

### DIVERSITY IN THE WORKPLACE: BARRIERS AND OPPORTUNITIES FROM AN HISPANIC PERSPECTIVE

A Summary Analysis and a Chartbook of Statistics

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## I. FACTORS AFFECTING WORKPLACE DIVERSITY

#### A. The Changing Labor Force

The American labor force is changing, and will continue to change steadily during the remainder of the 20th century. As noted several years ago in Workforce 2000, the American labor force of the year 2000 will be older than today's workforce, with a larger number of women, minority group members, and immigrants.

The U.S. population is growing older, with a median age of 32.8 in 1990, according to the Current Population Survey (CPS). The median age of the U.S. population declined up to about 1970, but has been increasing since that time. Moreover, instead of the current three workers for every person on Social Security, the number will decline to two workers for every retiree by the year 2000, and a new retirement boom will begin about 2010, as the first of the post-World War II "baby boomers" begin to retire. However, because of fewer non-working women and children, the "dependency ratio" will actually fall. Workforce 2000 reports that there were 1.50 dependents for every working person in 1965, this had fallen to 1.05 to one in 1984, and is expected to fall below one dependent per worker by the year 2000.

Total U.S. population growth has already slowed; 1990 Census data show that the total population grew 9.8% — less than 1% a year — during the past decade, compared to 11.4% between 1970 and 1980, 13.4% between 1960 and 1970, and 18.5% during the baby boom years of 1950 to 1960.

However, the minority — especially the Hispanic and Asian — population continues to grow at a high rate. Between 1980 and 1990, the Asian and Pacific Islander population increased by 107.8%, from 3.5 to nearly 7.3 million; the Hispanic population grew by 53%, from 14.6 to nearly 23.4 million. At current growth rates, the Hispanic population will become the nation's largest minority around the turn of the century.

Immigration has also increased to a higher rate than at any time since World War I, though the proportion of immigrants remains small compared to the turn of the century — immigrants are currently adding about 0.2% per year to the U.S. population, compared to 1% per year around 1900. Precise immigration projections are difficult to make. The Bureau of Labor Statistics (BLS) estimates a reduction of 50% in undocumented immigration from 200,000 in 1988 to 100,000 in 1998. Total documented immigration, including Hispanics, is projected at 560,000 annually, with 160,000 emigration projected, for a net legal immigration of 400,000 per year.

<sup>•</sup> Most of the statistics provided in this summary come from a series of charts which follow the narrative. Sources are noted in the text for statistics not included in the charts.

Labor force changes reflect overall population patterns. The labor force will grow more slowly for the remainder of the century and will become older, according to projections from the BLS as described in the *Monthly Labor Review* in November 1989. The labor force is projected to grow by 1.2% annually between 1988 and 2000, compared to 2.0% per year between 1976 and 1988. The proportion of workers in the prime working years of 24 to 54 will increase by about 2%.

Minorities, especially Hispanics, will increase their share of the labor force. Hispanics were 7.4% of the workforce in 1988, but will be at least 10.1% by 2000; Asians will grow from 3% to 4% of the workforce during the same period, and Blacks from 10.9% to 11.7%. There will, of course, be significant differences by state and region, since Hispanics are concentrated in the Southwest and Far West; for example, they comprise more than one-quarter of the population of both California and Texas.

Hispanic labor force growth reflects the relative youth, high labor force participation rates, and high immigration rates of the Hispanic community. The Hispanic population had a median age of 26.0 in 1990 — and Mexican Americans (who make up more than 60% of the Hispanic community) had a median age of only 24.1. BLS estimates indicate that in the year 2000, Hispanics will remain the youngest workers, with a median age of 35.2, compared to 37.4 for Blacks, 38.5 for Asians and other workers, and 39.6 for Whites. Hispanic men have long had the highest labor force participation rates of any group of men; in 1988, 81.9% of Hispanic men were in the labor force, compared to 76.9% of White men and 71.0% of Black men. In 2000, Hispanic men are expected to have a similar labor force participation rate of 80.3%, compared to 76.6% for White men and 71.4% for Black men.

Labor force participation by all women, including Hispanic women, is projected to increase. While Hispanic women have traditionally had lower labor force participation rates than other women — 53.2% in 1988, compared to 56.4% for White women and 58.0% for Black women — Hispanic women are expected to increase their labor force participation during the remainder of the century, to 59.4% in 1000, compared to 62.5% for Black women and 62.9% for White women.

Hispanic immigration for the remainder of the century is difficult to predict, but is expected to remain significant. Over the past decade, about half the growth in the Hispanic population was due to immigration and half to natural increase.

Hispanics are projected to enter the labor force at a high rate and — because of their relative youth — leave it a low rate, compared to other workers. As a result, Hispanics are projected to account for more than one-quarter (27.4%) of the net change in the labor force (entrants minus leavers) between 1988 and 2000, compared to 47.3% for Whites, 15.7% for Blacks, and 9.6% for Asian and other workers.

#### B. The Mismatch Between Labor Market Needs and Hispanic Skills

Unfortunately, high labor force participation does not necessarily mean full and equitable participation in the job market. If current trends continue, there will be a serious mismatch between labor market requirements and needs and Hispanic preparation. Blacks are likely to face similar difficulties.

The job market of the future will require increased education. Workforce 2000 has estimated — and other studies agree — that about 30% of the new jobs created in the last 15 years of the century will require at least college graduation. Another 22% will require some college. Thus half the new jobs will require postsecondary education. In comparison, as of 1984, 22% of jobs required at least a bachelor's degree, and another 20% some college, for a total of 42% of all jobs.

That figure - 30% of new jobs requiring college degrees - can be interpreted in different ways. From an aggregate perspective, the gap between labor market needs and labor force capacity may not be terribly large. 1990 CPS data indicate that 23.9% of Americans aged 25-34 have completed at least four years of college; as of 1987, 26.7% of White high school graduates aged 25-29 had also graduated from college. This indicates a relatively narrow education gap, and many analysts consider the overall degree deficit to be minor.

However, from an Hispanic perspective, the education gap looks extremely wide. According to Workforce 2000, existing jobs as of 1985 required a median educational level of 12.8 years, new jobs to the year 2000 require a median of 13.5 years — and Hispanics have a median educational level of 12.0 years. As of March 1990, according to CPS data, only 9.0% of Hispanics aged 25-34 had completed college, compared to 25.5% of non-Hispanics. Even looking at the 1987 group of 25-29 year-old high school graduates does not provide a much more positive picture; only 14.7% of the Hispanics and 13.6% of the Blacks in that age group who had finished high school were college graduates. Only 57.6% of Hispanics aged 25-34 (and only 50.8% of all Hispanics over the age of 25) were high school graduates in 1990, compared to 89.3% of young non-Hispanics — and this latter group includes young Blacks, who have a high school completion rate of about 75%. The rate for White non-Hispanics is over 90%.

The Hispanic educational gap is clearly reflected in the overrepresentation of Hispanics in low-level, low-paying jobs — including many in declining occupations — and Hispanic underrepresentation in higher-level jobs with good wages and opportunities for upward mobility. Only 10.7% of Hispanic men and 16.0% of Hispanic women worked in managerial and professional jobs in 1990, compared to 27.4% of non-Hispanic men and 27.1% of non-Hispanic women. On the other hand, 29.9% of Hispanic men worked as operators, fabricators, and laborers, compared to 19.5% of non-Hispanic men. Hispanics comprised more than 7.4% of the workforce in 1990, yet according to the most recent survey by the National Science Foundation, they accounted for less than 2% of the Ph.D. scientists

in every field except psychology, where they account for 2.1% of employed doctoral level professionals. Specific examples of Hispanic occupational representation are even more revealing. As of 1988, according to BLS statistics (Employment and Earnings, January 1989), Hispanics made up 1.9% of the lawyers and judges, 3.9% of the non-college teachers, 6.2% of the social workers, 10.5% of the auto mechanics, 11.6% of the office machine operators, 22.1% of the cleaners and servants, 23.0% of the farmworkers, and 28.3% of the pressing machine operators in the civilian labor force.

Prospects for a better educated Hispanic workforce by 2000 are not encouraging. Hispanic educational status, at least in terms of secondary education, is improving slowly. Only 7.4% of Hispanics 25-34 have less than five years of schooling, compared to 15.3% of those 35 and older; 57.6% of Hispanics 25-34 are high school graduates, compared to 46.6% of those 35 and older. However, about half of Mexican American and Puerto Rican youth still leave school without high school diplomas, and the dropout rate in some large cities exceeds 70%. Moreover, Hispanics are more likely than other secondary students to be enrolled below the modal grade level for their age group — usually because they have been held back. CPS data from 1988 indicate that more than 40% of Hispanics are enrolled below grade level at every grade level beginning in grades 5-8. Being held back is a primary predictor of dropping out.

The education gap between Hispanics and other Americans - including Blacks is growing, and college completion rates are not increasing. The 1990 CPS reported that 9.3% of Hispanics 35 and older hold at least a bachelor's degree; the percentage for Hispanics 25-34 is only 9.0%. While this may reflect partly the fact that Hispanics tend to go to college part-time and so get their degrees later, the lack of any improvement for young adults is striking. In fact, college entry by Hispanic high school graduates has been decreasing since 1976, and recent cuts in financial aid have exacerbated the situation. In 1987, Hispanic received only 2.7% of the bachelor's degrees, 2.4% of the master's degrees, and 1.9% of the doctoral degrees awarded by U.S. colleges and universities; figures for Blacks were 5.7% of bachelor's, 4.8% of master's, and 2.3% of doctoral degrees. A 1986 follow-up of 1980 high school seniors by the High School and Beyond longitudinal survey found that only 18% of Hispanics were still in school, compared to 21% of Blacks and 35% of Whites. Of those Hispanics seeking postsecondary training, 44% had attended vocational schools or junior colleges, and 30% four-year institutions (some attended both). On the other hand, 30% of Blacks and 36% of Whites attended non-four-year institutions; 40% of Blacks and 46% of Whites went to four-year schools. As of 1986, only 61% of the Hispanics had entered some form of postsecondary education, compared to 67% of Blacks, 71% of Whites, and 91% of Asians.

Much current discussion focuses on the lack of job preparation provided non-college-bound youth in the United States; Hispanics are overrepresented in this group. A number of task forces and work groups today are focusing on the school-to-work transition and vocational preparation. American productivity increases have slowed dramatically, while real wages for 70% of the workforce have declined. Analysts believe that the long-term

productivity and international competitiveness of the United States require that U.S. workers who do not attend college obtain solid basic educational skills. Yet American workers generally rank near the bottom on international tests. Several years ago, U.S. firms reportedly were spending \$10 billion a year not on advanced training but on basic education for their employees — to enable them to read instructions for operating machines or write a simple letter or memorandum. Only 8% of front-line worker receive any formal training once on the job, and this is usually short-term orientation or a course on safety or teamwork. Less than half a percent of employers provide real job training for their workers, and for most, the cost of that training is less than 2% of total payroll.

Hispanics are more likely than most other workers to suffer from poor basic skills, due to high rates of attendance in underfunded inner-city schools, high dropout rates, and low rates of postsecondary education. About three-fourths of Hispanic high school students who stay in school until their senior year are enrolled in general or vocational programs which do not qualify them for college entrance.

Hispanics could benefit from what appears to be a growing belief that the U.S. must do a better job of preparing non-college-bound youth for the world of work. One of several recent reports on the subject, Youth Apprenticeship, American Style, notes that minorities and immigrants entering the workforce often have "significant educational handicaps." The Commission on the Skills of the American Workforce (which recently published its own report, America's Choice: High Skills or Low Wages) has reported that 90% of American employers believe that high school graduates are no better qualified for jobs than dropouts. Two-thirds of U.S. 12th graders in 1988 were working, but rarely were their jobs in any way related to school or to their desired careers. A variety of approaches have been recommended for addressing this problem, including adapting and adopting European apprenticeship models. However, not enough is known yet about how these approaches would serve Hispanic or other minorities, whether they would continue the current problem of Hispanic "tracking" out of academic courses. Employer-based training could be extremely beneficial, if made available to Hispanics.

## C. Employment Discrimination and Positive Action

Even Hispanics who obtain higher education suffer from special obstacles to occupational advancement. The Current Population Survey reports household income by the educational level of the householder. As expected, income rises with increasing education of the householder. In 1989, Hispanic householders with a high school diploma or some college had median household incomes two-thirds higher than that of those with less than a high school diploma, and four years or more of college increased the median income another 50%. Yet there are still significant gaps among the incomes of Hispanic, Black, and White households at higher educational levels. For example, White householders with four years of college or more have median household incomes 18% higher than Hispanics with similar educational levels.

A number of studies have documented that a part of the economic disparity between Hispanics and Whites is attributable to employment discrimination. For example:

- A 1982 report by the U.S. Commission on Civil Rights based on 1980 Census data found substantial disparities between Whites and Hispanics in unemployment and earnings levels, even after controlling for differences in education, age, occupation, vocational preparation, and geographic region.
  - An NCLR report based on 1981 CPS data found that 14% of the earnings gap between White and Hispanic males, and 29% of the gap between White and Hispanic females, was attributable to ethnicity alone, after controlling for differences in educational attainment, hours worked, occupation, and age.
  - A 1985 University of Colorado study found that discrimination and labor market segmentation accounted for 18% of the disparity between Hispanic and White male earnings.
  - A 1987 Southern Illinois University study found that segregation and discrimination in cities with large Hispanic populations were responsible for as much as 32% of the difference between Hispanic and White unemployment rates.

Thus the negative impact of discrimination on Hispanic employment opportunities has been well documented — as has discrimination against Blacks.

Hispanics face not only deliberate discrimination, but also negative results from a lack of cultural awareness and sensitivity. For example, a number of employer practices may reduce employment or mobility opportunities for Hispanics; similarly, positive action can greatly increase workplace diversity:

• Traditional recruitment networks tend to exclude Hispanics. People tend to be most effective at finding other people who are "like them." A company which has few Hispanic employees and has done much of its recruitment through a few well-established channels — for example, hiring engineers through recommendations from a handful professors from a few schools — is unlikely suddenly to find Hispanics through those networks. On the other hand, a company which has made a habit of seeking out Hispanics is likely to find that its current Hispanic employees can help to recruit other Hispanics. A

See a fuller discussion in NCLR's March 1990 report, The Decade of the Hispanic: An Economic Retrospective, prepared by Leticia Miranda and Julia Quiroz.

particularly broad recruiting net is likely to be needed to find the first few Hispanic employees.

- Many employers do not know at what universities or how to recruit Hispanic college graduates. Since there are very few predominantly Hispanic colleges or universities, targeted recruitment of the type used for Black colleges is usually not feasible. Some employers have learned that certain universities in particular locations (such as the Southwest and Far West, New York and Miami schools) have significant numbers of Hispanics, either overall or in certain fields). Others have learned to train all their recruiters to target Hispanics wherever they go.
- Many employers use hiring criteria or weighting factors which place Hispanics at a disadvantage. For example, many public and private employers have traditionally given considerable weight to extracurricular activities in their evaluation and selection of professional employees. Since Hispanics are more likely than other students to work while going to school, they often have little time for school-related voluntary activities. Unless potential employers take this factor into account, Hispanic applicants will tend to be downgraded. Weighting factors might equally legitimately give extra points to someone showing the persistence and energy to work his or her way through school.
- Many employment-related tests are culturally biased. In addition to factors which tend to benefit individuals of higher socioeconomic status (who are more likely than lower-income people to be familiar with vocabulary such as rare fruits or vegetables, for example), more subtle factors may be involved. One employment test was identified as biased because it downgraded applicants for responding that while on the way to a job interview, they would stop to help someone who had car trouble. An employment and training program found that Hispanics consistently reported that they would stop to give assistance. When challenged, the employer concluded that being helpful to another person was not really a negative characteristic for an employee.
- Many large companies expect young professionals to move every few years. In many Hispanic families, members of the younger generation feel responsible for parents or younger siblings, or simply consider family closeness very important, and so are very hesitant or unwilling to live far away. Thus individuals with excellent work skills and performance may be unable to progress within the company.
- Many Hispanics suffer from poor basic education, through no fault of their own; yet relatively few companies offer structured opportunities for improving skills. Many Hispanics attend inner-city or rural schools which

provide poor educational preparation; many also leave school to help support their families. Once on the job, they seldom find opportunities for educational advancement; companies may be more likely to offer graduate-level training than opportunities for secondary or undergraduate education. Companies that do provide assistance in improving literacy, obtaining a high-school equivalency diploma, or studying in a non-traditional college program have been able to develop the potential of highly intelligent Hispanic and other minority employees.

• Supervisors who lack experience or training in working with Hispanics and other minorities may make Hispanic employees feel unwelcome. Often a combination of small negative experiences make the employees feel they have no future within the company. Frequent irritants include assuming that all Hispanics are immigrants, assuming that Puerto Ricans are not Americans, treating the speaking of Spanish as negative, assuming employees must have a limited knowledge of English or limited education, having sexually explicit discussions around Hispanic women from traditional backgrounds, and a patronizing attitude based on an assumption of cultural inferiority.

Employers with a serious commitment to Hispanic hiring and mobility have reported important benefits to their companies, some of them reflective of Hispanic culture. For example, one large company which has made a practice of recruiting Hispanics every year from certain colleges, and also has provided summer jobs and scholarship assistance to engineering and business management students, has reported that its Hispanic employees not only help recruit others, but stay with the company longer than other employees, thus significantly reducing the training costs associated with turnover.

#### D. Conclusions

Some degree of increased workplace diversity by the 21st century is bound to occur as a result of demographic changes. More Hispanics and other minorities will be members of the workforce. Some cities and states — California among them — will be "majority minority." Companies will find more Hispanics and other minorities among job applicants, and the overall percentage of such employees will almost certainly increase.

However, these demographic factors by no means assure true diversity throughout a company or public agency. They do not make inevitable the successful employment of Hispanic engineers and scientists, teachers, and managers. That kind of diversity requires concerted action on a number of levels: efforts to improve Hispanic educational opportunities and status through positive changes in elementary, secondary, and postsecondary education; increased financial resources which make possible postsecondary education; adult education at all levels; improved recruitment and hiring practices; workplace-based education and training for upward mobility; and more culturally aware and

pro-diversity co-workers, supervisors, and managers. Changing demographics make such positive efforts a matter of enlightened self-interest for all types of employers in the public, private, and nonprofit sectors.

#### II. A CHARTBOOK ON WORKPLACE DIVERSITY

The attached charts summarize and document many of the major issues affecting the level and quality of Hispanic participation in the workforce of today and the workforce of the 21st century. The charts focus on the following topics and issues:

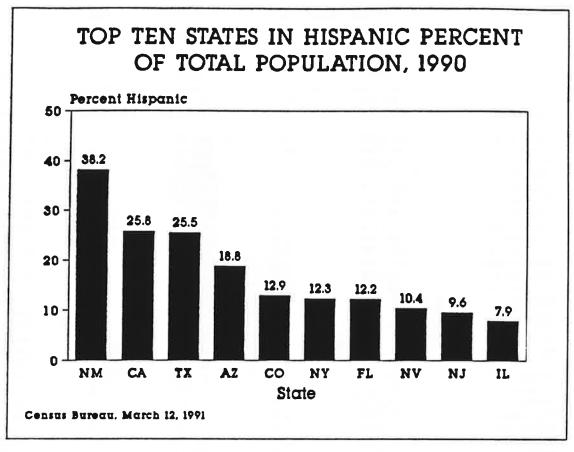
- The growing Hispanic population in the U.S., and its geographic concentration and diversity and how it fits into a national trend of growing minority populations;
- The predicted growth of Hispanic and other minority populations as a proportion of the labor force, including projections for the year 2000;
- Factors other than population growth which are contributing to Hispanics' growing proportion in the workforce, such as their youth, the extremely high labor force participation rates among Hispanic men, and the growing entry of Hispanic women into the workforce;
- The educational requirements of current and future jobs, including jobs created up to the year 2000;
- The current occupational distribution of Hispanics and some comparisons with other minorities:
- Documentation of the severe mismatch between Hispanic educational status and labor market opportunities particularly opportunities for jobs which offer good pay and mobility; and
- Presentation of income data by educational level, which both demonstrate the value of education and indicate that minorities do not fare equally in the workforce even when they have a high level of educational attainment.

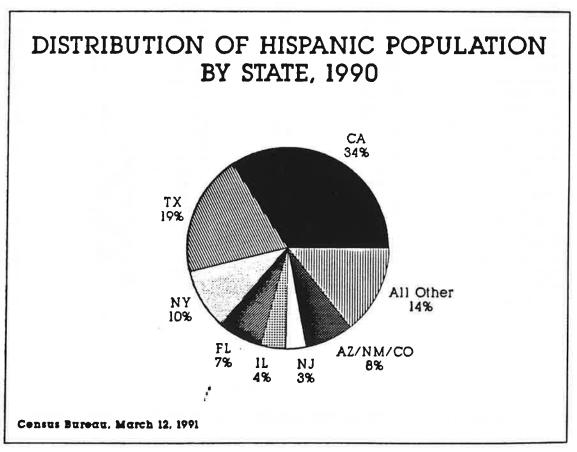
The data come from a number of sources, all identified on the charts. Most important are the following:

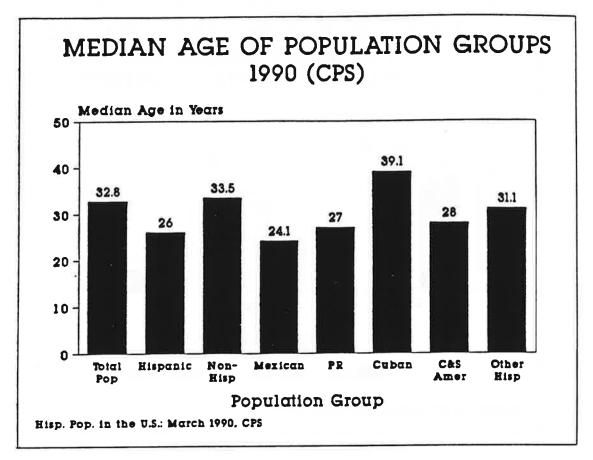
• Preliminary 1990 Census counts, released by the Bureau of the Census this spring through the computerized database CENDATA and in a series of press releases:

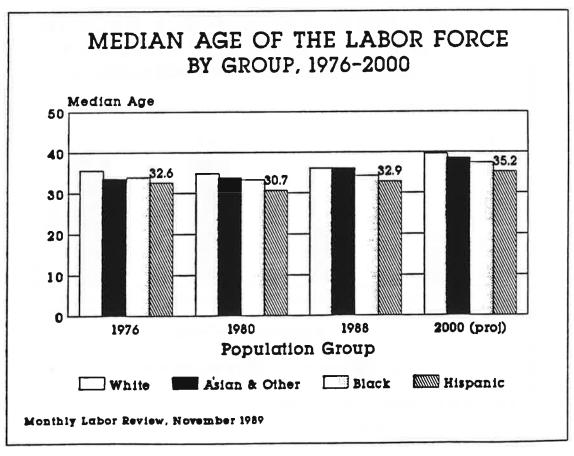
- Information from the March 1990 Current Population Survey; it undercounts Hispanics (identifying 20,779,000, compared to the 22,354,059 actually counted by the 1990 Decennial Census, and the estimate of as many as 24,118,000 contained in the "high estimate" undercount produced by the Census Bureau's preliminary post-enumeration Survey), but does provide socioeconomic data not yet available from the 1990 Census;
- Data from a number of studies projecting labor market needs and labor force characteristics to the year 2000, including the Workforce 2000 studies and reports produced for the U.S. Department of Labor by the Hudson Institute, an analysis contained in the Monthly Labor Review of November 1989, and a variety of reports on problems associated with the school-to-work transition for non-college-bound youth, including a conference report, "Youth Apprenticeship, American Style," produced by the Consortium on Youth Apprenticeship; and
- Educational and occupational data from a variety of public sources, including the annual Statistical Abstract of the United States, and a number of reports from the Bureau of the Census.

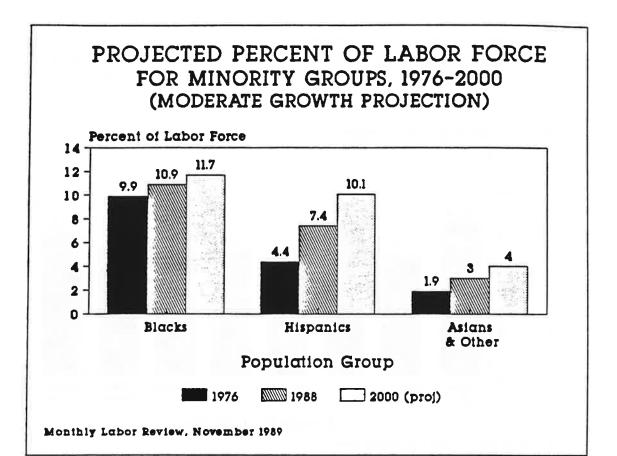
NCLR has prepared a number of reports which provide more extensive data on certain of the factors and issue areas presented here, such as Hispanic education, employment and training, and socioeconomic status.

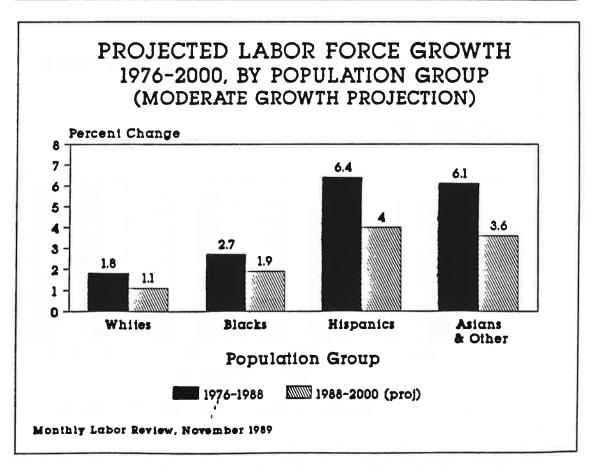


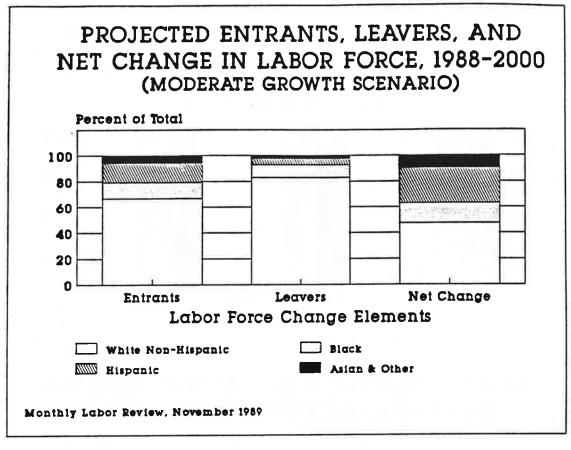


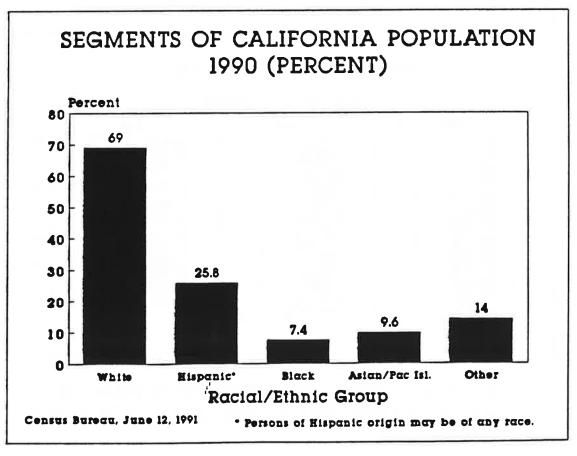


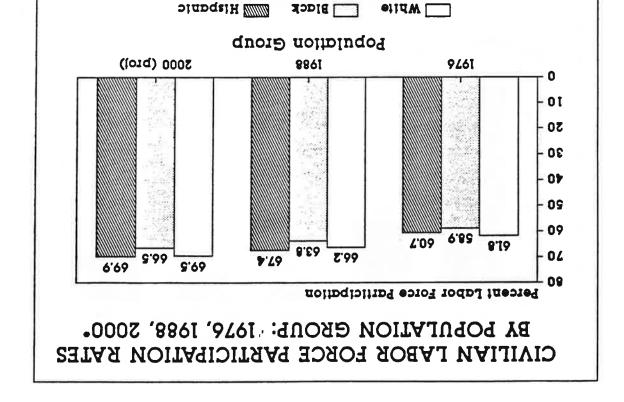




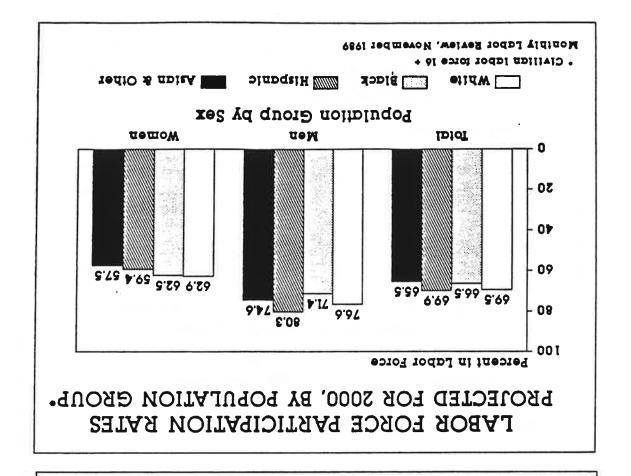






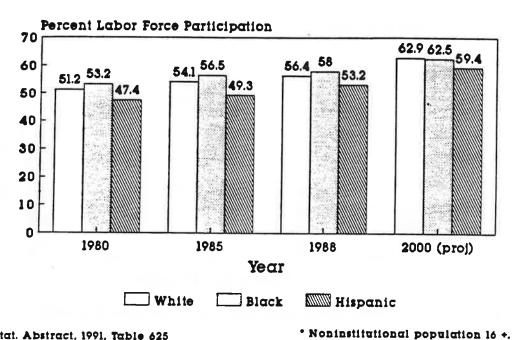


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Monthly Labor Review, November 1989

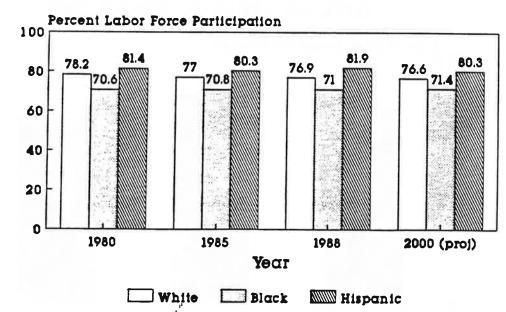
## LABOR FORCE PARTICIPATION RATES FOR WOMEN, 1980-2000\*



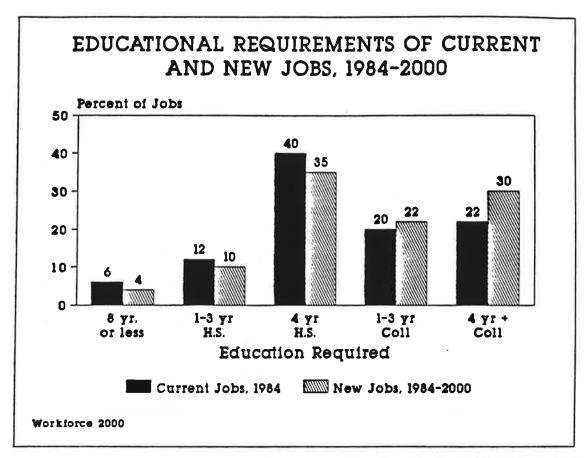
## LABOR FORCE PARTICIPATION RATES FOR MEN, 1980-2000\*

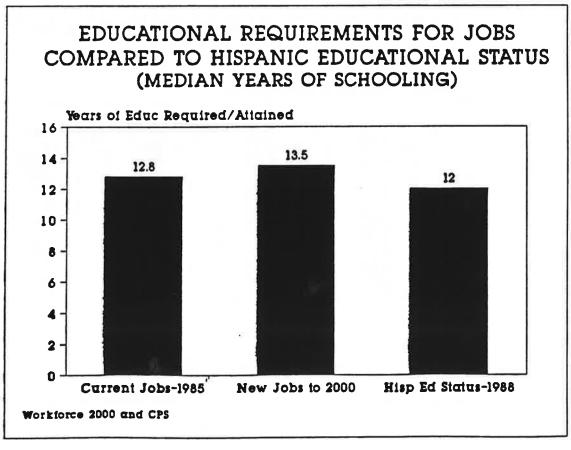
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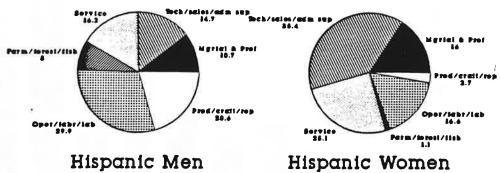


\* Noninstitutional population 16 +.





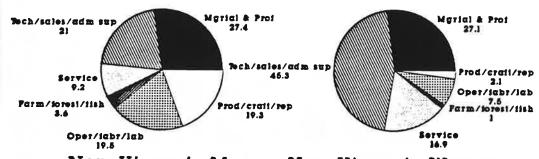
## OCCUPATIONS OF EMPLOYED HISPANICS BY SEX, 1990



Hispanic Women

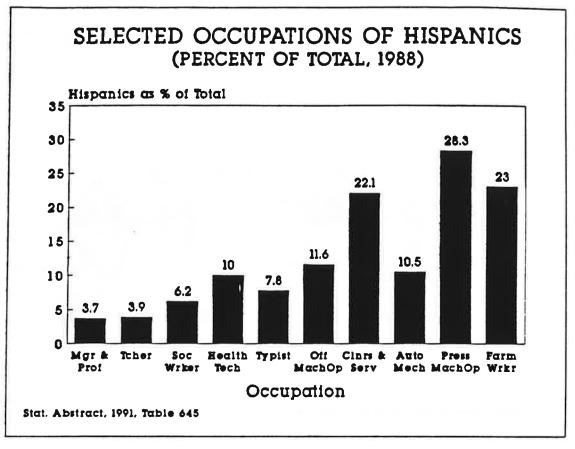
Hisp. Pop. of the U.S.: March 1990, CPS

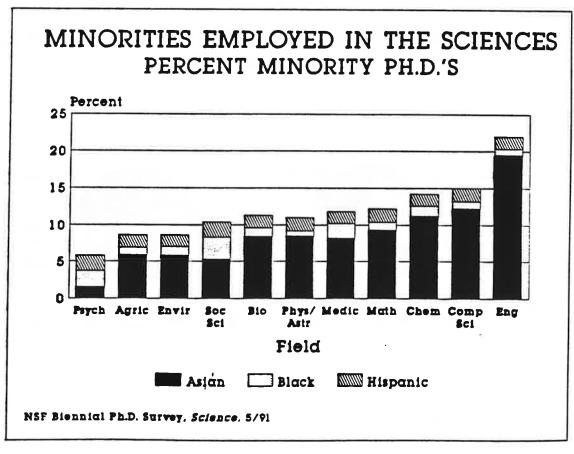
## OCCUPATIONS OF EMPLOYED NON-HISPANICS BY SEX, 1990

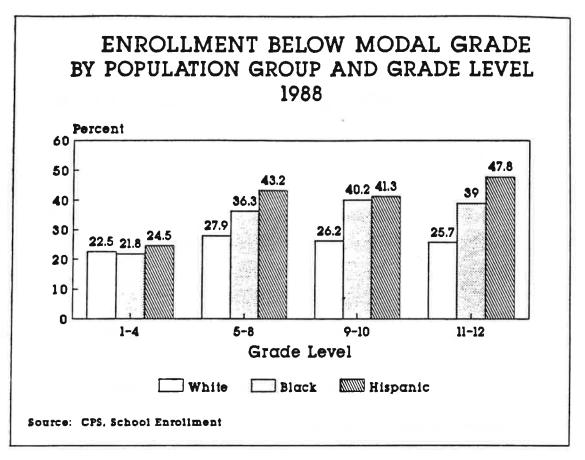


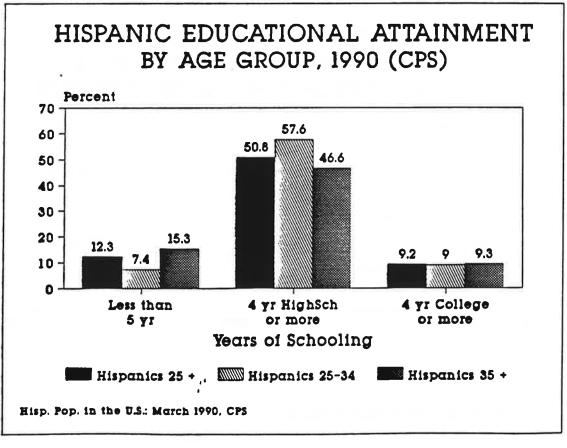
Non-Hispanic Men Non-Hispanic Women

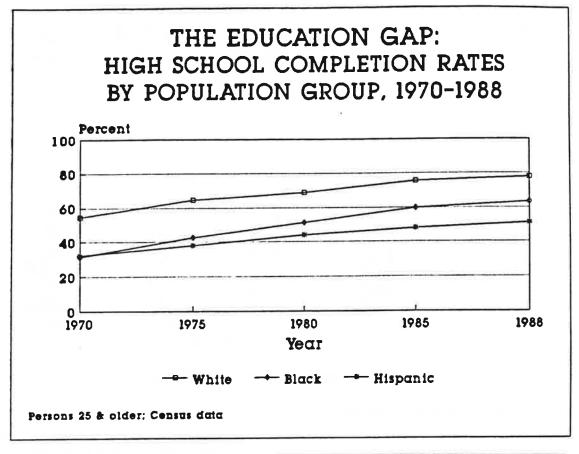
Hisp. Pop. of the U.S.: March 1990, CPS

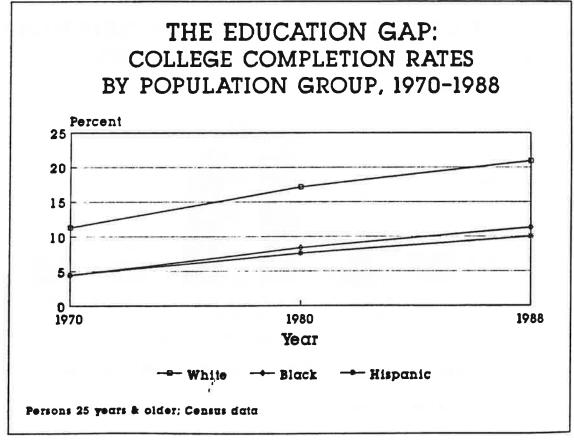


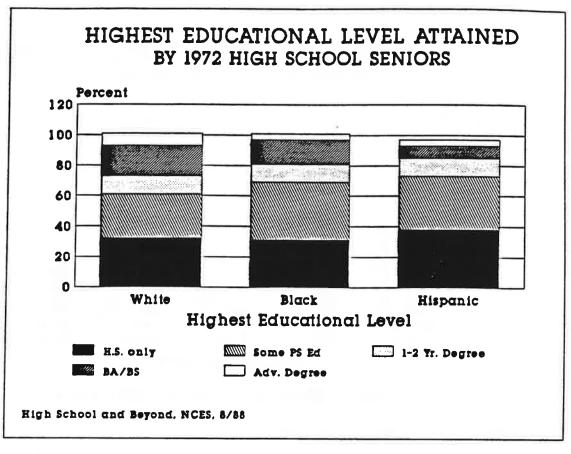


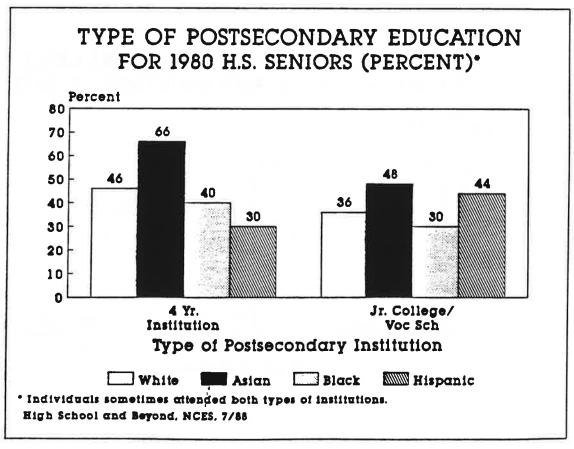


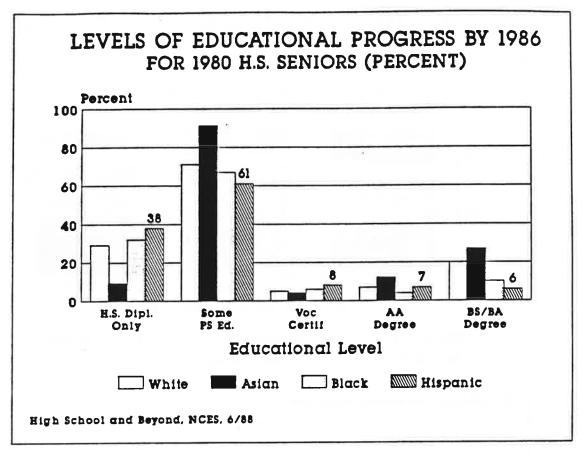


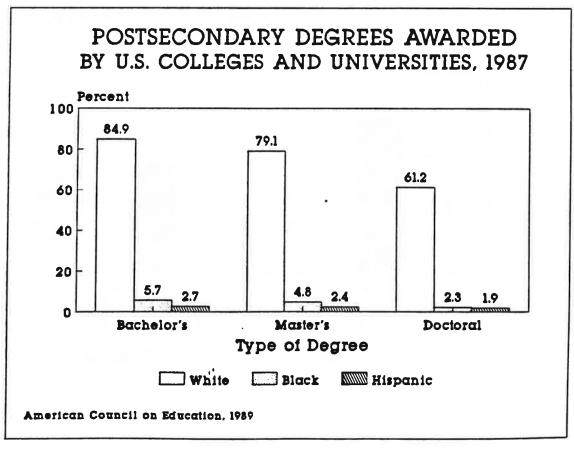




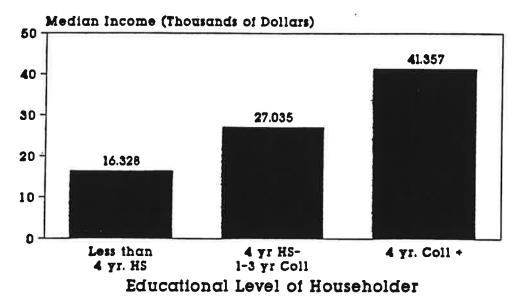








# IMPORTANCE OF EDUCATION: MEDIAN HISPANIC HOUSEHOLD INCOME BY HOUSEHOLDER EDUCATION, 1989



Money Inc & Pov Status 1989, 3/90 CPS

## INCOME DISPARITIES DESPITE EDUCATION: MEDIAN HOUSEHOLD INCOME, 1989 BY EDUCATIONAL ATTAINMENT OF HOUSEHOLDER

