

Pathways to Economic Opportunity: The Puerto Rican and other Latinos Experience

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Outline

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- Low Wage Labor Markets
- WIB's and OSCC's Services to Puerto Ricans and other Latinos*
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* We use the term Latino or Latinos interchangeably with Hispanic or Hispanics. When using data from the U.S. Census Bureau we will use their designation—Hispanic or Hispanics.

Introduction

- This study contributes to the understanding of crucial aspects of participation in low-wage labor markets in the United States and pathways to economic opportunity for Puerto Ricans and other Latinos.
- Puerto Ricans and other Latinos are concentrated within this segment.
- Puerto Ricans in particular experience higher rates of unemployment and poverty than other Latino subgroups.

Introduction: Pathways

- Considering structural limitations to workers' mobility and career advancement, pathways are defined as **education, training, and employment approaches that lead to improvements in working conditions, employment security and earnings.**
- We focus this study on intermediaries that concentrate their pathways programs on:
 - Specific industries,
 - Puerto Rican and other Latinos, and
 - Are part of colleges and universities, or partner with educational institutions.

Low-Wage Labor Markets

- We designate the status of low-wage or non-low wage individuals by whether or not their employment commands earnings above 2/3 the median wage of workers in their given metropolitan area (all individuals with income).
- Researchers' interest in this segment of the market stems from its implications for income disparities, poverty, and social welfare.

Data & Method

- Low Wage Tables:
 - Source: U.S. Census Bureau, American Community Survey, 2010 Estimates.
 - Use of key indicators* for the analysis of low-wage workers: Age, Education, English Fluency, Industry.
 - Comparison of Puerto Ricans, other Latinos, and Non-Latinos to ascertain disparities.
- WIA Participation & Pathways
 - Case Studies: cities, industries.

* Factors that increase the odds of having a low wage job.

Total Population (Million) & Labor Force Participation

Ethnicity	Total Population		In the labor force		
	Total	% of total	Total	% of total	LFP Rate
Non-Hispanic	258.6	83.6%	133.1	85.5%	0.638
White	196.9	63.7%	103.7	66.5%	0.640
Black	37.9	12.3%	17.9	11.8%	0.622
Asian	15.0	4.9%	8.0	5.0%	0.661
Hispanic	50.7	16.4%	23.9	14.5%	0.677
Mexican	32.9	10.6%	15.0	9.1%	0.677
Puerto Rican	4.7	1.5%	2.0	1.3%	0.622
Cuban	1.9	0.6%	1.0	0.6%	0.621
Dominican	1.5	0.5%	0.7	0.5%	0.666
Total	309.3	100.0%	157.0	100.0%	0.644

Source: American Community Survey (ACS), 2010.

Stylized Facts about Hispanics in the Labor Force

- Hispanics are the fastest growing population group.
- Mexicans are by far the largest Hispanic group, accounting for two-thirds of the total.
- With a total of 4.7 million population, Puerto Ricans are the second largest Hispanic group, and are concentrated in the Northeast and Central Florida.
- In 2010, Hispanics represented 14.5% of the labor force.
- Hispanics have a LFP rate higher (67.7%) than Non-Hispanics (63.8%).

Low-Wage Workers by Age Cohorts and Sex (%)

Ethnicity	18 to 24	25 & over	Men	Women
Non-Hispanic	0.801	0.345	0.253	0.388
White	0.788	0.323	0.236	0.385
Black	0.851	0.461	0.345	0.414
Asian	0.819	0.366	0.273	0.373
Hispanic	0.797	0.474	0.317	0.392
Mexican	0.795	0.478	0.311	0.374
Puerto Rican	0.812	0.464	0.310	0.401
Cuban	0.740	0.423	0.307	0.426
Dominican	0.813	0.565	0.372	0.495
Total	0.800	0.361	0.264	0.388

Source: American Community Survey (ACS), 2010.

Characteristics of Low-Wage Workers: Age

- Youth, here defined as individuals 18 to 24 years of age, have a high proportion of low-wage employment (80.0%) when compared to workers 25 years of age and over (36.1%).
- Among workers 25 years of age and over, one-third of Whites (34.5%) are in low-wage jobs but more than half of Dominicans (56.5%) and almost half of Blacks (46.1%), Mexicans (47.8%), and Puerto Ricans (46.4%) are in this segment.

Characteristics of Low-wage Workers: Sex

- Women (38.8%) are more concentrated in low wage jobs than men (26.4%).
- The **gender gap** ranges from 14.9% for white women to 6.3% for Mexican women, with an average of 12.4% for all women.
- Disparities between white men's and minorities' concentration in low-wage jobs are substantial, but not for women.
- The **racial gap** ranges from 13.6% for Dominicans to 3.7% for Asians, with an average of 8% for all Hispanics and 11% for blacks.

Low-wage Workers by Education (25 years and older)

Ethnicity	<u>Less HS</u>	<u>HS/GED</u>	<u>Some Coll</u>	<u>Assoc</u>	<u>BA/Grad.</u>
Non-Hispanic	0.196	0.361	0.220	0.063	0.160
White	0.173	0.373	0.222	0.065	0.168
Black	0.273	0.362	0.230	0.056	0.080
Asian	0.262	0.231	0.146	0.063	0.298
Hispanic	0.490	0.269	0.138	0.038	0.066
Mexican	0.541	0.258	0.126	0.030	0.045
Puerto Rican	0.400	0.312	0.170	0.055	0.064
Cuban	0.375	0.306	0.127	0.055	0.137
Dominican	0.450	0.274	0.144	0.045	0.086
Total	0.244	0.346	0.206	0.059	0.144

Source: American Community Survey (ACS), 2010.

Low-Wage Workers by Education

For the older cohort, educational attainment is a critical factor preventing mobility out of the low-wage segment.

- Half of Hispanics in low-wage jobs (49.0%) have less than HS diploma.
- Mexicans (54.1%) have the highest proportion of “Less HS,” followed by Dominicans (45.0%) and Puerto Ricans (40.0%).

Low-Wage Workers by English Fluency (25 years and older)

<u>Ethnicity</u>	<u>Only English</u>	<u>Very well</u>	<u>Well</u>	<u>No/not well</u>
Non-Hispanic	0.887	0.054	0.027	0.032
White	0.936	0.037	0.014	0.013
Black	0.931	0.038	0.017	0.013
Asian	0.157	0.276	0.230	0.338
Hispanic	0.156	0.274	0.174	0.396
Mexican	0.162	0.266	0.165	0.408
Puerto Rican	0.198	0.429	0.173	0.199
Cuban	0.118	0.214	0.158	0.510
Dominican	0.052	0.237	0.173	0.538
Total	0.766	0.090	0.052	0.092

Source: American Community Survey (ACS), 2010.

Low-Wage Workers by English Fluency

For the older cohort, English fluency is a critical factor preventing mobility out of the low-wage segment.

- More than half of Hispanics and Asians reported not speaking English well or not at all.
- Among Hispanics, Puerto Ricans reported the largest proportion of native speakers: 19.8% only spoke English, and 42.9% spoke English very well.

Percent Low-Wage Workers by Industry (25 years and older)

Ethnicity	Agricu	Min/Co	Manuf	Trade	Util/Tra	Servic	EdHeSS	PubA	All Ind
Non-Hispanic	0.304	0.084	0.183	0.334	0.256	0.302	0.255	0.120	0.262
White	0.282	0.077	0.159	0.310	0.238	0.277	0.235	0.107	0.240
Black	0.568	0.120	0.314	0.461	0.352	0.436	0.348	0.161	0.366
Asian	0.467	0.097	0.231	0.399	0.285	0.329	0.256	0.137	0.296
Hispanic	0.571	0.121	0.373	0.435	0.408	0.491	0.358	0.151	0.419
Mexican	0.573	0.127	0.367	0.436	0.405	0.520	0.370	0.152	0.431
Puerto Rican	0.472	0.090	0.366	0.442	0.341	0.380	0.311	0.141	0.346
Cuban	0.470	0.104	0.312	0.343	0.287	0.320	0.239	0.121	0.291
Dominican	0.811	0.313	0.532	0.549	0.520	0.491	0.480	0.137	0.495
All Workers	0.383	0.088	0.209	0.347	0.284	0.330	0.266	0.123	0.284

Source: American Community Survey (ACS), 2010.

Low-Wage Workers by Industry

- For the older cohort, the industry of employment is a critical factor increasing the odds of having a low-wage job.
- Hispanics have the highest proportion of low-wage employment in Agriculture (57.1%), Services (49.1%), Retail and Wholesale Trade (43.5%), and Utilities and Transportation (40.8).

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WIB's and OSCC's Services to Puerto Ricans and Other Latinos

Borges-Méndez study of the public-workforce development system in areas of high concentrations of Puerto Ricans examined:

- The WIB's & OSCC's outreach to Puerto Rican community-based organizations (CBOs) and low-wage workers, and
- The role of intermediaries in connecting employers and workers, providing skills training and the supports necessary to sustain employment.

Slide 17

M7 Is this something you meant to have here?
Marilyn, 4/6/2012

WIB's and OSCC's Services to Puerto Ricans and Other Latinos

Characteristics/City	Bronx, New York	Hartford	Springfield/Holyoke
% Puerto Rican	24.0	32.5	23.2/36.5
Type of City	Large	Medium	Medium/Small
CBO Participation @ WIB/OSCC	Minimal	Extensive	Medium
Puerto Rican-Led CBO @ WIB/OSCC	Minimal	Extensive	Minimal
Regional Approach	Minimal	Medium	Minimal
Sectorial Programs	None /Work First	Extensive/Work First	Minimal/Work First
		Three Programs: Construction, Health, Business Services	Two Small Programs: Child Care, Youth

WIB's and OSCC's Services to Puerto Ricans and Other Latinos

- The findings unveil great disparities on how the Puerto Rican population is serviced:
 - Little or no participation of Puerto Rican CBO's in NYC.
 - Better services provided when CBOs actively participate in local systems.
 - In all jurisdictions "work-first" approaches prevail.
 - Sectorial and career-ladder approaches are part of the program mix in Hartford and Springfield/Holyoke, but few Puerto Ricans participate in these programs.

Pathways to Economic Opportunity

- One of the main consequences of significant educational disparities is that Puerto Ricans are concentrated in low-wage jobs and experience higher rates of unemployment and poverty than other Latino subgroups.
- Centro's study on how to support the transition of Puerto Ricans and other Latinos workers' out of low-wage jobs identified many exemplary pathways programs and four key industries to target:
 - Health services
 - Green jobs
 - Education
 - Social work

Pathways to Economic Opportunity

The case studies suggest the following community and advocacy strategies:

- Target industries with significant employment potential.
- Promote higher education and community partnerships.
- Strengthen and develop programs that focus explicitly on serving the Puerto Rican and Latino communities.

Conclusions: What is the Takeaway?

- The participation of community-based organizations in the public system to foster development of better employment opportunities for population groups disconnected from mainstream economic institutions.
- Other critical factors that shape local labor dynamics and outcomes:
 - Local employment services infrastructure.
 - Relations between industries and local stakeholders independent of the public system.
 - Cultural competence among community organizations and the public system.

Conclusions: What is the Takeaway?

- There are pathways programs with a proven record of servicing the needs of Puerto Ricans and other Latinos, especially in the 18 to 24 age cohort, that can be strengthened, replicated, and from which best practices can be learned.
- Effective intermediaries serving Puerto Ricans and other Latinos should implement culturally relevant practices and comprehensively engage with local workforce-development partners, the publicly financed employment services system and employers.