

THE WELL-BEING OF LATINOS IN THE MIDWEST:

**The Influence of Race/Ethnicity, Location, and
Local Opportunity Structures**

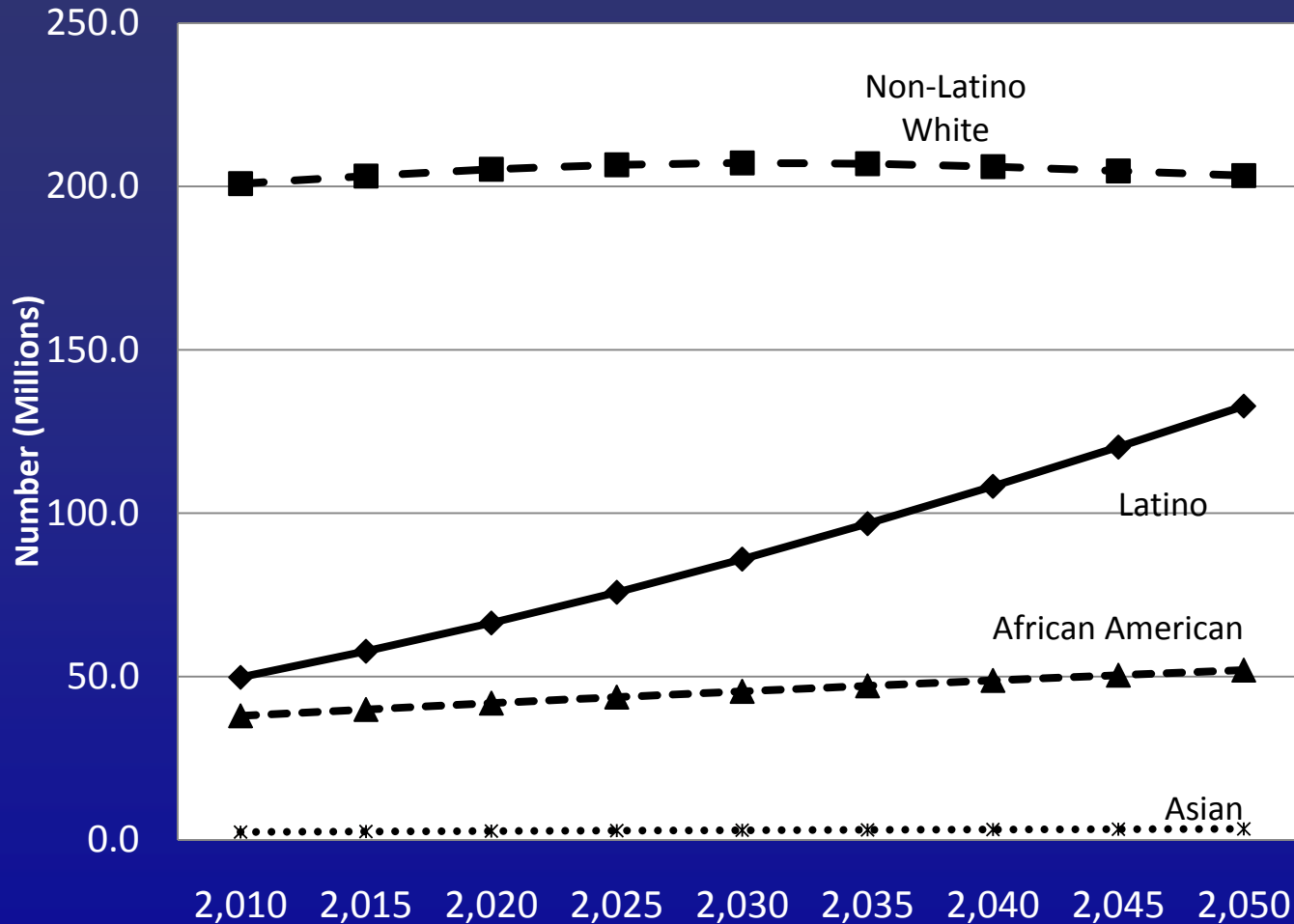
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Latino Population Change

- 46.9 million Latinos in the U.S. in 2008
 - 15.5% of all U.S. population
 - 31.7% change from 2000
- 4.3 million Latinos in the Midwest in 2008
 - 6.4% of all Midwest population
 - 35.2% change from 2000
 - about 1.1 million increase between 2000-2008
- The Latino population is the fastest growing population in the United States

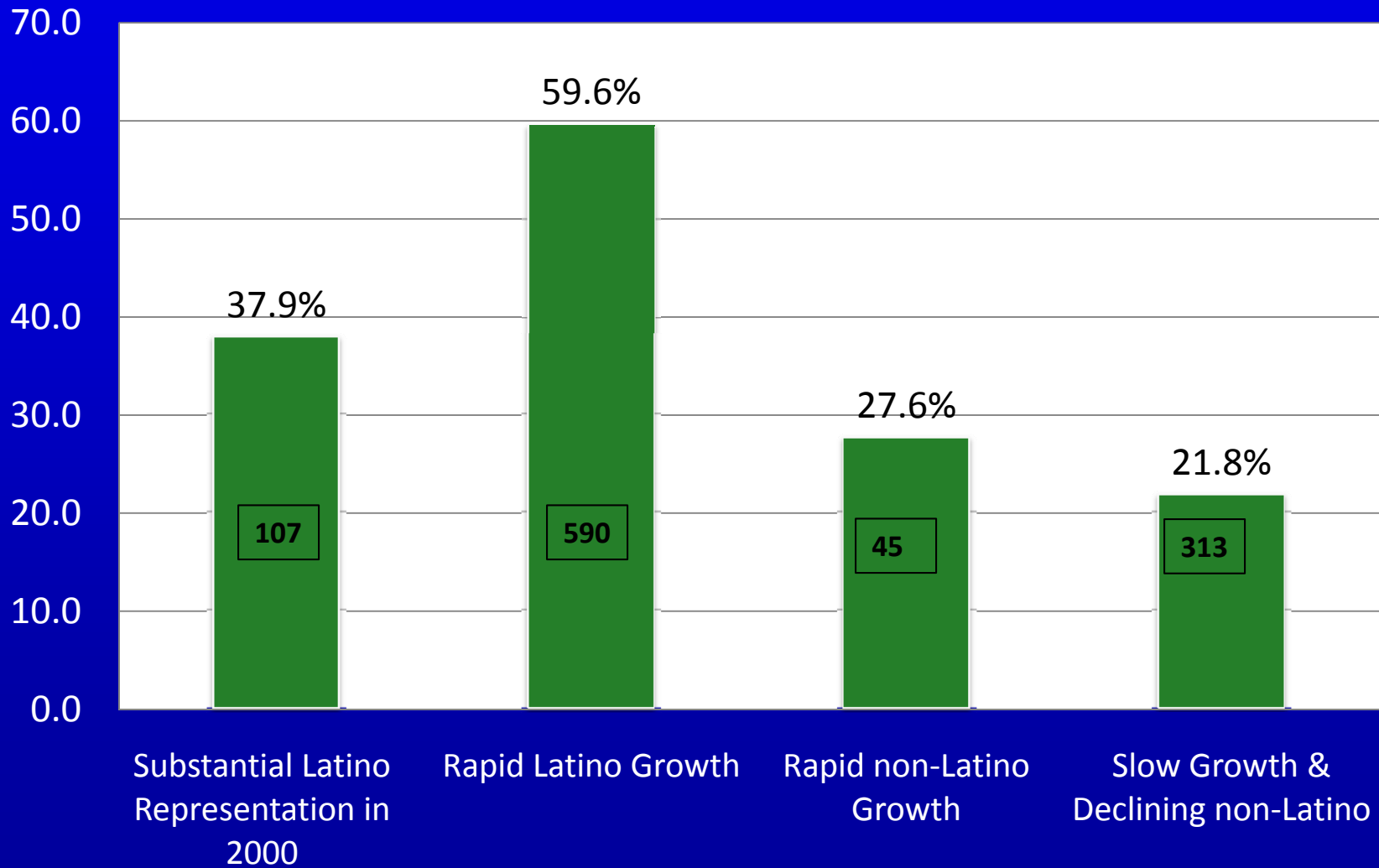
Projected Population Growth by Race/Ethnicity, 2010-2050



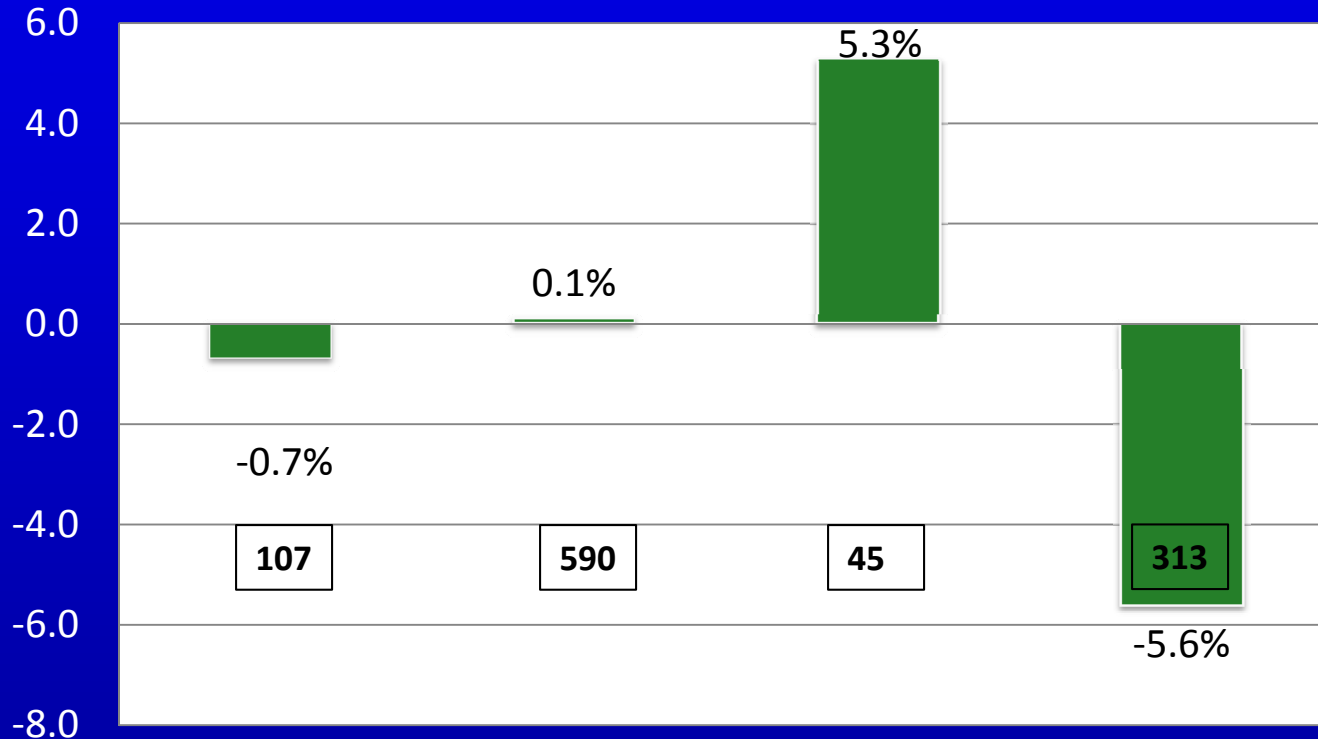
- The Latino population is projected to increase from 35.6 million in 2000 to 132.8 million in 2050, or ~ 273% increase.



Median Latino Population Change by County Type in the Midwest, 2000-2008



Median Total Population Change by County Type in the Midwest, 2000-2008



- These demographic changes have substantive implications for the communities in the Midwest

Substantial Latino Representation in 2000

Rapid Latino Growth

Rapid non-Latino Growth

Slow Growth & Declining non-Latino

Restructuring of the Midwestern Economies

- These demographic changes in the Midwest occurred during a time of major economic restructuring
 - New structures of work
 - Stressed and constrained choices available to workers
 - Economic hardship to numerous people and places
 - Degradation of economic well-being
 - Increased poverty
 - Increased unemployment and underemployment
 - A more polarized class structure
 - Race and gender inequality, and
 - An overall decline in employment opportunities

Overview


- Definition of concepts
- Theoretical background
- Research questions
- Data & statistical methods
- Findings
 - Descriptive analysis
 - Multivariate analysis
- Conclusions

Definition of Concepts

- Household well-being:
 - Economic well-being
 - *Household poverty & household income*
- Poverty measures
 - Economic or income deprivation
 - Absolute poverty
 - Based on thresholds or poverty line
 - The official poverty line
 - Relative poverty
 - Comparative economic deprivation
 - A threshold as a percentage of median household income

Human Capital Theory (HCT)

Author/Article	Arguments, Findings, or Comments
Becker 1964; Lichter et al. 1993	Workers with weak skill levels (e.g., lack of education or relevant experiences) are less productive at work, and therefore poorly remunerated in the labor market and experience more job instability
Snipp et al. 1993; Tickamyer et al. 1993; Rural Sociological Society Task Force 1993	More skillful or experienced workers are arguably more productive employees and therefore earn higher wages and experience more job stability
O’Conner 2001; Iceland 2006; Falk and Lyson 1988; Tomaskovic-Devey 1987	Critique of HCT -- Emphasis on individual attributes and actions often overlook the enormous impact of social, economic, and political systems on poverty – emphasis should be on structural causes: “people are poor because they do not have enough good jobs rather than not enough skilled or motivated people”


While individual attributes such as human capital may partially explain poverty differentials and income gaps, existing opportunity structure may better explain the level of poverty and income inequality and why they persist

Economic Restructuring

Author/Article	Arguments, Findings, or Comments
Moller et al. 2003; Bluestone and Harrison 1982; Alderson and Nielsen 2002; Gustafsson and Johansson 1999; Iceland 1997, 2006; Bluestone and Harrison 1990)	<p><u>Deindustrialization</u> -- the transition in employment from extractive and manufacturing industries to service and information industries -- produced a large share of low-wages and greater poverty</p> <ol style="list-style-type: none">1. The destruction of a disproportionate number of higher wage jobs, especially those whose primary requirement is manual skill;2. The service and retail trade sectors of the economy generated millions of new jobs, but these tended to be associated with a polarized earnings distribution and poverty <p>Two types of service jobs:</p> <ol style="list-style-type: none">a. those requiring high education and technical skillsb. those requiring lower-job skills.

Increased poverty and economic uncertainty -- the challenge has been for many families, especially those with lower educational levels and skills, to find a job, not any kind of job, but a job that pays well to lift the family out of poverty and economic uncertainty, and offer fringe benefits such as health insurance and pensions

Social Capital

Author/Article	Arguments, Findings, or Comments
<p>Putnam 1993, 1995; Coleman 1988, 1990; Bourdieu 1986; Flora 1998; Portes 1998; Portes and Sensenbrenner 1993; Woolcock 1998</p>	<p>-- Many and distinct but complementary definitions of social capital. What they have in common is that:</p> <ul style="list-style-type: none"> --- social capital secure benefits to actors by virtue of membership in social networks or other social structures <p>The main definitions:</p> <ul style="list-style-type: none"> -- “the aggregate of actual or potential resources linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition” (Bourdieu: 248) -- social capital, unlike other forms of capital, inheres in the structure of relations between and among actors (Coleman 1988:598). Coleman sees the existence of social capital in trust, information, norms and effective sanctions, authority relations, and the extent of obligations in a group. -- Putnam (1993; 1995) defines social capital as features of social organization, such as networks, norms, and trust that facilitate coordination and cooperation for mutual benefit (p.36) (p. 67)


Social Capital

Author/Article	Arguments, Findings, or Comments
Szreter and Woolcock 2004; Flora & Flora 2003; Narayan 1999, 2000	Social capital can be divided into three forms: <i>(1) Bonding social capital</i> -- trusting and cooperative relations between members of a networks who see themselves as being similar, in terms of their shared social identity, <i>(2) Bridging social capital</i> – relations of respect and mutuality between people who know that they are not alike in some socio-demographic (or social identity) sense (age, ethnic group, class, etc.), and <i>(3) Linking social capital</i> – norms of respect and networks of trusting relationships between people who are interacting across explicit, formal or institutionalized power or authority gradients in society


➔ *Communities with higher levels of social capital (bonding, bridging, and linking) foster better economic development, and therefore lower poverty levels and increase incomes*

Social Stratification

Author/Article	Arguments, Findings, or Comments
O'Hare 1996; Iceland 2006	<p>Racial/ethnic minorities occupy lower positions in the social hierarchy of the U.S. society:</p> <ul style="list-style-type: none">-- They are on average more likely than Whites to have lower levels of education, lower levels of employment, lower wages, and chronic health problems – all characteristics associated with higher poverty rates <p>“African Americans, Asian Americans, Latinos, and Native Americans, and even many White ethnic groups such as the Irish have all historically had to cope with limited opportunities though their experiences have qualitatively differed”</p>


 *The lack of access to opportunities both in schools and labor markets results in minorities occupying disadvantaged positions in society*

Social Stratification – Race/Ethnicity

Author/Article	Arguments, Findings, or Comments
Wilson 1987, 1996; Kazarda 1995; Iceland 1997, 2006; McCall 2001 Massey & Denton (1993)	-- Deindustrialization and class segregation have hampered the economic mobility of less skilled Blacks in the labor markets; -- Massive loss of industrial jobs in urban areas has made self-sufficiency impossible for many residents in core cities. The suburbanization of low-wage growth only worsens the impact of job loss for minorities -- Segregation, interacting with economic forces, reinforces minority poverty by limiting access to potential broad range of metropolitan area employment opportunities
Iceland 2006	Some of the processes that have hampered African American economic well-being, such as discrimination, segregation, and human capital differentials, have also affected other minority groups – Latinos, Asians, and native Americans
 <i>Limited access to employment opportunities, social isolation, and higher poverty</i>	


Social Stratification -- Immigrants

Author/Article	Arguments, Findings, or Comments
Borjas 1990; Iceland 2006	<p>Limited language proficiency and unfamiliarity with American customs and labor market barriers considerably hinder immigrant economic mobility in the short run, but in the long run labor market barriers become less important</p> <ul style="list-style-type: none">-- Poverty rates are highest among recent immigrants, particularly those from Mexico;-- Immigrants from Asia tend to comprise a more “select” group than those from Latin America, exhibiting higher levels of education than both Latinos and native-born Whites, which translate into better jobs, higher incomes, and hence less poverty

 *Immigrant families in general, recent immigrant in particular, are at greater risk of poverty and having lower incomes than non-immigrant families*


Social Stratification -- Gender

Author/Article	Arguments, Findings, or Comments
Tickamyer et al. 1993	“Women’s economic opportunities are conditioned and shaped by their disadvantage in the wage labor market; by their high participation level in informal and unpaid labor, both productive and unproductive; and by state policies toward women, work, and welfare” (Pp. 218)
Gordon 1990, 1994; Handler & White 1999; England 1994; Hartman 1994	-- Unequal gender relations have been and continue to be structured into the economy, social norms, and social welfare policy -- Women’s lower economic status reflects the unequal distribution of power in society
Iceland 2006	-- Women tend to have higher poverty rates than men -- they have fewer resources than men -- they are more likely to be the heads of single-headed families; -- Minority women tend to be overrepresented among the poor -- minority status, and -- higher rates of single parenthood

 *Women are more likely than men to have higher poverty rates and lower incomes.
Minority women, in particular, are more likely to be overrepresented among the poor*

Spatial Location & Uneven Development

Author/Article	Arguments, Findings, or Comments
Tickamyler et al. 1993; Lyson and Falk 1993; Lobao 1990	Economic well-being is unevenly distributed across geopolitical spaces <ul style="list-style-type: none"> --- The impact of the economic restructuring has been uneven across spaces, affecting individuals, families, and communities in different locations
Tickamyler and Duncan 1990	<ul style="list-style-type: none"> -- In both rural and urban areas, many communities lack stable employment, opportunities for upward mobility, investment in the community or regions, and diversity in the economy and other social institutions --- Nonmetropolitan areas have a relatively limited employment and earnings opportunities and less diversified labor markets
Tickmayer & Bokemeier 1993; Wilson 1987, 1993; Tickamyler and Latimer 1993	<ul style="list-style-type: none"> -- The uneven distribution of jobs and wages result in low opportunity and high poverty rates for people and places


Lower incomes and higher poverty rates in nonmetropolitan areas and in economically disadvantaged and socially isolated metropolitan areas

Research Questions

- How do Latinos compare with other racial/ethnic groups on household well-being (i.e., poverty and income)?
- Does the association between race/ethnicity and household well-being persist after controlling for individual and household confounders (e.g., household structure, educational attainment, industry of employment)?

Research Questions

- Does the association between nonmetro/metro labor market area (LMA) and household well-being persist after controlling for individual/household confounders?
- How are structural characteristics of LMAs -- (e.g., economic disadvantage, immigrant concentration, and residential stability) – associated with household well-being, controlling for nonmetropolitan/metropolitan status, individual and household confounders?

Research Questions

- How does the local LMA opportunity structure, as measured by both the industry structure and the percentage of good jobs, influence household well-being, controlling for individual, household, nonmetro/metro location, and LMA structural characteristics?

Data -- ACS PUMS

- Individual/household level:
 - American Community Survey (ACS) PUMS data, 2005-2007
 - Included: Householders ages 16 - 64 years
 - Excluded:
 - Non-family households living alone
 - Subfamilies within households
 - Military households
 - Households with zero income
 - Group-quarter units

Data -- Summary Files

- Labor Market Area level:
 - ACS Summary Files 2005-2007
- PUMA places:
 - Minimum population of 100,000
 - Cannot cross state boundaries
 - Composed of:
 - Census tracts
 - Places
 - One or more counties
 - Combination of tracts and counties
- The LMA encompasses both the PUMA place of residence and PUMA place of work

Variables – Individual/Household Level

- **Household poverty**

- Household income below 125% of the federal poverty line

- **Household Income**

- **Race/ethnicity**

- Non-Latino White (reference)
- Latino
- African American
- Asian
- Other race

- **Gender**

- Male (reference)
- Female

- **Household Structure**

- Married couples (reference)
- Cohabiting households
- Formerly married (i.e., widowed, divorced, and separated)
- Single never married

- **Educational attainment**

- Less than high school (reference)
- High school or equivalent
- Some college
- College or higher

Variables – Individual/Household Level

- **Industry of employment**

- Extractive
- Low-wage manufacturing
- High-wage manufacturing
- Distributional services
- High-wage services
- Consumer services (reference)

- **Controls**

- Age (years)
- Disability status

- Immigrant status

- Natives (reference)
- Foreign born
- Number of children
- Job quality
 - Full-time employment (reference)
 - Part-time employment
 - Service occupation
 - Other occupations (reference)

Variables – LMA Level

- | | |
|---|--|
| <ul style="list-style-type: none">• Spatial location<ul style="list-style-type: none">• Metropolitan (reference)• Non-metropolitan• Industrial structure<ul style="list-style-type: none">• Extractive industries and government• Low-wage manufacturing• High-wage manufacturing• Consumer service• Core/periphery ratio | <ul style="list-style-type: none">• Percentage good jobs• Controls<ul style="list-style-type: none">• Structural characteristics<ul style="list-style-type: none">• Economic disadvantage• Immigrant concentration• Residential stability• Population size (ln) |
|---|--|

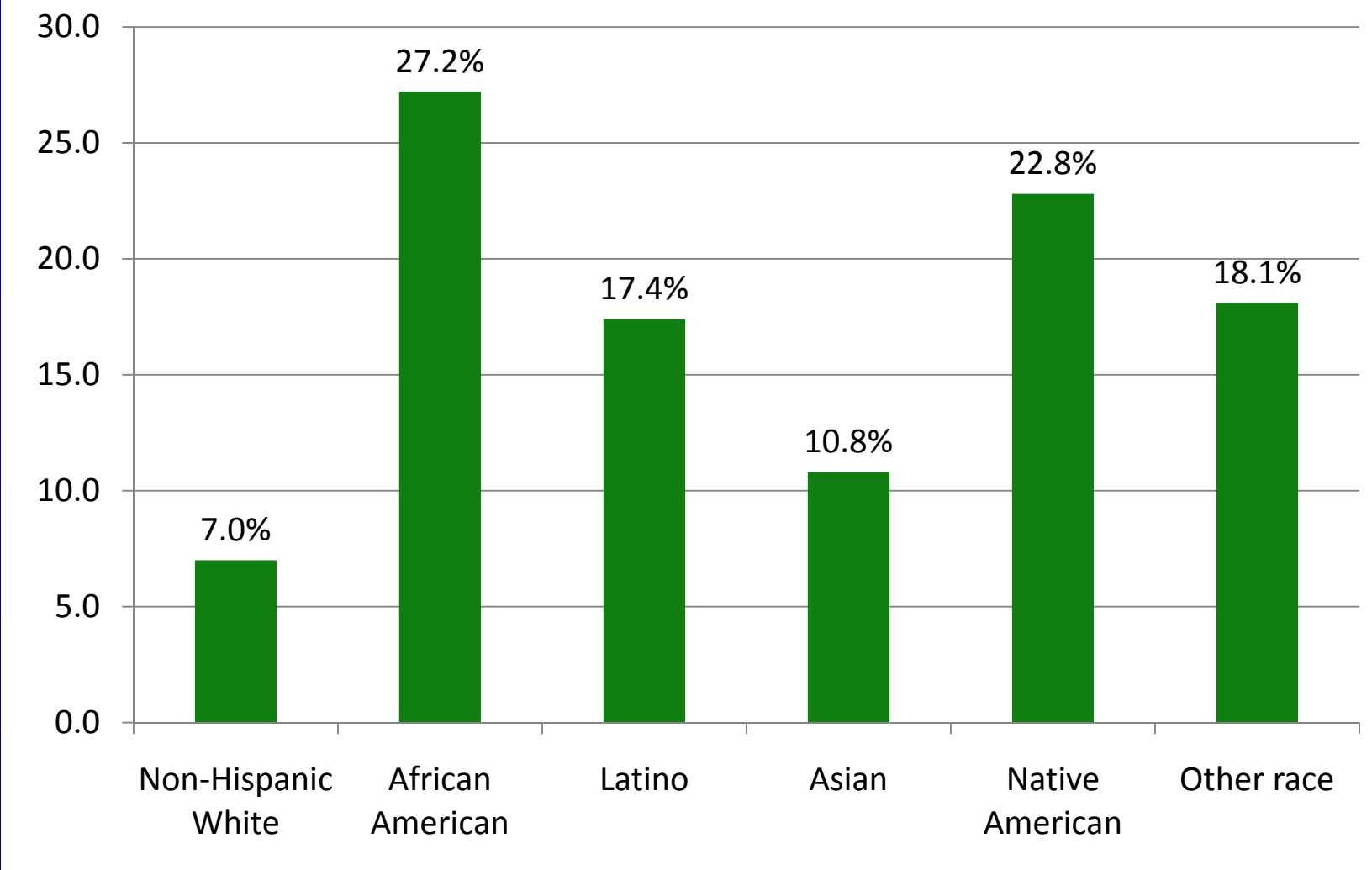
Level-1 Model Specifications

- Unconditional model – no predictor
- Unadjusted model -- Race/ethnicity predictor
- Model 1
 - Race/ethnicity + gender + age + immigrant status
- Model 2
 - Model 1 + household structure
- Model 3
 - Model 2 + educational attainment
- Model 4
 - Model 3 + Industry of employment + job quality

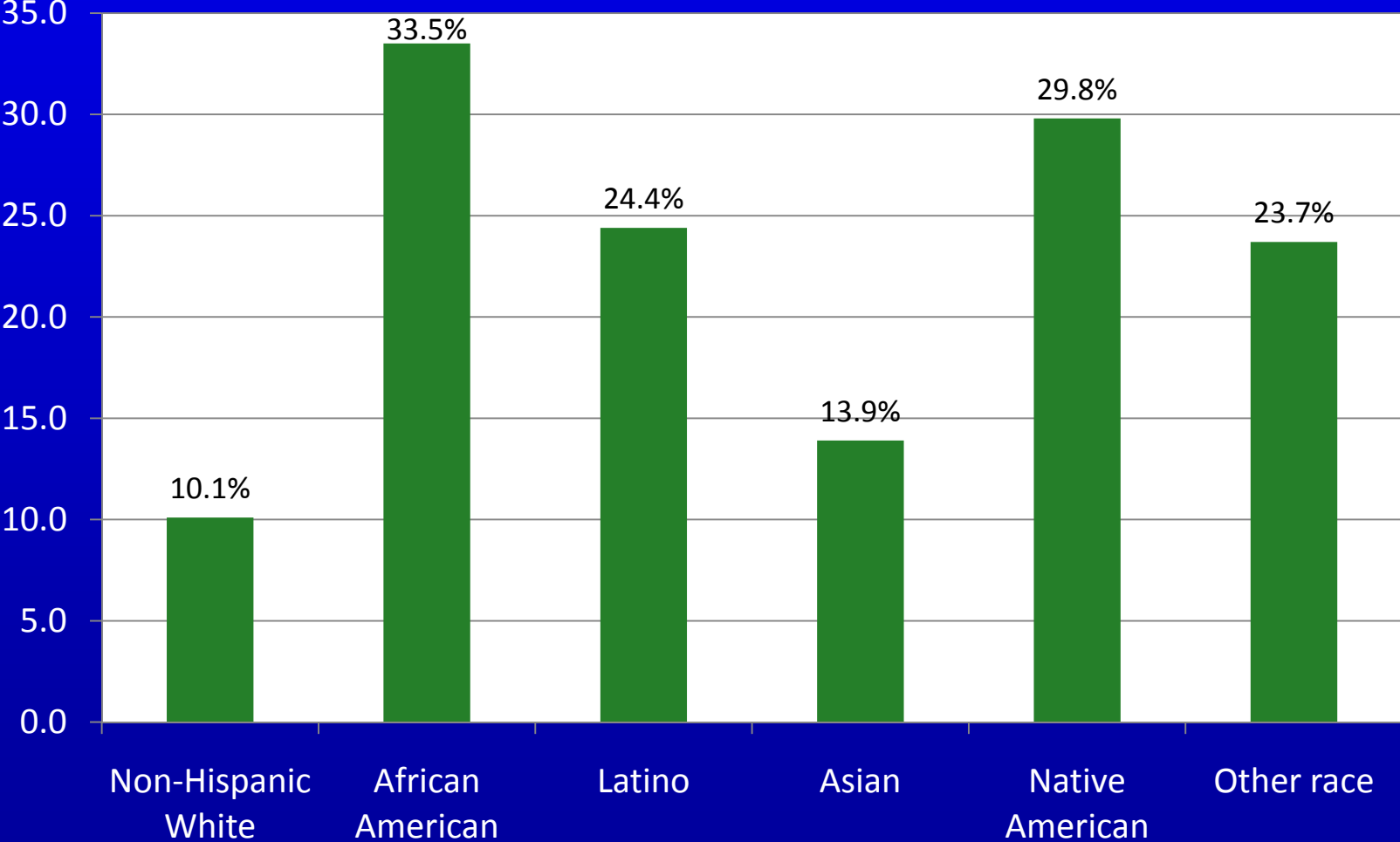
Level-2 Model Specifications

- Model 5
 - Model 4 + nonmetropolitan location
- Model 6
 - Model 5 + core/periphery ratio
- Model 7
 - Model 5 + industrial structure + good jobs
- Model 8
 - Model 7 + economic disadvantage + immigrant concentration + residential stability

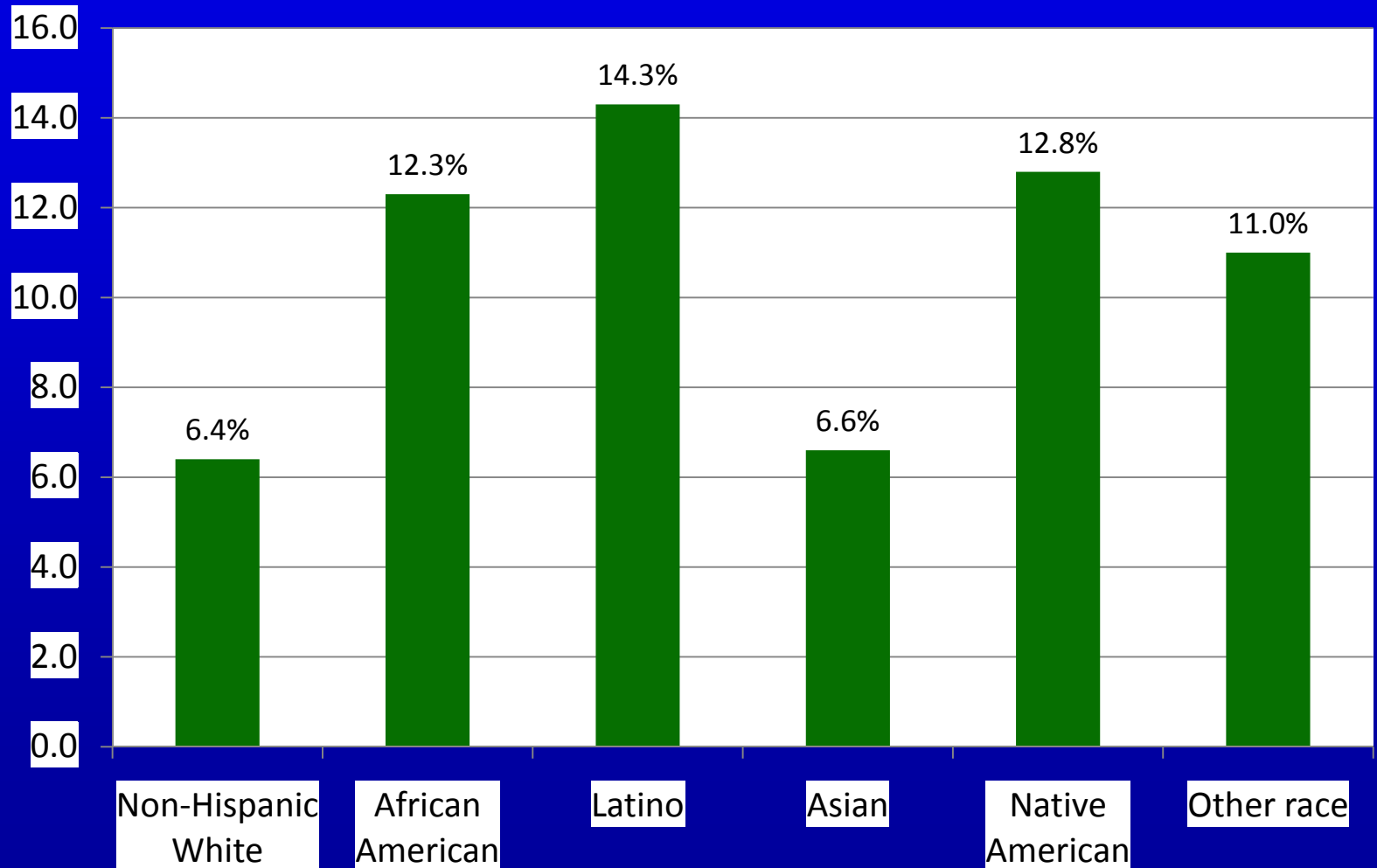
Household Poverty (< 100% of the poverty threshold) by Race/Ethnicity



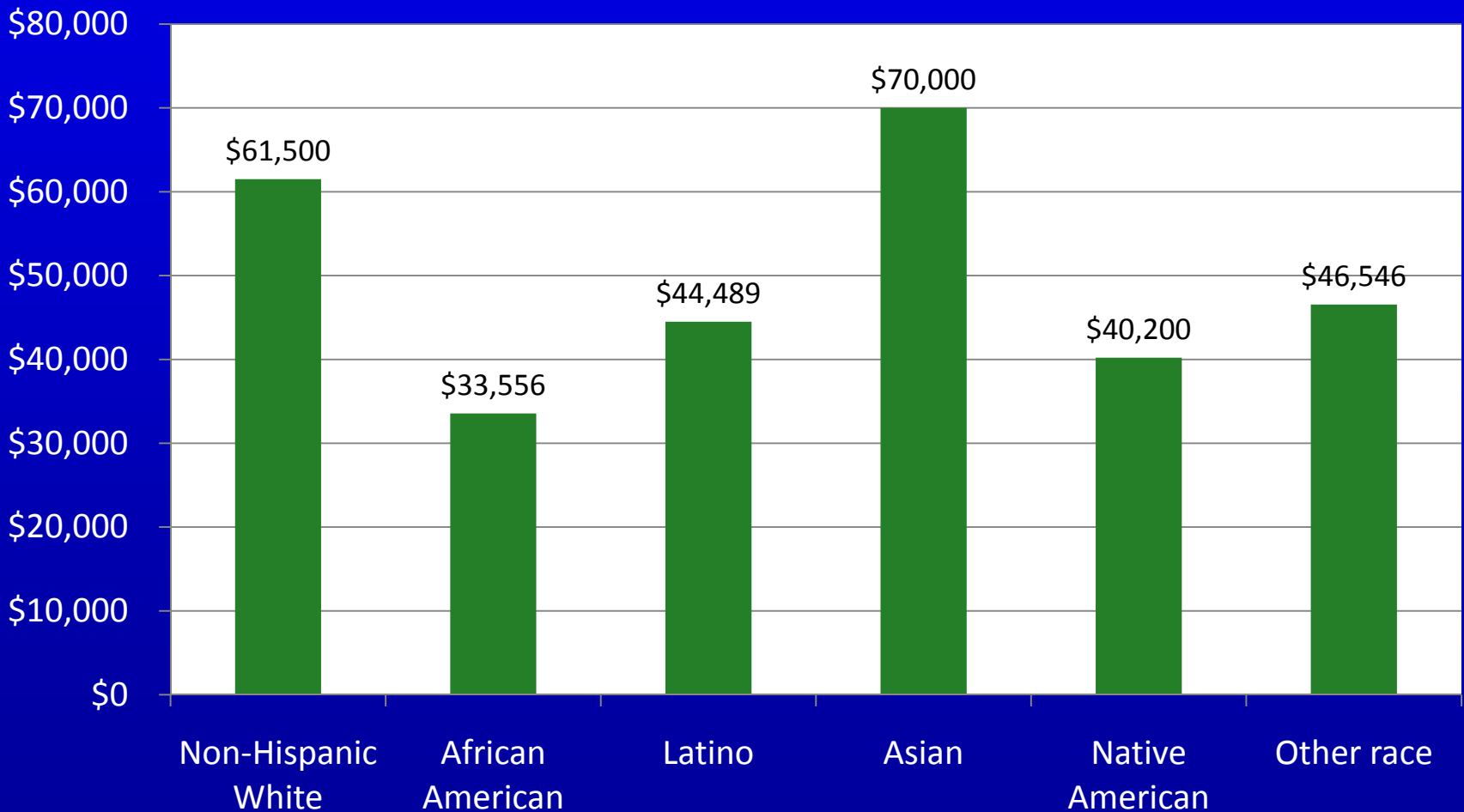
Household Poverty (< 125% of the poverty threshold) by Race/Ethnicity



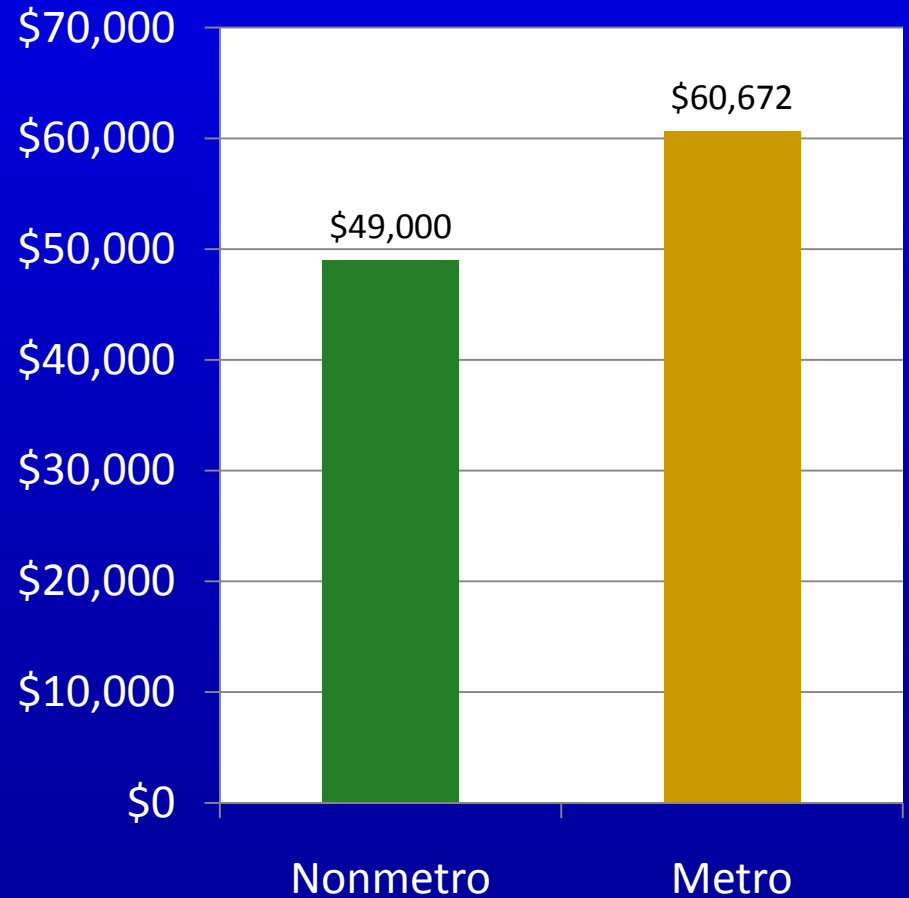
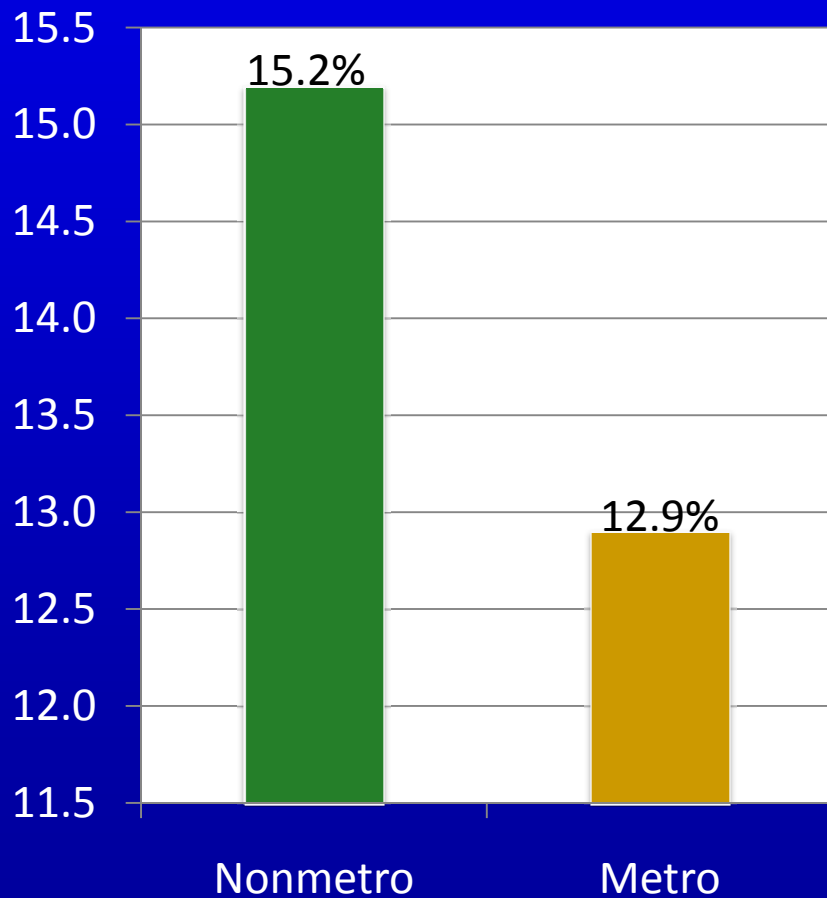
Near Household Poverty (100%-150% of the poverty threshold) by Race/Ethnicity



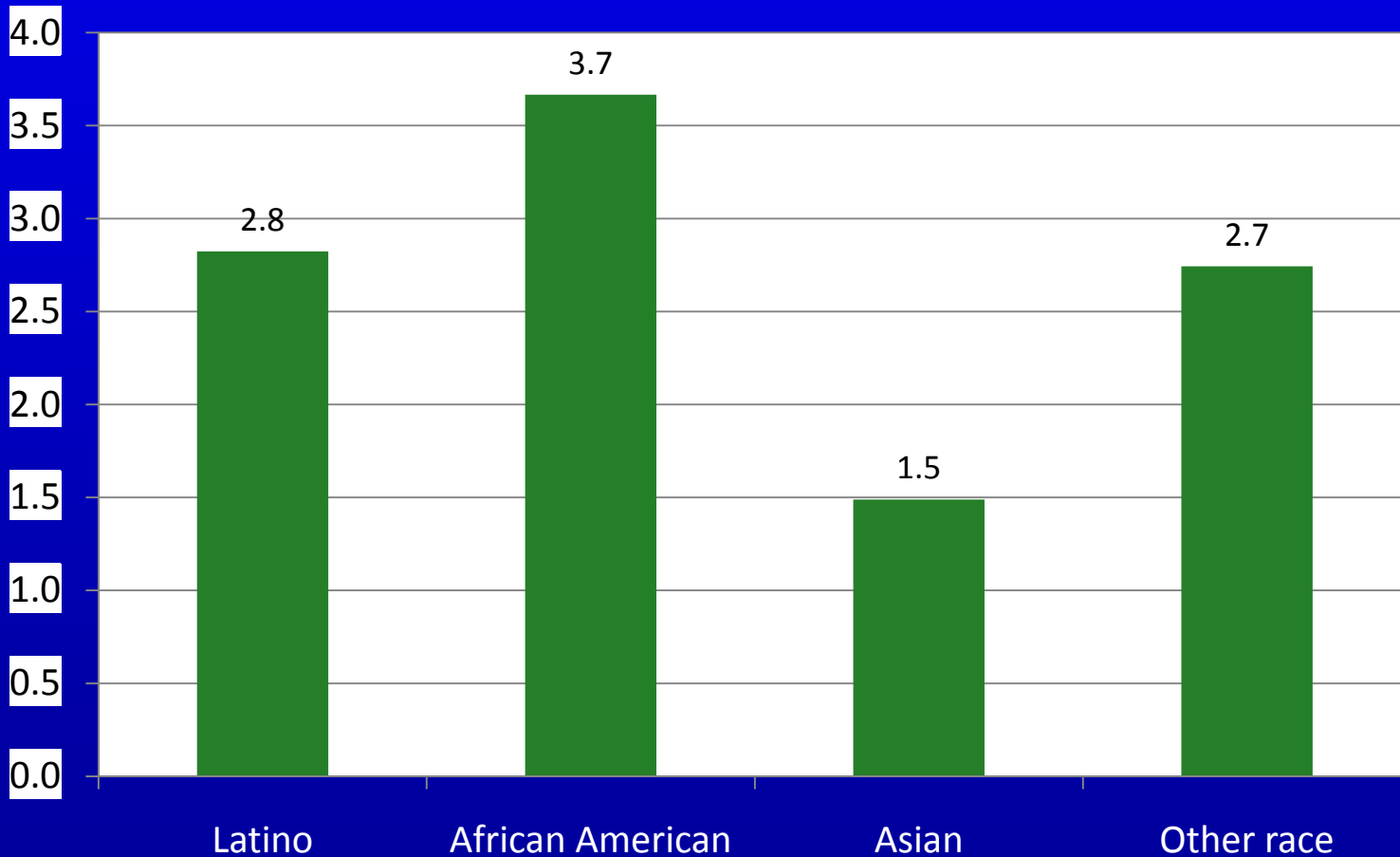
Median Household Income by Race/Ethnicity



Household Poverty Rates & Median Household Income by Metro/Nonmetro Location

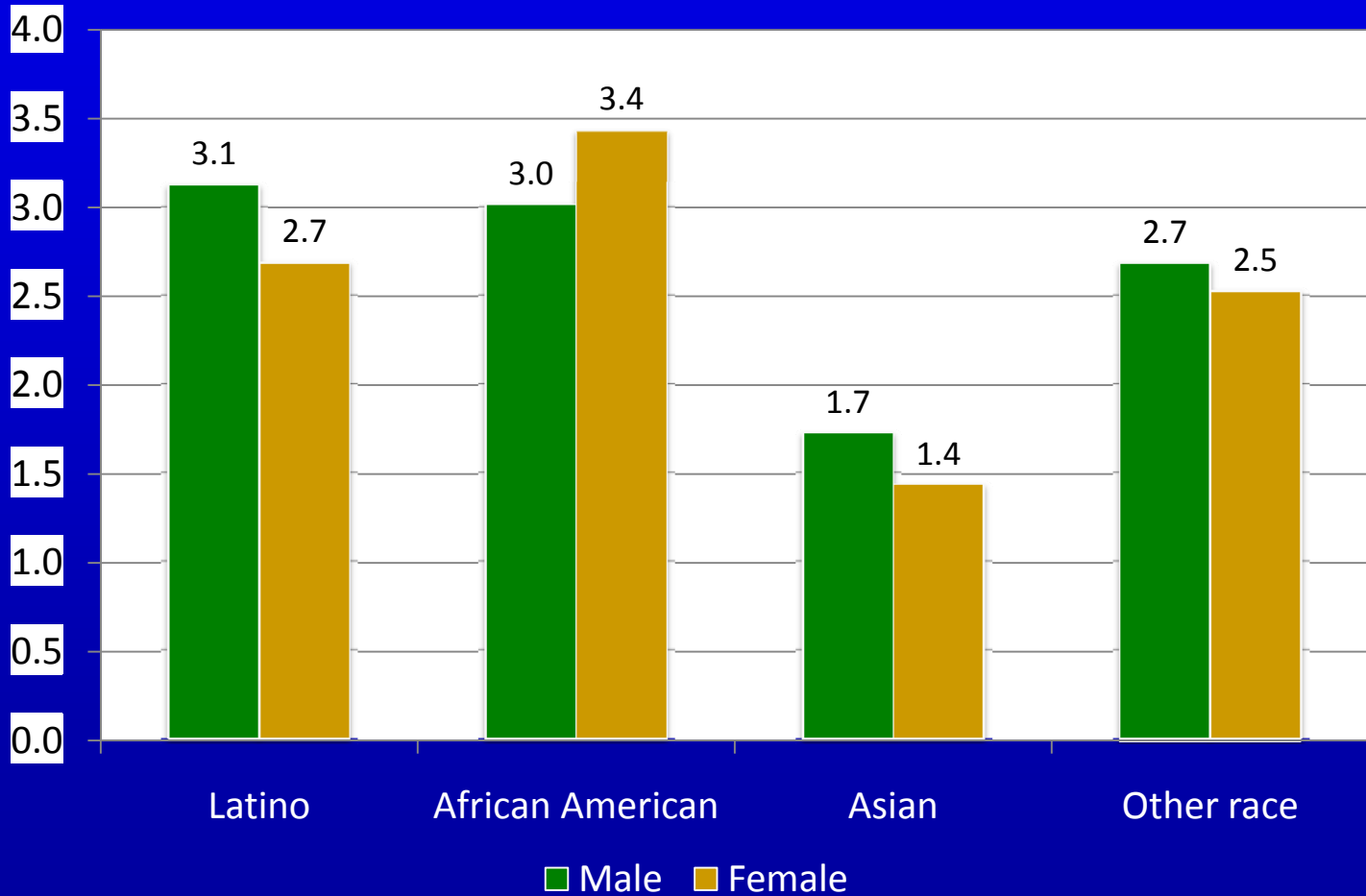


Odds Ratio of Household Poverty Associated with Race/Ethnicity*



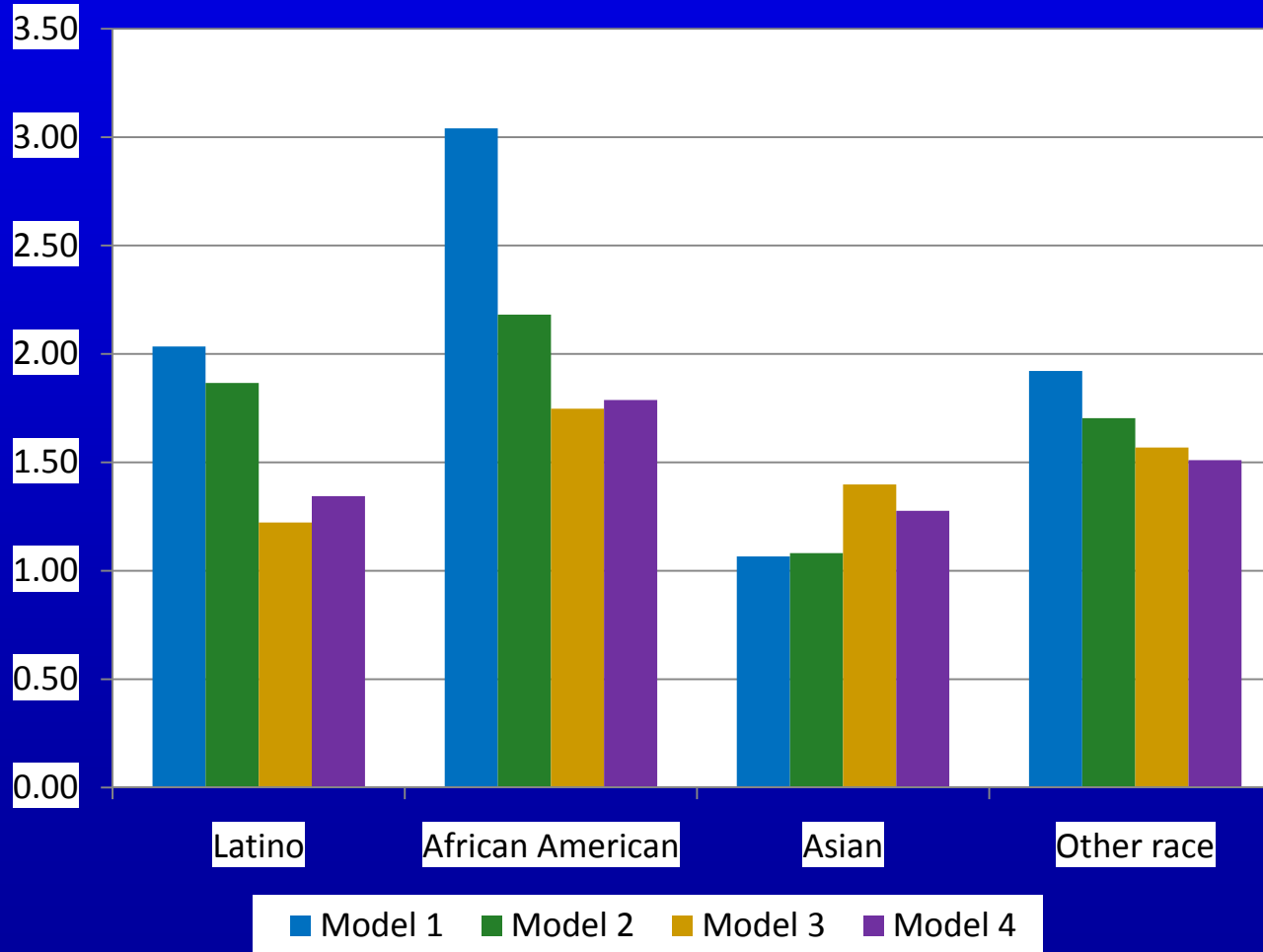
* Compared to the odds of household poverty (< 125% of the poverty threshold) for non-Latino White

Odds Ratio of Household Poverty Associated with Race/Ethnicity and Gender*



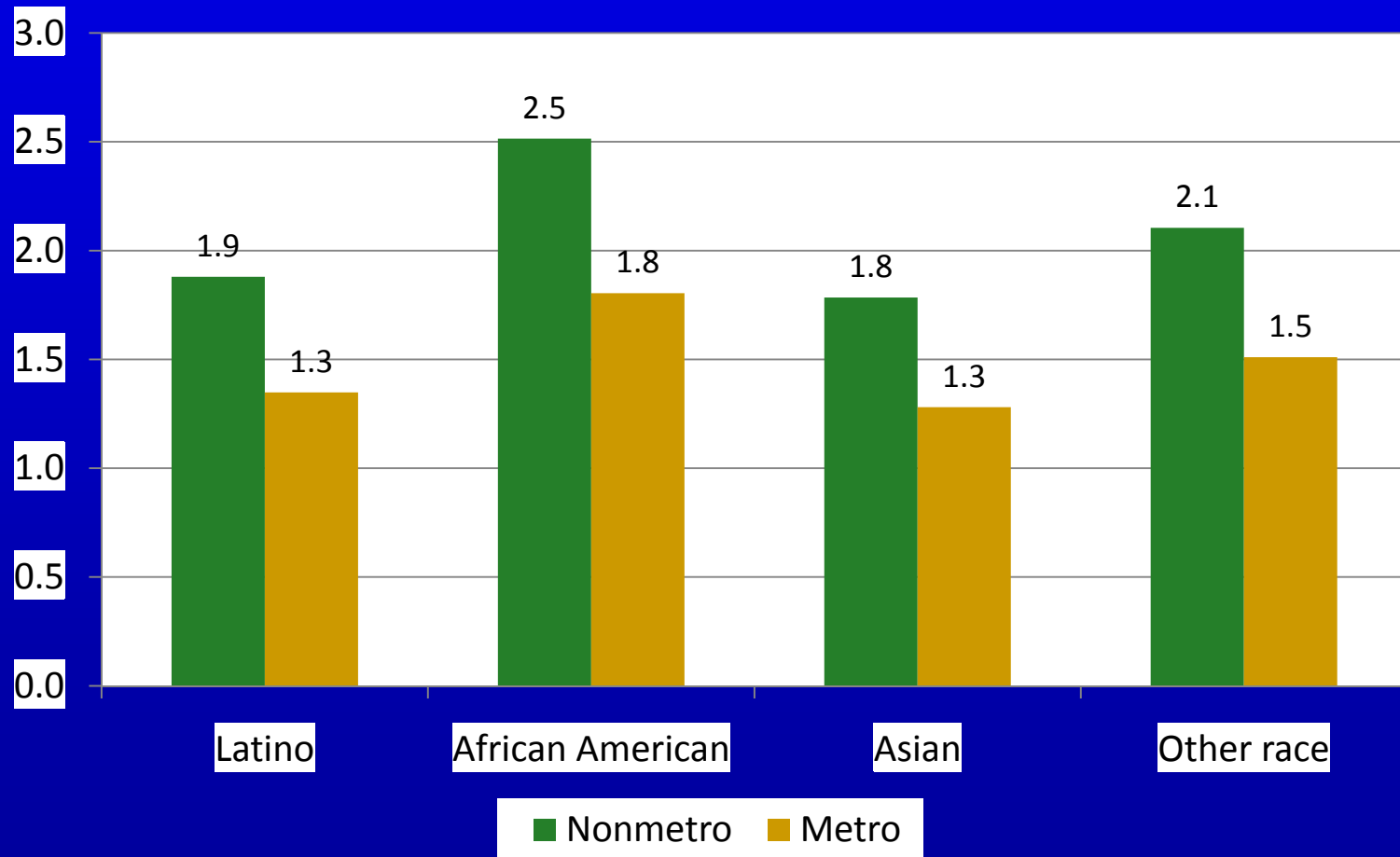
* Compared to the odds of non-Latino White of each gender

Odds Ratio of Household Poverty Associated with Race/Ethnicity, Household Structure, Education, and Industry of Employment



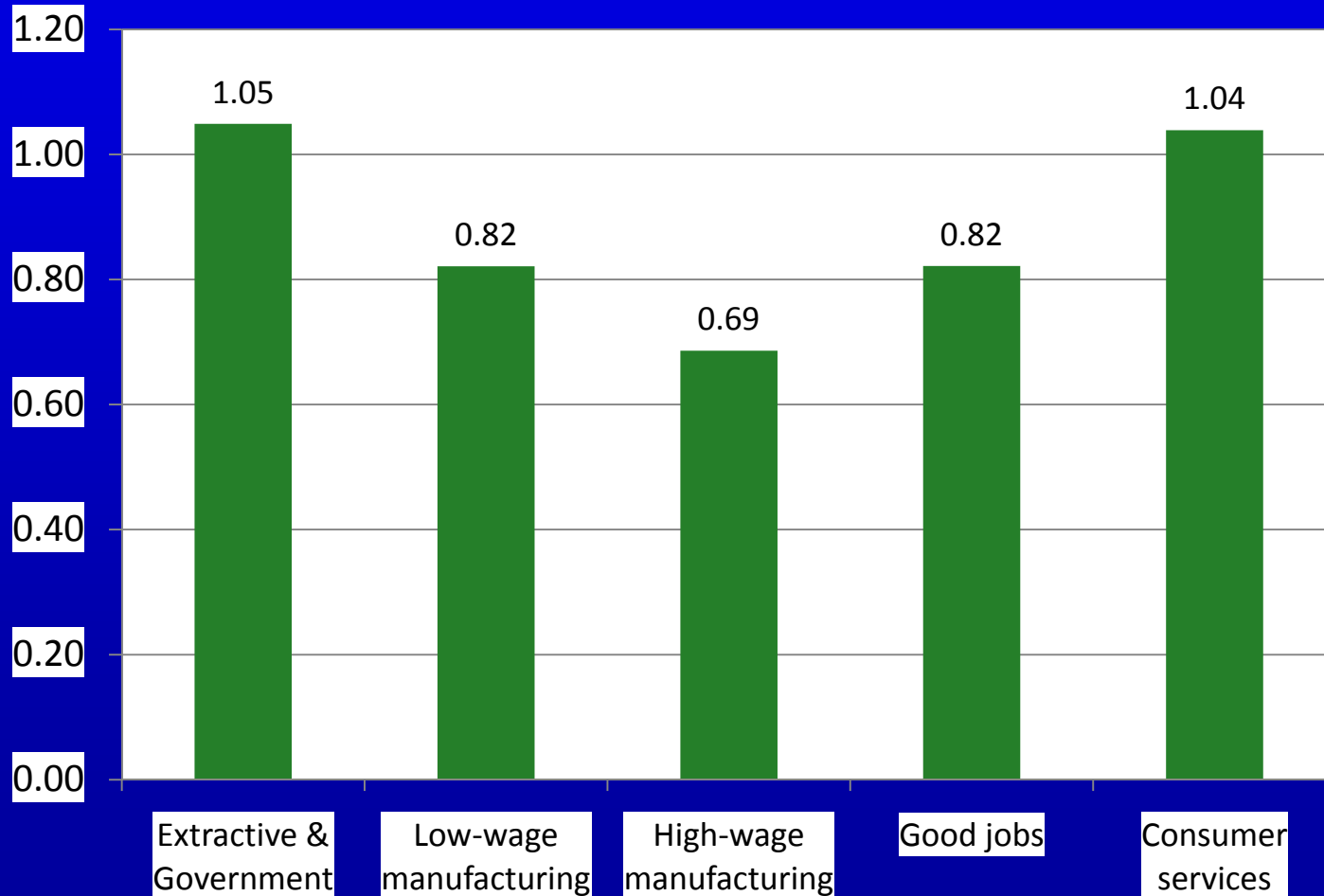
- Household Structure
 - Latino= -8%
 - African American= -28%
 - Other race= -11%
- Education
 - Latino= -34%
 - African American= -20%
 - Asian= +29.3
 - Other race= -8%
- Industry of Employment
 - Latino= +10.0%
 - African American= +2.3%
 - Asian= -8.7%
 - Other race= -3.7%

Odds Ratio* of Household Poverty by Metro/Nonmetro Location



* Compared to the odds of non-Latino White, controlling for gender, age, disability, immigrant status, household structure, education, industry of employment, and job quality

Odds Ratio of Household Poverty by LMA Industrial Structure (Standardized Scores)



Conclusions

- How do Latinos compare with other racial/ethnic groups on household well-being?

Race/Ethnicity	Odds of Poverty*	Household Income
Non-Latino White	(reference category)	\$1
Latino	3.0 times	67 cents
African American	4.0 times	54 cents
Asian	1.5 times	94 cents
Other	3.0 times	66 cents

* < 125% of the poverty threshold

Conclusions

- Does the association between race/ethnicity and household well-being persist after controlling for individual and household confounders?

Race/Ethnicity	Odds of Poverty*	Household Income
Non-Latino White	(reference category)	\$1
Latino	1.3 times	89 cents
African American	1.8 times	79 cents
Asian	1.3 times	92 cents
Other	1.5 times	88 cents


* < 125% of the poverty threshold

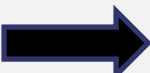
Conclusions

- Does the association between nonmetropolitan/metropolitan labor market area and household well-being persist after controlling for individual and household predictors in a multilevel model?

➤ Poverty is higher in nonmetropolitan than in metropolitan areas

➤ Household income is on average lower in nonmetropolitan than in metropolitan areas

 Much greater economic hardships in nonmetropolitan areas

 More employment opportunities with quality jobs in the rural Midwest are needed

Conclusions

- How do local labor market area (LMA) opportunity structures influence household well-being, controlling for individual, household, and other LMA confounders ?

LMA Opportunity Structures	Household Poverty	Household Income
Ratio of Core to Peripheral Industries	-	+
Extractive, government, and consumer service industries	+	-
Low-wage manufacturing and high-wage manufacturing	-	+
Good jobs	-	+

Conclusions

- Racial/ethnic minorities remain disproportionately disadvantaged in terms of household poverty and income levels
- Other factors not accounted for may explain the persistent gaps in poverty rates and household incomes
- Future research should focus on:
 - Structural barriers that reproduce poverty and household income inequalities among racial/ethnic minorities
 - Different sources of income for racial/ethnic minorities, and
 - Community development in forgotten places