector* Mex 2	1.588	.902	4.895	.662	.372	1.939
Public Sector*Mex 3	-.011	.410	.989	.650	.333	1.915
Public Sector*Other	.263	.165	1.301	.143	.110	1.154
Non-Standard* Blacks 3+	-.015	.115	.985	-.121	.127	.886
Non-Standard*Mexican FB	.565	.156	1.760	.111	.236	1.117
Non-Standard* Mex 2	.099	.349	1.104	-.039	.426	.962
Non-Standard*Mex 3	.497	.228	1.643	.271	.236	1.312
Non-Standard*Other	.361	.081	1.435	.173	.085	1.188
<i>Education (Grad or more omitted)</i>						
Primary or Less	-2.072	.073	.126	-2.021	.064	.133
Less than Highschool	-1.808	.061	.164	-1.636	.047	.195
High School Grad	-1.223	.053	.294	-1.015	.037	.362
Some College	-.840	.054	.432	-.704	.037	.495
BA or Equivalent	-.385	.056	.681	-.279	.039	.757
<i>Experience</i>						
Years Work Experience	.018	.005	1.018	.047	.004	1.048
Experience Squared	.000	.000	1.000	-.001	.000	.999
<i>Marital Status (all other omitted)</i>						
Married with Spouse Present	.548	.023	1.731	.487	.020	1.627
<i>Geographic(non-metro omitted)</i>						
Metropolitan Status	.159	.028	1.173	.024	.023	1.024
<i>Survey Year (1995 Omitted)</i>						
Survey Year 1997	.037	.033	1.038	.074	.026	1.077
Survey Year 1999	.042	.033	1.043	.163	.026	1.177
Survey Year 2001	.091	.036	1.095	.218	.029	1.243
Survey Year 2005	-.103	.035	.902	.123	.029	1.131
Constant	1.918	.074		.273	.056	

.Source: CPS Contingent Labor Supplement 1995-2005