Family Employment Status and Labor Market Outcomes for Teens and Young Adults

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Introduction

Does living with family members who are not in the labor force have an impact on the chances for employment of teens and young adults? Findings show that unemployed youths rely most frequently on family and friends to generate job contacts or offers. This method of job search is the most widely used among young people because it is the most productive (Holzer, 1988). However, what happens to the job prospects of youths when a significant number of their immediate relatives and friends are out of the labor force entirely? Does a young Puerto Rican or Black worker already facing entry barriers to the labor market become doubly disadvantaged if other household members are out of work and presumably disconnected from conventional job networks?

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This paper will test the hypothesis that among Puerto Rican, non-Hispanic Black and non-Hispanic White youths in New York City, residing with an employed parent, sibling, or other family member increases their probability of getting a job. To better understand the causal links between the employment status of the youth and his/her family background characteristics, the

employment status of all family members and specifically, the occupation of the employed parent will be investigated. Research suggests that employment networks for urban youths in low-income households are curtailed by their physical isolation from employment concentrations in increasingly decentralized metropolitan areas (Holzer, Ihlanfeldt and Sjoquist, 1994). Correspondingly, evidence on social access to employment through informal contacts reveals that minority youths are at a disadvantage because the lower number of employed family members at home affects the quality of information that is provided (O'Regan and Quigley, 1993). A combination of low-skill and educational attainment on the supply-side and a changing industrial structure providing fewer job opportunities for young workers on the demand-side are also implicated in the high rate of minority-youth joblessness (Cain and Finnie, 1990).

Nationally, among all non-Hispanic and Hispanic groups, the incidence of joblessness among Puerto Ricans in 1991-1992 was the highest with Puerto Ricans 16 to 24 years of age experiencing a 20.2 percent rate of unemployment (U.S. Department of Labor, 1992). The first section of this paper reviews the literature on the labor-market experience of Puerto Rican teens and young adults and highlights information on their New York City employment and occupational profile. The second section describes the methodological framework and the data used to estimate the independent roles played by family and by personal and labor-market characteristics in determining labor-force participation for young Puerto Ricans, non-Hispanic Blacks and non-Hispanic Whites. The last section summarizes the empirical results for male and female teens (ages 16 to 19) and young adults (ages 20 to 24).

Focus on Puerto Rican Teens and Young Adults

Census data for 1980 and 1990 reveal that Puerto Ricans had the highest incidence of poverty of any minority or ethnic group in the United States and Puerto Rican youths were more likely than other Hispanic youths to be living in families with incomes below the poverty line. In 1980, 44% of the Puerto Rican population living on the mainland resided in the New York City metropolitan area. Puerto Ricans in this area were residentially segregated and spatially isolated, which diminished their likelihood of gaining access to spatially-determined resources like education and employment (Bean and Tienda, 1987). Studies show that the labor-market problems of Puerto Rican youths are particularly severe, yet research on this group has been limited due to the unavailability of data sources that could generate samples large enough for reliable inference (Santos, 1985; Fernandez, 1985).

In New York City, the employment problems of young Puerto Ricans were exacerbated by persistently high unemployment and non-participation rates within the Puerto Rican community as a whole during the 1970s. The number of

Puerto Rican families with no one employed increased dramatically between 1970 and 1980 and remained high throughout the 1980s. New York State labor-force participation rates for Puerto Ricans were dramatically lower and unemployment significantly higher in 1980 than rates for Puerto Ricans living in either California or Florida where Hispanics overall fared much better. DeFreitas (1991: 144) argues that the data from this period clearly shows that Puerto Rican workers in New York were disproportionately affected by the decline in entry-level jobs and the polarization of the job structure in New York City.

Research on the determinants of employment using family-background variables as controls indicates that young people from disadvantaged homes are more likely to experience joblessness (Freeman, 1986; Payne, 1987). This is particularly pertinent for young Puerto Ricans living in New York City because of the high rates of poverty and unemployment that have prevailed in their communities during the last 20 years. It is likely that, lacking the contacts that employed relatives could provide, joblessness and unemployment increased among Puerto Rican youths, linking younger and older generations in a common experience of labor-market discouragement and increasing poverty.

A number of possible scenarios suggest themselves, given the employment profiles of Puerto Ricans who lived in New York City during the last two decades and the proven significance of certain background variables on youth labor-market activity. High rates of unmarried motherhood contributed to the low rates of employment found among Puerto Rican women ages 16 to 24, and low employment rates subsequently increased their chances of poverty. The rise in the number of Puerto Rican youths who resided in one-parent (largely female-headed) households in which the mother did not work, or who lived in households in which no one held a job, diminished the effectiveness of community job networks. The overrepresentation of Puerto Rican adults in declining industrial sectors of the New York City economy placed them at a disadvantage in generating employment contacts for the young. The residential segregation of Puerto Ricans in neighborhoods where poverty was concentrated further diminished Puerto Rican youth employment beyond the rate that demand forces would warrant (O'Regan, 1993).

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DeFreitas (1991: 141) reported that the largest white-Hispanic difference in access to private transportation in 1980 was found in New York City, specif-

ically, in Bronx county, which has the largest concentration of Puerto Ricans, fully 73% of Hispanic residents reported they had no access to personal transportation. This indicates that even if jobs were available outside of the city, Puerto Rican workers were stymied in their ability to access them. He also noted that nearly one in three Puerto Rican households in New York State did not have telephone service in 1980, which would certainly impede the ability to make job connections. Ihlanfeldt (1992) found that differential access to jobs (measured in mean commuting time) between whites and Puerto Ricans living in New York City explained roughly 30% of the existing employment-rate gap. The mismatch between the residential location of Puerto Rican youths in New York City and the spatial availability of jobs in the region further weakened the job networks within a youth's family and the community at large.

In New York City, the dropout rate for Hispanics in 1992 was 21.3%, compared to 16.4% for Blacks and 11.9% for Whites (New York City Board of Education, 1994). Persistently high dropout rates complicate the already difficult school-to-work transition for Puerto Rican youths. The labor-force participation rate in 1980 for Hispanic teenagers in New York City was comparatively lowest at 25.9% and their employment/population ratio was the smallest at 19.4% (DeFreitas, 1991: 143). A decline of 38% in the number of entry-level jobs in New York City between 1970 and 1980, along with declining school enrollments, graduation, early marriage and/or pregnancy and increased alternatives in the underground economy have all contributed to the employment problems of young Puerto Rican who live in this area (NCLR, 1994).

Research Method and Data to be Used

The Five Percent 1980 Census Public Use Sample for New York City has been used to create a data set containing information on the determinants of employment for men and women, ages 16 to 19 and 20 to 24, who lived in households where they were the children of the household head. The 1980 Census was chosen to take advantage of the large number of published studies that have used this data to analyze Puerto Rican employment conditions (Melendez, Rodriguez and Barry Figueroa, 1991). The estimations are an indirect test for the existence and importance of family job connections in increasing a youth's employment chances. Three populations were used for the empirical tests: Puerto Ricans, non-Hispanic Blacks and non-Hispanic Whites. The employment regressions for men and women were estimated separately by race/ethnicity and age. The investigation was restricted to out-of-school teenagers and young adults, for whom the issue of finding a full-time job is presumed to be most pressing. Data were taken directly from the youth's personal record. Replicating in part the methodology of Rees and Grey (1982), I also took information from the relevant record on the parent (householder), siblings (ages 16 to 34) and other related household members

(ages 16 to 34) and merged it with information on the youth's record. In addition to the records of the youth and the parent, up to four additional personal records from the household were read, ensuring that maximum use was made of the available information on siblings and other relatives. Information on the employment status of the parent (e.g., active or inactive), the parent's occupational location, information on the sex, age and employment status of the young person's siblings, as well as the employment and gender status of other relatives in the household were included in the analysis to detect intra-family interactions. Two dependent variables were analyzed: (1) a variable indicating labor-force participation in the survey week and (2) estimated total hours worked by the young person in the previous year (the product of weeks worked per year and hours worked per week in 1979). Findings from both models were similar. Only the significant results from the participation decision are reported in Tables 1 and 2. Teens and young adults who were at work or unemployed were considered to be active members of the labor force.

The explanatory variables can be divided into three categories: family background characteristics, the youth's human-capital characteristics, and local labor-market characteristics. Family background factors include whether the youth was residing in a female-headed household, the level of exogenous income flowing into the household, an indicator of the sex and self-employment status of the householder and whether the family was living below the poverty line. The employment status and occupation of the parent (household head), the employment status of adult male and female relatives and the employment status of younger and older brothers and sisters were factors included in the empirical tests.[1]

In the large set of variables measuring the employment status of siblings between the ages of 16 and 34, there are four subsets, for older brother, younger brother, older sister and younger sister. Following the procedure explained in Rees and Grey's study (1982: 462) for each of these subsets, two variables were created to capture the employment status of the sibling (e.g., "younger sister employed" and "younger sister not employed"). By definition the base or omitted variable is "no younger sister living at home." If the young person to whom the independent variables pertain has more than one sibling between the ages of 16 and 34 living at home, then both dummies [sic] in the above younger-sister subset would take the value 1.[2]

Human-capital characteristics of the youths used in the estimations were: completed years of education, country of birth, English language proficiency and health disability status. Childbearing status was entered as a control in the analysis for young women because of its conventional significance in determining their employment status. Differences in labor-market demand, due to contrasting levels of economic activity across the boroughs of New York City, were captured by the county-specific civilian unemployment rates (i.e., Manhattan, the Bronx) for each population (i.e., the variation in the Puerto

Rican civilian unemployment rate across the boroughs was used in the regression analysis for Puerto Ricans). Appendix A lists and defines the variables used in the analyses for all samples.

Labor Force Participation Results for Men

The data show that Puerto Rican male teens had significantly lower labor force participation rates (at 43%) relative to black and white teens (53% and 68% respectively). Perhaps most striking was the percentage of Puerto Rican teens who lived in poor households and in families where the householder (parent) was not in the labor force. Working parents of Puerto Rican teens were more likely to hold blue-collar jobs, especially those categorized as lower blue-collar. Those Black and Puerto Rican teens who were employed tended to work fewer hours, averaging only 53% of the annual hours worked by white male teens. Education was on average lower for Puerto Rican teens, and work disability and English language problems higher. Teenage Puerto Rican males appeared to be at a labor market disadvantage relative to white teens in particular, facing an average civilian unemployment rate that was almost 1.5 percentage points higher than the rate of the white teen sample (see Appendix B).

Residence in a poor household lowers the probability of employment by 25.1%. Conversely, residing with working parents who hold upper blue-collar jobs increases the probability of employment by 25.6%.

Puerto Rican young adults (ages 20 to 24) also registered fewer years of completed education, higher rates of poor English proficiency and lower rates of labor-force participation than their Black and White counterparts. Only 65% of their parent/householders were in the work force, as compared to 70% and 85% of the parents from the Black and White young-adult samples. Puerto Rican young adult males were also more likely to reside in poor households where there were comparatively fewer numbers of employed family members.

Table 1 presents the coefficients from the probit model for labor-force participation for each of the three groups of young males. The probit model was the preferred functional form as the dependent variable is a binary variable expressed as a linear function of the independent variables. The probit factor in the first row of each table allows one to standardize the coefficients ("DY/DX") and obtain percentage-point estimates associated with a one-unit change in the independent variable.[3]

Puerto Rican Males, Ages 16-19 Table 1 indicates that only two variables are significant in determining the probability of labor-force participation

for these teens. Residence in a poor household lowers the probability of employment by 25.1%. Conversely, residing with working parents who hold upper blue-collar jobs increases the probability of employment by 25.6%. This finding suggests the possibility that employed parents in the trades are able to identify job opportunities for their sons. Upper blue-collar jobs may be unionized and parental information on apprenticeship openings and connections to these jobs may prove crucial. Note that it is the occupational location of the parent and not the fact that the parent is employed per se that is significant here. Overall, the results for the Puerto Rican male youth sample are of interest because of the lack of significance of other family employment variables, as well as factors such as education and language proficiency that one would expect to affect the employment probabilities of these teens.

Non-Hispanic Black Males, Ages 16-19 Relative to Puerto Rican teens, there is evidence of greater intra-family effects in the Black teen sample. In Table 1, Black teens had a 25.6% increased employment probability if their younger sister was employed, but saw a decrease in probability of 14.4% if their younger sister was not employed. The finding that the non-employment of a younger brother at home significantly increased participation probabilities by 12.3% is unexpected. Each year of additional education raised the probability of employment for these teens by 3.3%.

Overall, the results for the Puerto Rican male youth sample are of interest because of the lack of significance of other family employment variables, as well as factors such as education and language proficiency that one would expect to affect the employment probabilities of these teens.

Non-Hispanic White Males, Ages 16-19 Table 2 reveals that having a younger sister employed increased the probability of employment for this sample by 21.3%, while having an older sister employed increased work probabilities by 39.1%. However, having an older sister who was not employed decreased work probabilities by 18.5%. An additional year of education increased work probabilities by 3.5%. For those young men who cited work disabilities or who lived in poor households, work probabilities were diminished by 28.4% and 21% respectively. Particularly among the White male sample there is evidence of a direct relationship between the employment status of other family members and the probabilities of labor-market entry. This is indicative that the universe of job opportunities open to White male teens is much greater than that for Black and Puerto Rican teens. White teens and their families do not suffer from the racial/ethnic discrimination that limits employment opportunities and job contacts.

Whether the family interactions in the White and Black sample are suggestive of "a common work ethic" within the family, as was suggested by Rees and Grey (1982:464) or of family job networks that aid and support young men entering the labor force cannot be easily determined. If the sibling, relative or parental job-location variables that were significant across the samples are capturing job networks, it is interesting to note that Black and White male teens benefit from contacts provided by their female relatives as well as information from their male relatives. Given the high degree of occupational segregation by gender, this is somewhat surprising. The parental employment variable used in this study does not distinguish the gender of the household head, but in a similar analysis O'Regan and Quigley (1993) found that the presence of a working father has a larger effect on youth employment probabilities than does the presence of a working mother, especially for male youths. The importance of a working household head may therefore be underestimated in the Puerto Rican and Black male samples because of the larger number of female-headed households.

This is indicative that the universe of job opportunities open to white male teens is much greater than that for Black and Puerto Rican teens. White teens and their families do not suffer from the racial/ethnic discrimination that limits employment opportunities and job contacts.

O'Regan and Quigley (1991) also found that working urban youths are more likely to be in an industry or location similar to that of a working parent. Job-matching models suggest that if the price of obtaining information about the parent's job (through direct questioning) is lower than the price of obtaining information about other jobs (through more formal search methods), then we should expect children to be more likely to try their parent's jobs. In tests of association between the occupational location of the parent and that of the working Puerto Rican male teen, a significant, positive association was detected in lower white-collar, upper blue-collar and service occupations. Interestingly, there was no significant association found in the occupational location of black and white teens and their parents.

Puerto Rican Males, Ages 20-24 Table 1 indicates that having a parent in the labor force increased the probability of participation by 12 percentage points for Puerto Rican young-adult males. However, none of the other variables reflecting family employment status were significant. Each additional year of education increased participation by 2.5%. Residence in a poverty-level household diminished job probabilities by 26.5% and a work disability decreased participation by 33%.

TABLE 1: Coefficients of Probit Model for Labor Force Participation of Males, Ages 16-19 and Ages 20-24[a]

Dependent Variable=in the Labor force (Standard Errors in Parentheses)
Estimation method: Maximum Likelihood

	Puerto Rican		*Black*		*White*	
	16-19	*20-24*	*16-19*	*20-24*	*16-19*	*20-24*
f (X'σ)+	.3877	.3622	.3989	.3386	.3405	.2068
Variable						
Constant	-.313	.705	-.864	.789	-.516	1.31**
	(.792)	(.702)	(.700)	(.447)	(.635)	(.403)
YEduc	-.015	.069**	.083*	.024	.103**	.037**
	(.033)	(.027)	(.037)	(.019)	(.032)	(.014)
HHWorks	.011	.331*	.153	.102	-.067	.164
	(.208)	(.169)	(.176)	(.121)	(.172)	(.096)
Poor	-.647**	-.732**	-.176	-.585**	-.619**	-.845**
	(.188)	(.158)	(.165)	(.121)	(.204)	(.182)
YDisable	-.274	-.913**	-.402	-.821**	-.836**	-1.08**
	(.293)	(.200)	(.258)	(.146)	(.300)	(.147)
UnempRt	.018	-.009	.010	-.002	-.011	-.035
	(.045)	(.037)	(.026)	(.018)	(.020)	(.012)
UBCol	.662*	.139	-.281	-.152	.224	-.197
	(.315)	(.257)	(.245)	(.178)	(.185)	(.120)
ServOcc	.161	-.181	-.120	.080	.043	-.246*
	(.232)	(.182)	(.173)	(.127)	(.173)	(.111)
YoBro	.269	-.095	.309*	-.038	.001	-.026
	(.183)	(.145)	(.150)	(.102)	(.168)	(.107)
OlBroEm	.115	.175	.570	-.065	-3.39	.421**
	(.644)	(.256)	(.543)	(.179)	(48.3)	(.161)
OlBro	-.199	-.178	-.136	-.031	3.73	-.309*
	(.443)	(.195)	(.373)	(.132)	(48.3)	(.134)
YoSisEmp	-.240	.372	.643*	.154	.626*	-.085
	(.473)	(.287)	(.328)	(.230)	(.294)	(.157)
OlSisEmp	-.290	.073	.200	.407**	1.14**	.160
	(.384)	(.251)	(.263)	(.169)	(.258)	(.168)
YoSis	.013	-.006	-.361**	-.257**	.077	.039
	(.163)	(.152)	(.144)	(.099)	(.162)	(.109)
OlSis	-.087	-.242	-.071	-.131	-.544**	-.110
	(.280)	(.187)	(.176)	(.115)	(.212)	(.147)
MRelEmp	4.56	.246	-.379	1.28*	-.138..	-4.03
	(29.3)	(.770)	(1.08)	(.664)	(.795)	(18.2)

aVariables included in estimation but not shown in table because of lack of significance include: UWCol, LWCol, YoBroEmp, MRelative,FRelative, FRelEmp, FHHead,MSelfEmp,YBirth,YEnglish, LnExogIn.

N =	368	563	487	1106	663	2244
Log likelihood	226.5	313.6	308.9	617.7	367.3	838.9
Mean of Dependent Variable	.435	.65	.534	.703	.685	.859

+Multiply coefficients by this factor to obtain slopes at variable means
Significance Level
**< .01 * < .05

Non-Hispanic Black Males, Ages 20-24 Indications of "family effects" are evident in Table 1 for Black young-adult males. Having an older sister who was employed increased job participation by 13.8%. Living with a male relative who was employed increased the probability of employment by a very large 43.4%, indicating that job connections may indeed play a role here. However, living with a younger sister who was not in the labor force decreased employment probabilities by 8.7%. Residence in a poverty household and having a work disability decreased the probability of working by 19.8% and 27.7% respectively.

To summarize, an employed head of household had a positive effect on the employment chances of Puerto Rican young-adult males, while the employment status of other family members in the household seemed irrelevant to increased job access.

Non-Hispanic White Males, Ages 20-24 Table 1 shows that relative to those young adults who resided in households where the head was located in a lower blue-collar occupation, those whose parents worked in service occupations were 5.1% less likely to be in the labor force. In the annual hours results (not reported here), the parent's employment in this occupational category was also significant in lowering the youth's work hours. This suggests that parents in service jobs were less likely or able to use these networks to get their sons full-time jobs. Having an older brother employed increased participation probabilities by 8.7%, while having an older brother who was not in the labor force diminished these probabilities by 6.3%. Increased years of education had a positive effect on labor-force entry, while residence in a poor household or a work disability diminished employment prospects.

To summarize, an employed head of household had a positive effect on the employment chances of Puerto Rican young-adult males, while the employment status of other family members in the household seemed irrelevant to increased job access. For Black young adults, older, employed sisters and male relatives had a significant employment effect, while for White young adults, it was the employment status of the older brother that was most important. Tests for independence in the occupational location of white householders and young adults revealed a significant positive association in each of the five occupational categories. The association was significant only in the case of lower White-collar jobs among the Black sample and in upper White-collar and service jobs among the Puerto Rican sample. Residence in a poverty-level household negatively affected job entry for all three groups, but the magnitude of this effect was much larger for Puerto Rican young adult males.

Labor Force Participation Results for Women

There are major differences in the mean characteristics of the three groups of teenage women. Only 28% of Puerto Rican female teens surveyed were in the labor force as compared to 34% of Black and 72% of White teens. White teens were more likely to be childless (at 97%) than Puerto Rican and Black teens (76% and 72% respectively). Only 46% of the parents of Puerto Rican teens were active in the labor force, as compared to 63% of the Black parents and 83% of the White parents. Fully half of the Puerto Rican young women lived in households where income was below the poverty line, and the percentage of siblings and other family members not active in the labor force was consistently larger among Puerto Rican families. Puerto Rican teens averaged the lowest number of years of completed education (at 9.73 years) and, relative to the parents of Black and White teens, a higher percentage of all working Puerto Rican parents were located in blue-collar jobs.

Differences between the three female young-adult samples are notable. Puerto Rican women worked 52% of the number of annual hours of White women and 110% of the average number of hours of Black women. Young Puerto Rican and Black women were equally likely to be in the labor force (at 58% and 57% respectively) and education levels were similar, although both groups had lower education levels than White women. Young Puerto Rican women were once again more often located in poor households and households where the parent was not in the labor force. Puerto Rican women were more likely than Black women to be childless (75% versus 62%), but this ratio was still below the percentage of young white women (97%) who did not have children. Puerto Rican young adults consistently resided with fewer siblings who were active in the labor force when compared to the other samples (Appendix C).

Puerto Rican Females, Ages 16-19 Table 2 presents the labor force-participation results for Puerto Rican female teens. Those teens with younger brothers who were employed exhibited a 23.2% increased probability of being in the labor force. Female teens who did not have children were 15.6% more likely to be working. Mainland-born teens had a 15.3% greater probability of working than did island-born teens. Poverty and disability had negative impacts on employment, as did increased levels of household income.

Non-Hispanic Black Females, Ages 16-19 Table 2 shows that Black teens were more likely to have participated in the labor force if they lived with an employed younger brother (28.5%) and did not have children (9.8%). Living with an inactive [sic] female relative decreased employment probabilities by a large 57%, indirectly suggesting that labor force discouragement can run in families.

Non-Hispanic White Females, Ages 16-19 Table 2 indicates that female teens living with employed younger brothers were 19.6% more likely to be

active in the labor force. Those young adults without children had a 27.8% greater probability of holding a job, and each additional year of education raised probabilities by 9.1%. A one-unit increase in the county-level unemployment decreased the probability of being in the labor force by 1.7% for this sample.

The findings for female teens indirectly suggest that employed younger brothers are beneficial in helping to access jobs. Teens who are not parents are consistently more likely to be working. White teens alone are positively rewarded for increased years of education and are negatively affected by changing employment demand as measured by the county-level unemployment rate. Tests for association between the parent's and teen's occupation showed a significant dependence within the White teenage women's sample in upper white-collar, lower white-collar and lower blue-collar jobs. Within the black sample, associations were detected between teens and parents working in lower white-collar and lower blue-collar jobs. The only significant association found within the Puerto Rican sample occurred in lower white-collar occupations.

Puerto Rican Females, Ages 20-24 Table 2 indicates that living in a poor household and having a work disability reduced employment probabilities by 28% and 36% respectively. An additional year of education increased work probabilities by 4.4%, and remaining childless increased the probability of working by 33.7%.

Non-Hispanic Black Females, Ages 20-24 Table 2 indicates that living with an employed older sister increased work prospects by 22.7%. A one-year increase in completed education raised labor-force probability levels by 4.4%. Poverty, disability and motherhood all had the expected effect on the dependent variable.

Non-Hispanic White Females, Ages 20-24 Table 2 reveals that the work decision of these women is significantly affected by the employment status of other family members. Having a parent located in an upper blue-collar occupation increased employment probabilities by 5%. Living with an employed younger brother increased probabilities by 12.5%, whereas living with a younger brother who was out of the labor force decreased employment probabilities by 5.3%. Living with an employed older brother increased participation by 8.8%. Residence with an employed older sister increased participation by 8.5%. A one-unit increase in the county-specific unemployment rate decreased the probabilities of employment by six-tenths of one percent. Other significant variables included exogenous income, poverty, disability status and education.

Overall, the female young-adult findings replicate the consistent pattern of strong family effects, among Whites in particular, but among Blacks as well. Residence in a poor household diminished employment prospects for Puerto Rican young-adult women to a greater degree than was true for Black and White young adults in similar circumstances. Remaining childless had a com-

TABLE 2: Coefficients of Probit Model for Labor Force Participation of Females, Ages 16-19 and Ages 20-24[a]

Dependent Variable=in the Labor force (Standard Errors in Parentheses)
Estimation method: Maximum Likelihood

	Puerto Rican		*Black*		*White*	
	16-19	*20-24*	*16-19*	*20-24*	*16-19*	*20-24*
f (X̄β̂)+	.2655	.3839	.3605	.3941	.3118	.1824
Variable						
Constant	-.009	-2.15**	-.568	-.429	-2.91**	-.046
	(.937)	(.860)	(.706)	(.483)	(.796)	(.545)
LnExogIn	-.115**	-.072	-.011	-.055	-.002	-.087*
	(.045)	(.044)	(.042)	(.031)	(.044)	(.044)
YEduc	.053	.116**	.041	.114**	.294**	.073**
	(.042)	(.033)	(.032)	(.020)	(.045)	(.018)
Poor	-.629**	-.733**	-.667**	-.621**	-.832**	-1.30**
	(.239)	(.190)	(.181)	(.126)	(.242)	(.201)
YDisable	-.667	-.936**	-.135	-.717**	-.957*	-1.49**
	(.437)	(.272)	(.309)	(.184)	(.455)	(.185)
UnempRt	-.051	.080	-.033	-.024	-.056**	-.036**
	(.055)	(.048)	(.029)	(.018)	(.021)	(.014)
YBirth	.578**	.268	-.041	-.061	.264	.179
	(.213)	(.151)	(.199)	(.119)	(.201)	(.147)
YoBroEmp	.877*	-.178	.791**	.392	.631*	.690**
	(.437)	(.378)	(.325)	(.228)	(.276)	(.213)
YoBro	-.413	-.109	.161	-.101	-.259	-.295**
	(.231)	(.186)	(.157)	(.107)	(.164)	(.112)
OlBroEmp.	612	.088	.006	.156	.210	.487**
	(.384)	(.273)	(.264)	(.164)	(.243)	(.172)
OlSisEmp	-4.26	.346	1.55	.576**	.059	.471*
	(55.2)	(.348)	(.985)	(.217)	(.576)	(.235)
OlSis	.278	.075	-.782	-.081	.104	-.357
	(.636)	(.246)	(.695)	(.143)	(.478)	(.204)
FemRel	-3.53	.751	-1.58*	.717	3.30	2.97
	(55.1)	(.554)	(.813)	(.515)	(68.5)	(39.0)
UBCol	-.085	.276	-.217	-.049	-.046	.275*
	(.354)	(.302)	(.347)	(.204)	(.206)	(.141)
NoKids	.590**	.878**	.273*	.671**	.894**	1.36**
	(.235)	(.161)	(.145)	(.090)	(.043)	(.186)
N=	296	430	486	982	678	1969
Log likelihood	145.3	223.4	278.4	564.3	324.6	636.1
Mean of Dependent Variable	.28	.58	.35	.57	.726	.863

aVariables included in the estimation but not in the table because of lack of significance include: HHWorks, MSelfEmp,FHHead,YEnglish,UWCol, LWCol,ServOcc,OlBro,YoSis,YoSisEmp,FRelEmp,MRelative,MRelEmp,

+Multiply coefficients by this factor to obtain slopes at variable means

Significance Level

**< .01 * < .05

paratively larger impact on increasing the job prospects of female Puerto Rican young adults.

Summary

Despite major differences in the significance and strength of the family variables between groups, it is clear that teens and young adults are themselves more likely to work and will generally work longer hours if they reside with family members who are active in the labor force. Of particular interest is the finding that in instances where both the "relative in work force" and "relative not in work force" were significant in determining a youth's employment, the positive impact of having a working sibling or relative always outweighed the negative impact of living with a non-working brother, sister or other relative. If job contacts are indirectly being captured through the family variables, we do not know if siblings, for example, help get jobs for the youth in question, or if our findings capture the individual youth's ability to gain employment for his/her brother or sister. The latter effect may be what is captured by the consistent positive significance of an employed younger brother across the teen and young-adult samples. The results allow us to identify the association between the employment status of family members and the youth, but they do not indicate the direction of causality. The significance of

The diminished ability of Puerto Rican youths to use as job contacts parents and relatives who face their own employment problems forces them to rely more heavily on formal institutions such as employment agencies, schools and training programs.

only two parental variables in the Puerto Rican male samples and the sibling variable in the Puerto Rican female teen sample suggests that networks in these families are limited and contextually specific. On average, the small number of employed Puerto Rican family members will tend to limit the significance of any of the family variables. However, it is notable that family members who are not employed do not negatively affect the labor-market chances of Puerto Rican youths, as was the case in the black and white samples. Thus it appears that whether a Puerto Rican youth resides with an employed family member or with relatives who are not employed is of generally minor importance in determining his or her job prospects.

The diminished ability of Puerto Rican youths to use as job contacts parents and relatives who face their own employment problems forces them to rely more heavily on formal institutions such as employment agencies, schools and training programs. Hernandez (1983) found that public employment agencies were the preferred job-search method among unemployed

young Puerto Rican men and women in 1975-76. Santos (1985) found that in 1978-79, Puerto Rican youths participated in government employment and training programs in proportions exceeding Blacks. However, he found that lower percentages were satisfied with the program and few believed that their involvement had significantly improved their job prospects. In the early 1980s, funding cuts in employment and training programs curtailed Puerto Rican participation significantly (National Puerto Rican Coalition, 1983). More recently, Hispanics have been underrepresented in programs that assist in training and placement (U.S. Department of Labor, 1992).

Greater access to word-of-mouth recruitment systems and continued emphasis on educational and cognitive-skills development can better prepare these young people to engage in effective labor market searches.

Of major concern are the labor-market entry problems of the out-of-school Puerto Rican youth population since early labor-market experiences will determine one's access to on-the-job training and improved future earnings. Garcia and Hurtado (1984), in a rare study in which Hispanic subgroups were identified, found that persistent joblessness over the course of the business cycle from 1973 to 1981 was more problematic for Puerto Rican youths than for other Hispanic and white youths. Farkus, et. al. (1988), in a study that did not distinguish Hispanic subgroups, found that in 1979 inner-city, out-of-school Hispanic young men and women had higher employment rates than inner-city blacks, but significantly lower rates than inner-city whites. Hispanic young women had much lower employment rates than Hispanic males, and the lowest wages among all male and female youths.

In the 1990s, high rates of joblessness and unemployment continue to be a shared experience among Puerto Rican men and women and their working-age children.

Labor-market studies of Hispanic youths are important, but they may provide a misleading picture of the economic situation of Puerto Ricans. Puerto Rican youths were at a greater disadvantage in the labor market than other Hispanics in the 1980s (Santos, 1985; Fernandez, 1985). Concentrated family poverty and ineffective information networks supported the social isolation of Puerto Rican teens and young adults. Therefore, programs that emphasize job connections, mentor groups and other informational aspects of employment can serve as a prescription for improving the employment status of New York City Puerto Rican youths.

Greater access to word-of-mouth recruitment systems and continued emphasis on educational and cognitive-skills development can better prepare these young people to engage in effective labor market searches. However, this study shows that conventional productivity-related factors such as educational attainment and language proficiency are not major factors in determining Puerto Rican youths' employment. Variations in the Puerto Rican unemployment rates across the boroughs of New York also did not explain why some youths had jobs. Living in a poor household, however, played a significant role in determining job-entry decisions for these youths.

The large declines in light-manufacturing employment in New York City between 1970 and 1980, coupled with various forms of discrimination in employment and earnings, meant that Puerto Rican workers confronted a sizeable disadvantage in the labor market. In the 1990s, high rates of joblessness and unemployment continue to be a shared experience among Puerto Rican men and women and their working-age children. This can only have devastating effects on young people, who come to believe that persistent poverty and the attendant ills are inevitable.

Endnotes

1. Youths, siblings, other relatives or the householder who reported being in the labor force (either employed or unemployed) were considered to be active labor-market participants. All others were categorized as being non-participants. Labor-force participants may be referred to as "employed" or "working" in the paper. Non-civilian respondents were excluded.

2. If there are two older sisters who meet the age criterion and one sister is in the labor force and the other is not, both the category "older sister employed" and the category "older sister not employed" will take the value of number 1. With four possible sibling records being included in the analysis, observations for one or more of the siblings within the same age group will appear in the regressions and some of the independent variables may be identical. See Rees and Gray (1982: 462-463).

3. The alternative tobit estimation results using annual hours worked as the dependent variable is available from the author upon request.

APPENDIX A
Variable Definitions

YWorks = 1 if young respondent reported being in the labor force (employed or unemployed during the survey week); 0 otherwise

YAnnHrs = the number of annual hours worked by the young person during 1979 (annual weeks worked in 1979 x hours worked per week in 1979)

LnExogIn = natural logarithm of household income excluding labor earnings of young respondent and any public assistance payments received by the household

Yeduc = number of years of education completed by young respondent

HHWorks = 1 if the head of household (parent) was in the labor force (employed or unemployed) during the survey week; 0 otherwise

MSelfEmp = 1 if the head of household was male and self-employed; 0 otherwise

FHHead = 1 if the household in which the young respondent resided was female-headed

Poor = 1 if the income of the household was determined by the Census Bureau to be below the cutoff for poverty level income; 0 otherwise

Ydisable = 1 if the young respondent reported having a work or transportation disability; 0 otherwise

Ybirth = 1 if the young respondent was born in the United States; 0 otherwise

UnEmpRt = the civilian unemployment rate for each racial/ethnic group by county location in New York City

Yenglish = 1 if respondent reported poor English proficiency; 0 otherwise

UWColl = 1 if household head (parent) worked in upper white-collar occupations, i.e. professionals, technical, and managerial personnel; 0 otherwise

LWColl = 1 if household head (parent) worked in lower white-collar occupations, i.e., clerical and sales; 0 otherwise

UBColl = 1 if household head (parent) worked in upper blue-collar or craft job; 0 otherwise

LBColl = 1 if household head (parent) worked in lower blue-collar job, i.e. operative and laborer; 0 otherwise

APPENDIX A
Continued

ServOcc = 1 if household head (parent) worked in service job, including private household worker; 0 otherwise

YoBro = 1 if respondent had an inactive, younger brother living at home; 0 otherwise

OlBro = 1 if respondent had an inactive, older brother living at home; 0 otherwise

YoBroEmp = 1 if respondent had an active (employed or unemployed) younger brother living at home; 0 otherwise

OlBroEmp = 1 if respondent had an active (employed or unemployed) older brother living at home; 0 otherwise

YoSis = 1 if respondent had an inactive, younger sister living at home; 0 otherwise

OlSis = 1 if respondent had an inactive, older sister living at home; 0 otherwise

YoSisEmp = 1 if respondent had an active (employed or unemployed) younger sister living at home; 0 otherwise

OlSisEmp = 1 if respondent had an active (employed or unemployed) older sister living at home; 0 otherwise

Mrelative = 1 if respondent had an inactive male, relative living at home; 0 otherwise

Frelative = 1 if respondent had an inactive, female relative living at home; 0 otherwise

MRelEmp = 1 if respondent had an active (employed or unemployed) male, relative living at home; 0 otherwise

FRelEmp = 1 if respondent had an active (employed or unemployed) female, relative living at home; 0 otherwise

NoKids = *1 if respondent reported no children; 0 otherwise

APPENDIX B

Selected Variable Means for Males, Ages 16-19 and 20-24
(standard deviations)

	Puerto Rican		*Black*		*White*	
	16-19	*20-24*	*16-19*	*20-24*	*16-19*	*20-24*
YWorks	.435	.65	.534	.703	.685	.859
	(.496)	(.477)	(.499)	(.457)	(.465)	(.348)
YAnnHrs	339	789	342	805	642	1260
	(630)	(850)	(610)	(851)	(759)	(853)
YEduc	9.55	10.6	10.3	11.5	10.9	12.6
	(2.26)	(2.35)	(1.84)	(2.25)	(1.73)	(2.45)
HHWorks	.465	.551	.684	.707	.812	.797
	(.499)	(.498)	(.466)	(.455)	(.391)	(.403)
FHHead	.535	.421	.538	.537	.211	.187
	(.499)	(.494)	(.499)	(.499)	(.408)	(.39)
Poor	.478	.298	.333	.214	.124	.041
	(.5)	(.458)	(.472)	(.411)	(.33)	(.197)
YDisable	.076	.098	.062	.08	.033	.039
	(.266)	(.297)	(.241)	(.271)	(.179)	(.193)
UnEmprt	12.6	12.4	12.1	12.1	11.2	11.0
	(1.57)	(1.65)	(2.27)	(2.34)	(2.67)	(2.69)
UWColl	.071	.052	.099	.111	.181	.179
	(.257)	(.221)	(.298)	(.315)	(.385)	(.383)
LWColl	.09	.11	.173	.202	.201	.248
	(.286)	(.313)	(.378)	(.401)	(.401)	(.432)
UBColl	.073	.082	.097	.084	.149	.156
	(.261)	(.274)	(.296)	(.278)	(.357	(.363)
LBColl	.139	.165	.134	.100	.163	.128
	(.346)	(.372)	(.34)	(.301)	(.37)	(.335)
ServOcc	.166	.211	.269	.293	.177	.179
	(.372)	(.409)	(.444)	(.455)	(.382)	(.383)
YoBroEmp	.033	.06	.027	.043	.041	.069
	(.178)	(.238)	(.161)	(.204)	(.198)	(.254)
OlBroEmp	.022	.103	.025	.103	.032	.141
	(.146)	(.304)	(.155)	(.304)	(.175)	(.348)
YoSisEmp	.025	.064	.041	.038	.068	.08
	(.155)	(.245)	(.199)	(.191)	(.252)	(.272)
OlSisEmp	.076	.107	.086	.118	.155	.15
	(.266)	(.309)	(.281)	(.323)	(.363)	(.357)
MRelEmp	.016	.011	.006	.012	.005	.001
	(.127)	(.103)	(.078)	(.108)	(.067)	(.037)
FRelEmp	.003	.014	.008	.021	.002	.002
	(.052)	(.119)	(.09)	(.143)	(.039)	(.047)
n=	368	563	487	1106	663	2244

* All youths live with their parent(s) and are not enrolled in school.
Source: 1980 5% PUMS for New York City

APPENDIX C

Selected Variable Means for Females, Ages 16-19 and 20-24
(standard deviations)

	Puerto Rican		*Black*		*White*	
	16-19	*20-24*	*16-19*	*20-24*	*16-19*	*20-24*
YWorks	.287	.588	.35	.57	.726	.863
	(.453)	(.493)	(.477)	(.495)	(.447)	(.344)
YAnnHrs	219	711	232	648	773	1362
	(518)	(839)	(521)	(817)	(791)	(786)
LnExogIn	8.36	8.79	8.8	9.19	9.65	9.88
	(2.39)	(1.91)	(1.95)	(1.64)	(1.6)	(1.22)
YEduc	9.74	11.3	10.7	11.9	11.4	12.9
	(2.26)	(2.47)	(2.02)	(2.39)	(1.54)	(2.23)
HHWorks	.47	.521	636	.681	.833	.818
	(.5)	(.5)	(.482)	(.466)	(.373)	(.386)
FHHead	.514	.472	.591	.547	.199	.175
	(.501)	(.5)	(.492)	(.498)	(.4)	(.38)
Poor	.507	.328	.375	.249	.09	.038
	(.501)	(.47)	(.485)	(.432)	(.286)	(.191)
YDisable	.068	.088	.049	.062	.022	.03
	(.251)	(.284)	(.217)	(.242)	(.147)	(.169)
YBirth	.696	.674	.866	.82	.917	.928
	(.461)	(.469)	(.341)	(.385)	(.276)	(.259)
UnEmpRt	12.7	12.6	12.3	11.9	11	10.9
	(1.51)	(1.45)	(2.15)	(2.4)	(2.69)	(2.7)
UWCol	.054	.056	.086	.108	.195	.197
	(.227)	(.230)	(.281)	(.311)	(.396)	(.398)
LWCol	.088	.086	.191	.161	.207	.264
	(.284)	(.281)	(.394)	(.368)	(.405)	(.441)
UBColl	.071	.074	.045	.066	.18	.159
	(.257)	(.263)	(.208)	(.249)	(.384)	(.366)
LBColl	.145	.163	.107	.12	.127	.124
	(.353)	(.37)	(.309)	(.325)	(.333)	(.329)
ServOcc	.196	.195	.292	.316	.184	.158
	(.398)	(.397)	(.455)	(.465)	(.388)	(.365)
YoBroEmp	.051	.044	.043	.048	.075	.073
	(.22)	(.206)	(.204)	(.214)	(.264)	(.261)
OlBroEmp	.098	.128	.105	.145	.207	.193
	(.298)	(.334)	(.307)	(.352)	(.405)	(.395)
YoSisEmp	.007	.042	.017	.038	.041	.077
	(.082)	(.201)	(.127)	(.191)	(.199)	(.267)
OlSisEmp	.007	.086	.008	.083	.033	.113
	(.082)	(.281)	(.090)	(.275)	(.177)	(.316)
MRelEmp	.044	.033	.004	.034	.009	.011
	(.205)	(.178)	(.064)	(.18)	(.094)	(.103)
FRelEmp	.003	.005	.008	.009	.001	.004
	(.058)	(.068)	(.09)	(.095)	(.038)	(.06)
NoKids	.76	.756	.72	.624	.974	.969
	(.428)	(.43)	(.449)	(.485)	(.161)	(.174)
n=	296	430	486	982	678	1969

* All youths live with their parent(s) and are not enrolled in school
Source: 1980 5% PUMS for New York City

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