

**HISPANICS IN THE WORKFORCE, PART II:  
HISPANIC WOMEN**

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"Hispanics in the Work Force, Part II: Hispanic Women" is the second in a three-part series of in-depth analyses of the employment status of Hispanic Americans. Also available from the National Council of La Raza are "Hispanics in the Work Force, Part I," and "Hispanics in the Work Force, Part III: Hispanic Youth." The printing of this report was made possible through the generosity of The Equitable. Special thanks to John Carter, President and Chief Executive Officer, and a member of the National Council's Corporate Advisory Council; Tom Esposito, Vice President of the Equitable; and Laura Rivera, Director, External Affairs.

## EXECUTIVE SUMMARY

Hispanic women occupy a marginal position in the labor market. Their labor force participation rates are the lowest of all women, and their median weekly earnings are the lowest of all workers in the labor market. Their low level of educational attainment has contributed to occupational segregation in low-skilled, low-paid jobs, vulnerable to high rates of unemployment; this in turn results in a precarious economic position for them and their families.

Hispanic women are younger than other U.S. women, and have higher fertility rates. Their median age is 25.8 years, compared to 32.9 years for all U.S. women. In 1986, the fertility rate for Hispanic women was 105.6 births per 1,000 women aged 18-44, compared to 70.3 births for all U.S. women. Combined with immigration, this means that Hispanics represent the fastest growing proportion of the U.S. population.

Hispanic women face major obstacles in the job market, as measured by levels of educational attainment, labor force participation, unemployment, and occupational distribution. Hispanics are the least-educated workers in the labor force, and Hispanic women fall at the lowest end of the educational attainment scale; a majority are not high school graduates. In March 1987, Hispanic women had completed a median of 11.5 years of school, compared to 12.6 years for all women. Additionally, 12.0% of Hispanic women 25 years old and over had completed less than five years of school, compared to only 2.4% of all U.S. women. These statistics translate into very low occupational status and thus poor labor market success.

Though there has been a rapid increase in labor force participation among all U.S. women, Hispanic women still have the lowest labor force participation rate of any major group of women, and also register the lowest employment-population ratios (percent of population actually employed). Hispanic women are heavily concentrated in low-paying positions, particularly in operative jobs -- dressmakers, assemblers, machine operators, and similar employment. As is the case for Hispanic men, Hispanic women are underrepresented in managerial and professional specialties. This occupational distribution means that Hispanic women earn less than all U.S. women and much less than men. In the second quarter of 1987, Hispanic women on the average earned 87% as much as all U.S. women, 87% as much as Hispanic men, and just 59% as much as White men.

Since 1978, both Hispanic and Black women have experienced double-digit unemployment rates. Mexican American and Puerto Rican women have experienced the worst unemployment, with rates comparable to those for Black women. Such figures translate into high poverty rates, especially for female-headed households. The March 1987 Current Population Report found that nearly 25% of Hispanic families were below poverty levels. Minority families with female heads of households are especially vulnerable to poverty; in 1986, over 23% of Hispanic-origin families were maintained by women, and more than half (51.2%) of these families had incomes which placed them below the U.S. poverty level, compared to 34.6% of all U.S. families maintained by women.

Federal employment and training policies should effectively address the needs of severely disadvantaged workers. Hispanic women are among the most disadvantaged groups in the labor market, but their needs are not being met by the nation's current primary federal employment and training legislation, the Job Training Partnership Act (JTPA). JTPA represents a major departure from previous employment and training legislation in its emphasis on short-term training and quick placement, an imposition of stringent performance standards, minimal funding (JTPA is funded at one-third the level of the Comprehensive Employment and Training Act, its predecessor), restrictions on support services, the prohibition of training stipends and public service employment, and an increased policy role for the private sector. The restrictions imposed by JTPA have resulted in changes that have worked against the interests of women in many ways. For example, without training stipends or support services, such as day care, many women, especially those who are not receiving public assistance, cannot afford to enroll in training programs. Training programs are often geared to those who are most job-ready and thus are most likely to find employment. Some of the programs which traditionally had served predominantly females, such as classroom training and work experience, have been curtailed in favor of on-the-job-training, which serves predominantly males. On-the-job training is generally more likely to result in employment for the trainee, and thus is an attractive program to administrators concerned with meeting performance standards.

The composition of the U.S. work force has undergone major changes in the past decade, among the most important of which is the unprecedented number of women entering the labor market. Demographic realities and shifts in working patterns forecast that minorities and women will form a sizeable proportion of the future labor force. While Hispanic women form a significant pool of potential workers for the future, they are hindered by serious deficiencies in education, employment and economic resources. A large but untrained population segment would have negative national repercussions in the future, while a well-trained labor force would result in dual societal benefits -- increased revenues for the Social Security system and other programs supported by tax revenues, and decreased expenditures for public assistance programs, as well as positive effects on individuals and their families.

Policy initiatives such as pay equity and affirmative action, as well as improved educational, employment and training opportunities, are essential if Hispanic women are to achieve equal opportunity in employment and earnings. Such actions, moreover, are a necessary national investment in human capital.

HISPANICS IN THE WORK FORCE, PART II  
HISPANIC WOMEN

TABLE OF CONTENTS

	Page
EXECUTIVE SUMMARY .....	i
I. INTRODUCTION .....	1
II. DEMOGRAPHICS .....	1
A. Youth .....	1
B. Fertility Rates .....	2
C. Education .....	3
III. LABOR MARKET STATUS OF HISPANIC WOMEN .....	4
A. Labor Force Participation .....	4
B. Employment Patterns .....	5
C. Poverty .....	13
D. Conclusion .....	14
IV. THE FEDERAL RESPONSE .....	16
A. Introduction .....	16
B. Participation of Women in CETA Training Programs .....	16
C. Participation of Women in the Job Training Partnership Act .....	18
D. Conclusion .....	21
V. POLICY IMPLICATIONS .....	21
A. Overview .....	21
B. Education .....	22
C. Occupational Segregation .....	22
D. Earnings .....	23
ENDNOTES .....	25

## I. INTRODUCTION

Hispanic women in the work force occupy a marginal position in the labor market. Labor force participation rates for Hispanic women are the lowest of all women, and their median weekly earnings are the lowest of all workers in the labor market. Their low level of educational attainment has contributed to occupational segregation in low-skilled, low-paid jobs, vulnerable to high rates of unemployment. Hispanic women's low achievement in labor market variables results in a precarious economic position, and, especially for single heads of households, poses a serious threat to the economic well-being of the country as a whole. Since Hispanic women are younger than White or Black women and have higher population growth rates, it follows that they will form a sizeable segment of the future labor force. Hispanic women must achieve parity in educational and employment status in order to become productive members of the labor force and contribute to the economic stability of the nation.

The following paper analyzes the available data on Hispanic women in the work force. Demographic information is reviewed as background to an evaluation of the labor market status of Hispanic women. Emphasis is placed on employment and the response of the federal government to the employment and training needs of this population group. While educational status of Hispanic women is reviewed, a more comprehensive analysis of their educational needs is provided in other National Council of La Raza publications.

## II. DEMOGRAPHICS

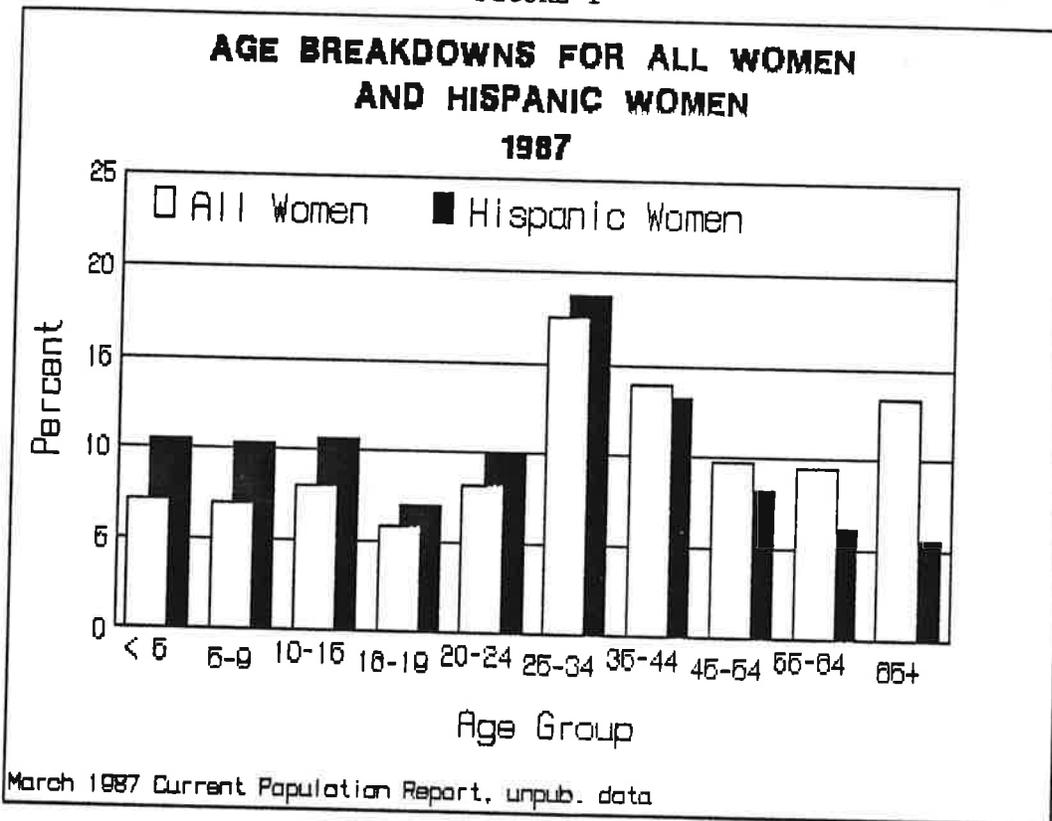
### A. Youth

Hispanic women are younger than other U.S. women, and have higher fertility rates. Thus, they represent a growing proportion of the U.S. population. The March 1987 Current Population Survey (CPS) estimated the Hispanic population in the mainland United States at 18.8 million, or 7.9% of the total population. Hispanics registered the youngest median age of any major population group, at 25.1 years, compared to 31.9 years for the overall population. Median age differences exist, however, among the major Hispanic subgroups: Mexican Americans had the youngest median age of 23.5 years, compared to 24.3 years for Puerto Ricans and 27.3 years for Central and South Americans. Cubans, with a median age of 35.8 years, were the oldest Hispanic subgroup.

Hispanic women are a young subpopulation. Their median age in 1987 was 25.8 years, compared to 32.9 years for all women. Figure 1, attached, provides the age breakdowns for Hispanic females, compared to females in the overall population. The data show that 40.3% of Hispanic women were younger than 21 years old, compared to 29.6% of all women. On the other hand, only 5.5% of Hispanic women were 65 years or older, compared to 13.3% of all women. These age breakdowns show that Hispanic women are overwhelmingly concentrated in two age groups -- either they are extremely young (21 years or younger), or they are in the prime-age workers group (22 to 55 years). Very few Hispanic women are of retirement age. This age distribution is striking because it forecasts large cohorts of young Hispanic females for years to come. These Hispanic women, along

with other minority females, will enter the labor market in unprecedented numbers and thus form a growing proportion of the future labor force.

FIGURE 1



**B. Fertility Rates**

The fertility rate of Hispanic women has declined slightly during this decade but is still higher than that of White or Black women. In 1986, the overall U.S. fertility rate was 70.3 births per 1,000 women 18 to 44 years old. The following chart shows that fertility rates for all groups have been decreasing, but White women continue to have the lowest fertility rate, and Hispanic women the highest.

FIGURE 2

**FERTILITY RATES: WOMEN 18-44 YEARS OLD  
(Births per 1,000 Women)**

GROUP	1980	1986
All U.S. Women	71.7	70.3
White Women	68.5	68.2
Black Women	84.0	78.4
Hispanic Women	106.5	105.6

SOURCE: U.S. Bureau of the Census, Current Population Reports, Series P-20, No. 421, "Fertility of American Women": June 1986.

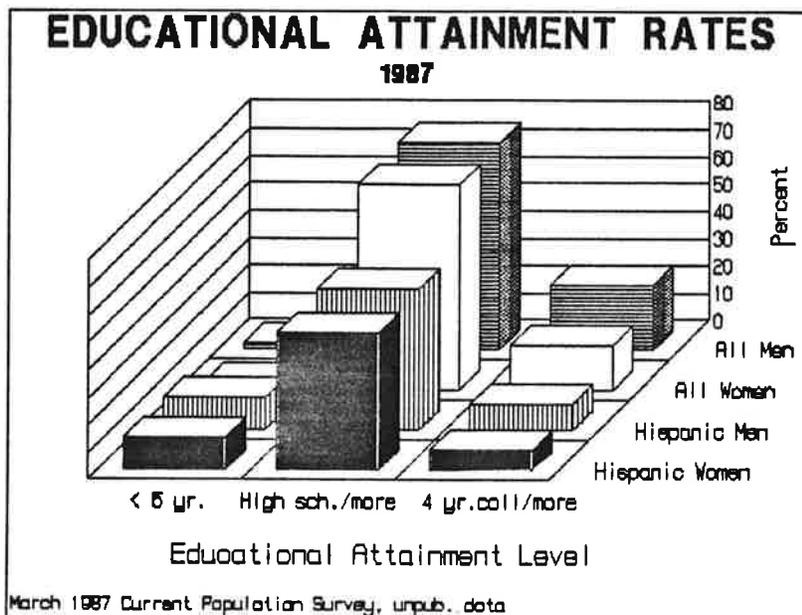
Approximately 12% of all births in June 1986 were to Hispanic women.<sup>2</sup> The high Hispanic fertility rate is still well above "replacement" levels, guaranteeing large cohorts of children for years to come. These high rates stem partly from the higher proportion of Hispanic women of child-bearing age. In 1986, over 28% of Hispanic women were between the ages of 20 and 34, compared to less than 26% of all U.S. women.

C. Education

Hispanic women are entering the labor force in increasing numbers, but face major obstacles in the job market. Variables related to labor market success include education, labor force participation, unemployment, and occupational distribution. Educational attainment, however, exerts the dominant influence on labor market success. Higher education not only raises wage rates, it also lowers the probability and duration of unemployment spells, which ultimately translate to lower earnings. Educational attainment helps to determine occupational status, which, in turn, affects labor market success.

Hispanics as a whole are severely hindered by low levels of education. Hispanics 25 years old and over have a much lower educational attainment level than non-Hispanics; in fact, they are the least-educated workers in the labor force. In March 1987, Hispanic women had completed a median of 11.5 years of school, compared with 12.6 years for all women. Figure 3, below, compares the educational attainment rates for men and women. A significant minority of Hispanic women 25 years old and over had completed less than five years of school -- 12.0%, compared to only 2.4% of all U.S. women. Moreover, only half (50%) of Hispanic women 25 years old and over were high school graduates, compared to three-fourths (75.3%) of all U.S. women. Finally, a very small number of Hispanic women had graduated from college -- only 7.5%, compared to 16.5% of all U.S. women. The educational attainment differences between Hispanic men and women were small, except that a slightly higher percentage of Hispanic men were college graduates -- 9.7% compared to 7.5% of Hispanic women.<sup>3</sup>

FIGURE 3



Hispanic females are less likely to drop out of school than are Hispanic males, but are more likely than other groups of women to be high school dropouts. Census data from October 1986 showed that, among Hispanic females between 14 - 17 years of age, 18.4% had left high school without a diploma. In 1986, of Hispanic women aged 16-24, 27.2% were high school dropouts, compared to 32.8% of Hispanic males, 11.1% of White females, and 13.4% of Black females.

### III. LABOR MARKET STATUS OF HISPANIC WOMEN

#### A. Labor Force Participation

The March 1987 Advance Report of the Current Population Survey estimated there were 8.3 million Hispanics in the labor force. Hispanics comprised 7% of the labor force and are projected to account for 8-10% by 1995. Of the 53 million women in the civilian labor force in 1986, 3.3 million, or 6.2%, were of Hispanic origin. The growth rates of the Hispanic community, like other minority groups, will affect the composition of the future labor force. It is realistic to forecast a future labor force with a sizeable proportion of minority workers, including women. To determine the effects of such a labor force composition on the labor market, variables which measure a group's success in the labor market must be analyzed to discern patterns in employment levels, occupational trends, and earning levels.

The labor force participation rate measures the percent of those persons aged 16 and over who are either employed or actively seeking employment. The labor force participation rate for all Hispanics is very similar to that of Whites, but stark differences exist in labor force participation rates of men and women, as indicated below:

FIGURE 4

LABOR FORCE PARTICIPATION RATES  
BY RACE, SEX, AND HISPANIC ORIGIN  
1986 Annual Averages  
(Percent)

GROUP	TOTAL	MEN	WOMEN
Overall Population	65.3	76.3	55.3
White	65.5	76.9	55.0
Black	63.3	71.2	56.9
Hispanic	65.4	81.0	50.1

SOURCE: Bureau of Labor Statistics, *Employment and Earnings*, Vol. 34, No. 1, January 1987.

Though women have lower labor force participation rates than men, there has been an extraordinary increase in women's labor force involvement since the 1970s. This pattern continued unabated until late 1979, when the nation's economy began to slow down. An average of well over a million women a year were added to the work force during the 1970s, except for the 1970-71 period. A record number of nearly two million women entered or re-entered the labor force

in 1978 alone. Women accounted for over 38% of the labor force in 1970, and for more than 44% of the labor force in 1986.

Figure 5, attached, shows the labor force participation rates for women by racial, ethnic, and Hispanic-origin subgroup from 1978 through 1986. Hispanic women have had the lowest labor force participation rate of any group of women, whereas Black women have had the highest. However, the labor force participation rate includes both employed individuals and unemployed individuals actively looking for work. Consequently, Black women have a higher labor force participation rate partly because of a greater proportion of unemployed Black women actively looking for work. A more accurate assessment of the employment status of women is provided by the employment-to-population ratio.

## B. Employment Patterns

### 1. Employment-to-Population Ratios

The employment-to-population ratio measures the percentage of the population that is actually employed, and over time shows the stability of this employment. The employment-to-population ratio is vulnerable to changes in levels of employment and population growth. Employment levels must keep pace with a large and growing population base if the employment-to-population ratio is to remain stable.

This ratio is key in measuring the employment levels of the growing Hispanic population. When the increase in the number of employed Hispanics is less rapid than the pace of their population growth, then their employment-to-population ratio declines. Figure 6, attached, shows the employment-to-population ratios for women by race, ethnicity, and Hispanic-origin subgroups from 1978 through 1986. When the employment-to-population ratio and the labor force participation rate are compared, sharp differences are revealed. Whereas Black women have had the highest labor force participation rate of all women during the past decade, White women have had the highest employment-to-population ratio. Hispanic women, on the other hand, remain at the bottom on both these measures -- they register the lowest labor force participation rates and the lowest employment-to-population ratios.

Among Hispanic women, the differences in employment levels are even starker, as shown in Figure 6. The employment-to-population ratio of Cuban women is consistently the highest of all Hispanic women, and it is even higher than that of White women. Mexican American women have the second highest, and Puerto Rican women the lowest employment-to-population ratio of all major subgroups of U.S. women. These differences have existed throughout the past nine years, in times of both high and moderate unemployment. One factor affecting the employment levels of Mexican American and Puerto Rican women is their youth. They are generally younger than Cuban, Black, or White women, and their extreme youthfulness contributes to unsteady and sporadic employment patterns.

### 2. Occupational Distribution

In 1986, there were 6.9 million civilian non-agricultural workers of Hispanic origin. Employed Hispanics were concentrated in occupations that are low-paid, low-skilled, and experience high rates of unemployment. Compared to other workers in the labor market, Hispanic women were overrepresented in the

FIGURE 5

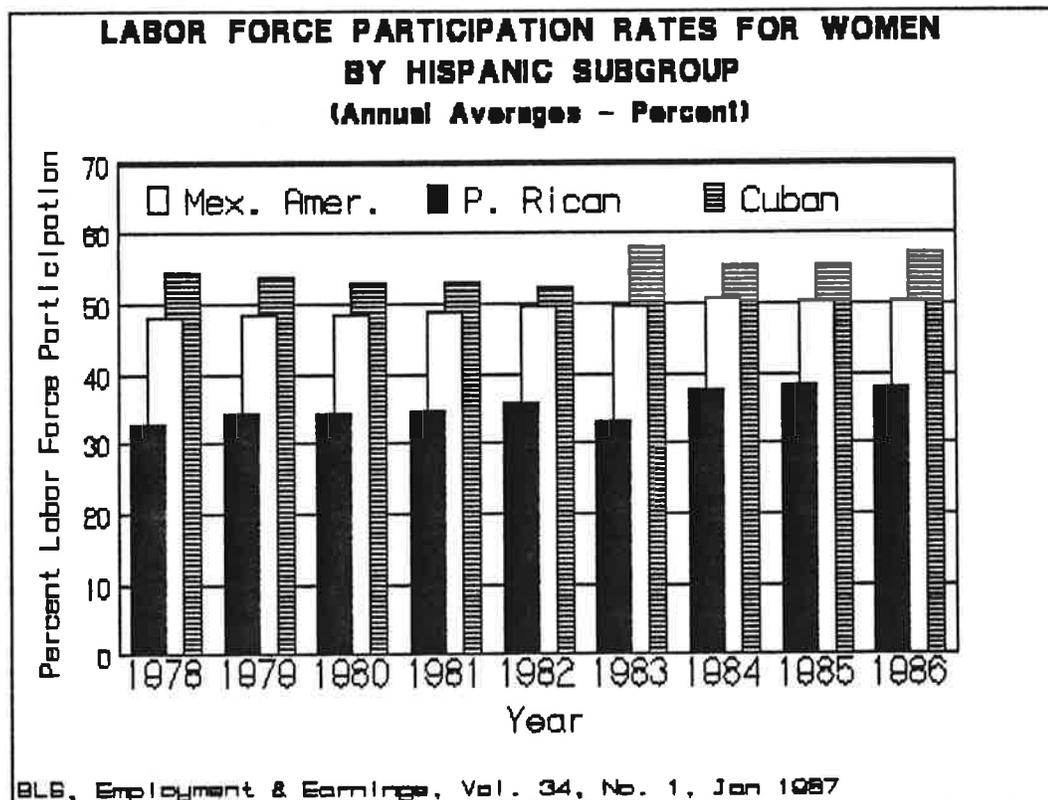
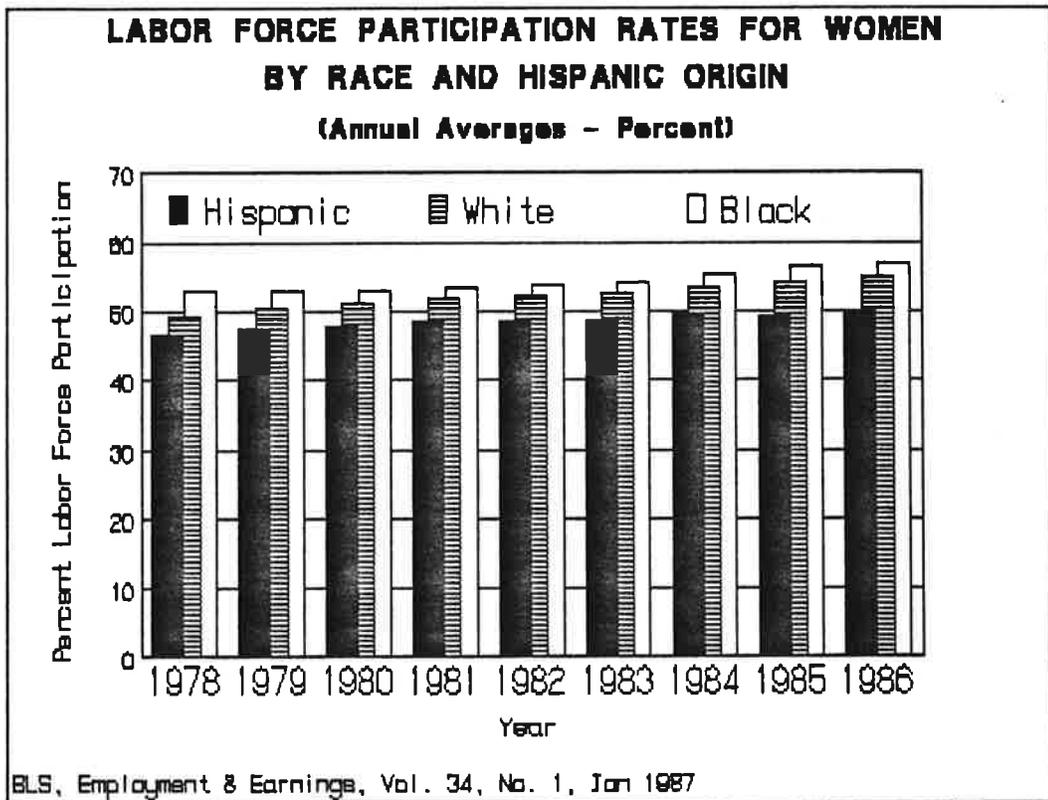
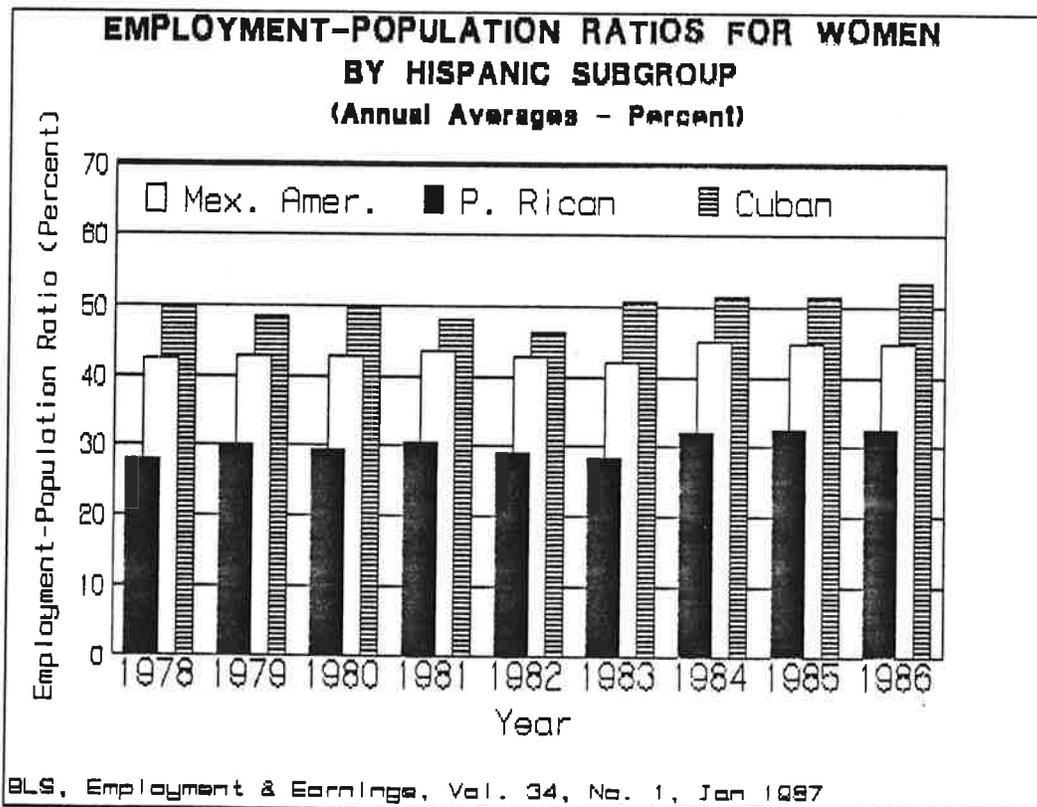
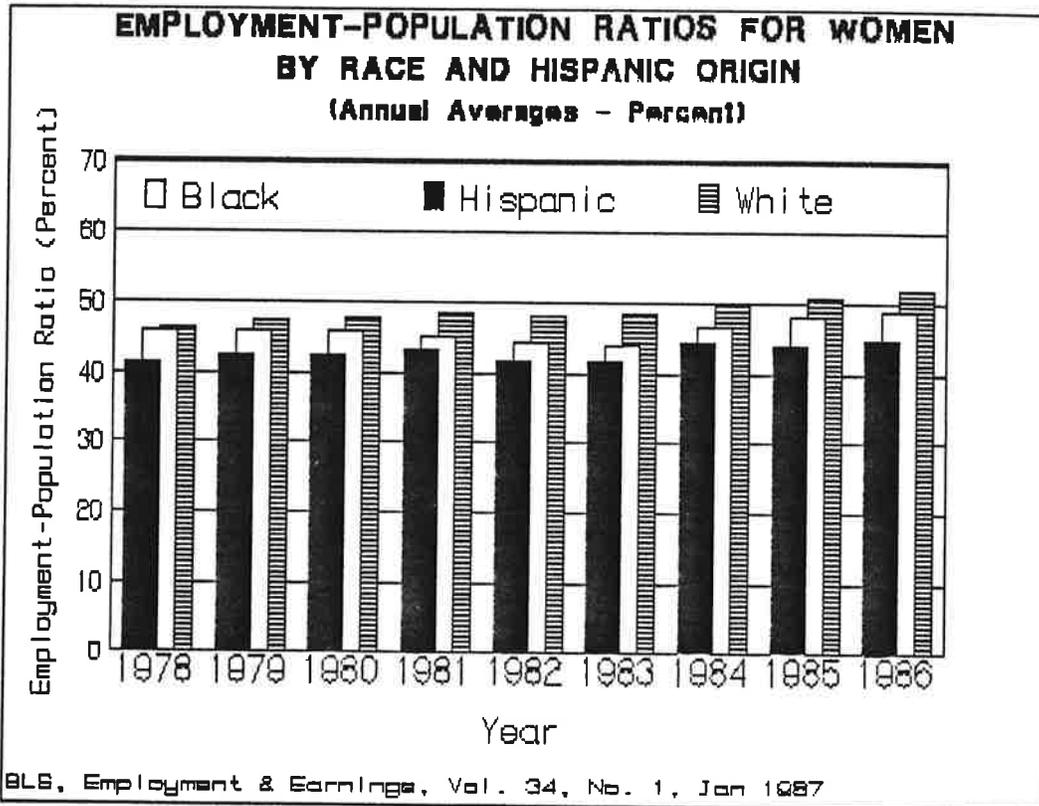


FIGURE 6



least-skilled jobs, which also pay the lowest wages. Although the large percentage of Hispanic women employed in clerical positions was similar to the situation among women overall, their heavy concentration in operative jobs -- dressmakers, assemblers, machine operators, and similar employment -- was strikingly higher than for other women.

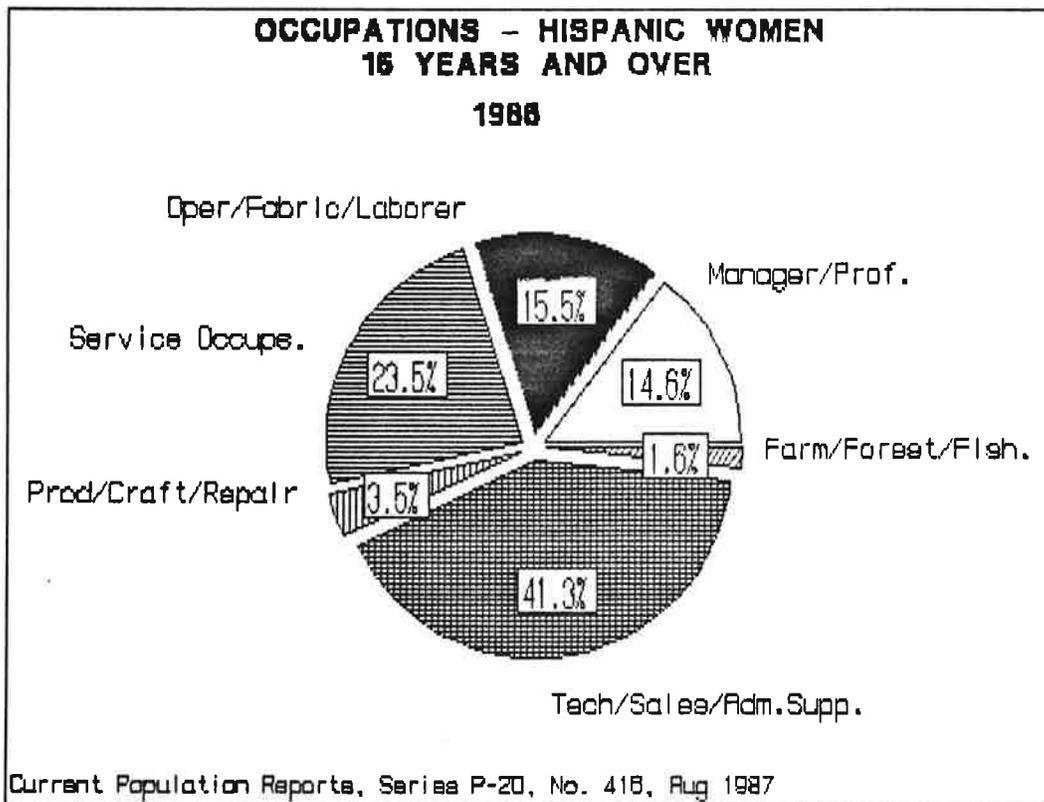
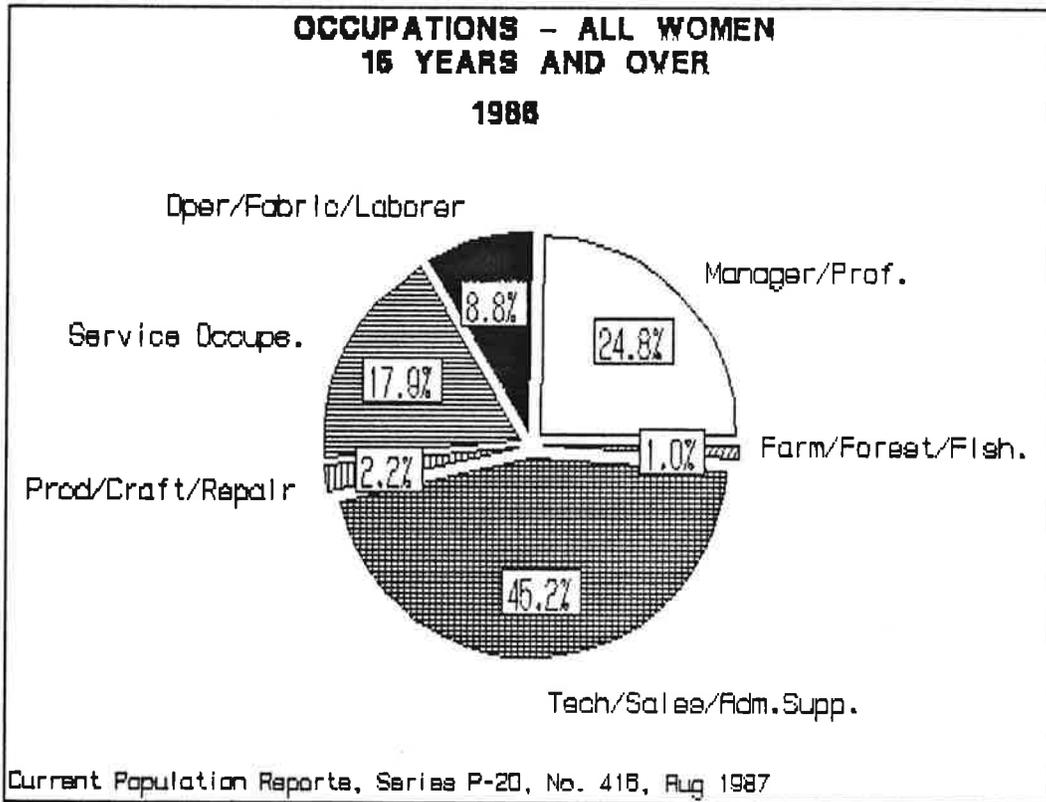
Figure 7, attached, compares the 1986 occupational breakdowns for Hispanics and for all employed women 16 years and over. Hispanic women were underrepresented in managerial and professional specialties -- 13.9% of employed Hispanic women had jobs in these areas, compared to 23.7% of all U.S. women. Close to half of all employed U.S. women and Hispanic women were concentrated in the technical, sales, and administrative support occupations. Hispanic women were overrepresented in the service occupations -- close to one-fourth (23.5%) of employed Hispanic women had service jobs in 1986, compared to 17.9% of all U.S. women. Finally, less than one-tenth (8.8%) of all U.S. employed women held jobs as operators, fabricators, and laborers, compared to 15.5% of employed Hispanic women. The percentage concentration of Hispanic women in those occupations was almost twice as high as that of all U.S. women.

In part due to their concentration in occupations vulnerable to high rates of unemployment, Hispanics in general, and Hispanic women in particular, have suffered from worker dislocation (loss of job due to a facility closing or mass layoff) at higher rates than other population groups. An analysis of Bureau of Labor Statistics (BLS) data reveals that, between 1981 and 1985, Hispanics suffered dislocation at a rate of 14.1%, compared to 12.5% for Blacks and 11.9% for Whites. Although women tend to have lower dislocation rates than men, Hispanic women were especially hard hit. The overall dislocation rate for Hispanic women was 39% higher than for White women and 26% higher than for Black women. Four states in which 30% of all Hispanic Americans live -- Texas, Illinois, Arizona, and Colorado -- fell within the "top 20" for rates of overall worker dislocation.

Hispanics not only experience higher rates of worker dislocation, but once dislocated, they also remain unemployed or drop out of the labor force in greater numbers than either Blacks or Whites. BLS data reveal that, among Hispanic workers dislocated between January 1981 and January 1986, only 56.6% were re-employed as of January 1986, compared to 57.7% of Blacks and 62.2% of Whites. Hispanic women are the group most devastated by dislocation, with only 42.3% re-employed as of January 1986. As of January 1986, 25.9% of dislocated Hispanic women remained unemployed and another 31.8% had dropped out of the labor force entirely. Dislocated Hispanic women were 28% more likely than White women to have left the labor force.<sup>5</sup>

Economists have analyzed women's occupational position in the labor market and their educational attainment emerges as the most important determinant of women's occupational position. The studies conclude that if one were to equalize Hispanic women and non-Hispanic White women in terms of their educational and language characteristics, as well as their demographic and residential characteristics, the occupational-status gap between Hispanic and non-Hispanic White women would be reduced by 27% for Mexican American women and 57% for Puerto Rican women. However, the gap would not be eliminated. These findings agree with other research which suggests that labor market discrimination may partly explain the disadvantaged<sup>6</sup> occupational position of Hispanic women vis-a-vis non-Hispanic White women.

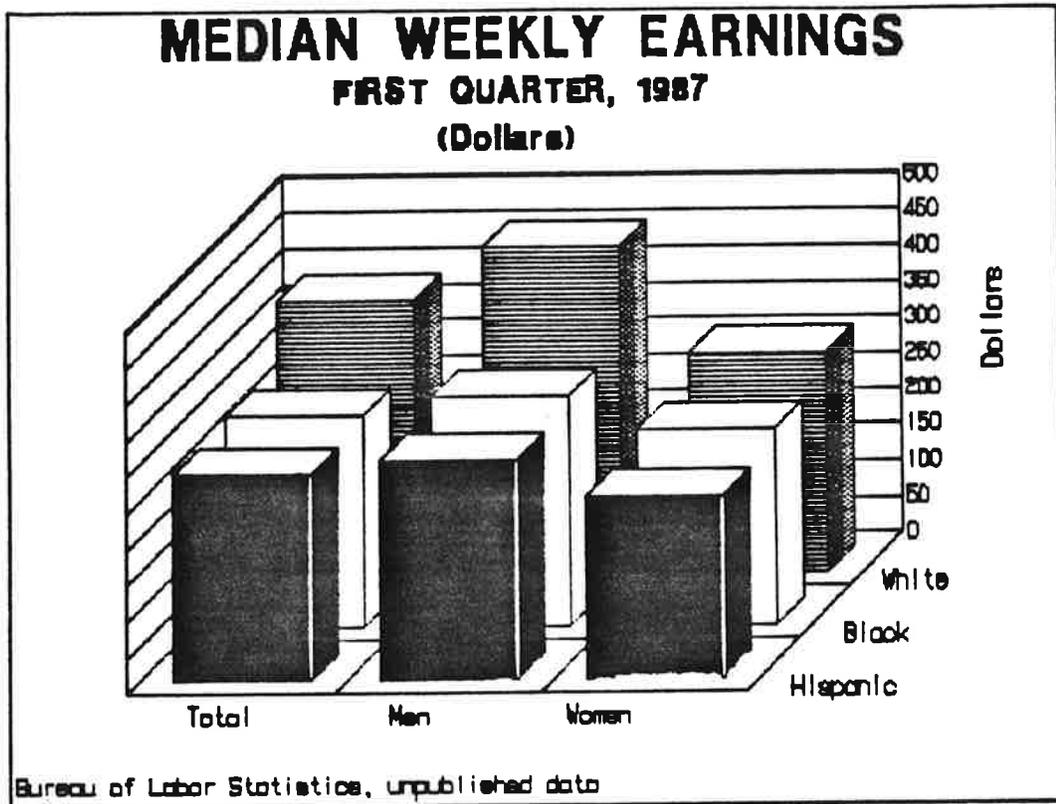
FIGURE 7



### 3. Earnings

Hispanic workers earn the lowest wages in the labor market. Hispanic women are worst off; during the first quarter of 1987 they earned only 56.2% as much as White men, while Hispanic men earned 67% as much as White men. The median weekly earnings by sex and ethnic origin, for individuals 25 years and over, were as shown in Figure 8.

FIGURE 8



Data from the Bureau of Labor Statistics show that the total Hispanic work force has been earning the lowest median weekly earnings for most of the past decade, as Figure 9 indicates.

The large wage gaps between Hispanics and other workers are primarily attributable to such factors as levels of educational attainment, number of hours worked, opportunities for high-wage occupations, and age. Research by the National Council of La Raza found that quantifiable differences in Hispanic characteristics or experience account for much of the earnings gap. These inequalities, however, do not account for the total difference between earnings of Whites and Hispanics. The Council's regression-based analysis evaluated the effects of the following variables on wage and salary income: age, sex,

FIGURE 9

MEDIAN WEEKLY EARNINGS  
Full-Time, Year-Round Workers  
1980-86  
(Dollars)

GROUP	1980	1981	1982	1983	1984	1985	1986
Total White	\$265	\$292	\$307	\$321	\$339	\$355	\$370
Men	321	353	374	397	403	417	433
Women	203	220	243	253	264	281	294
Total Black	208	236	247	257	265	277	291
Men	246	264	279	299	302	304	318
Women	184	204	214	231	242	252	263
Total Hispanic	207	223	242	250	256	269	277
Men	236	251	263	274	286	295	299
Women	170	188	203	209	224	229	241

SOURCE: Statistical Abstract of the United States, Bureau of the Census, 1987.

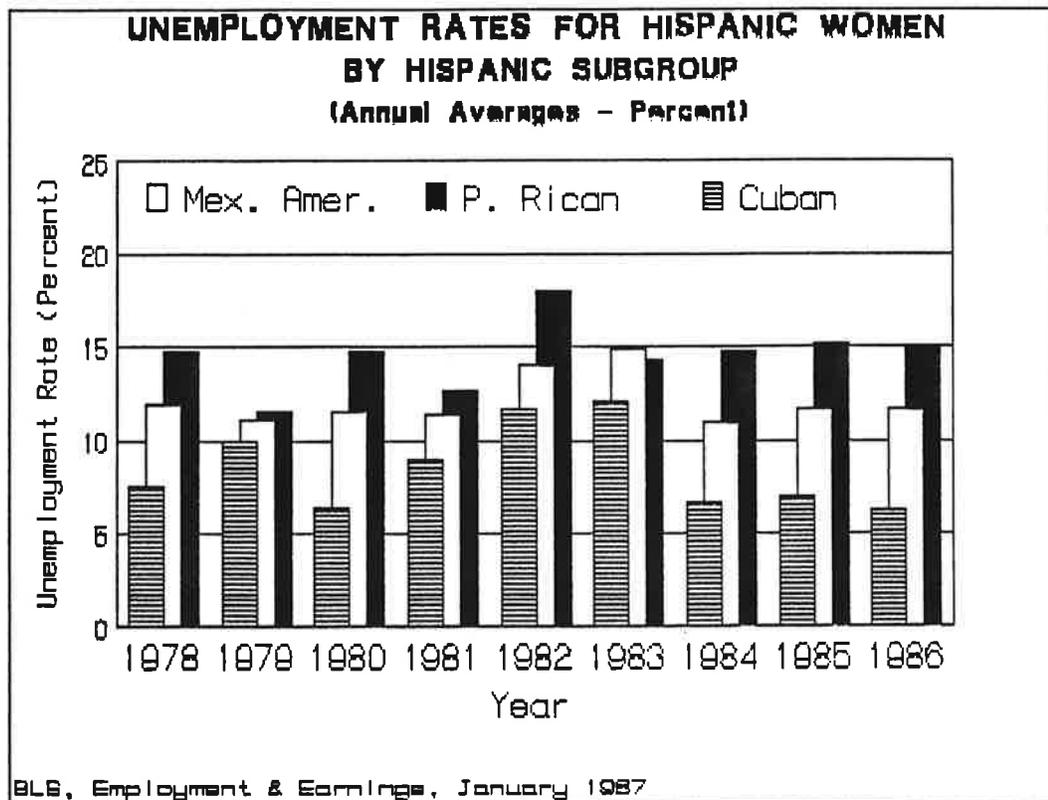
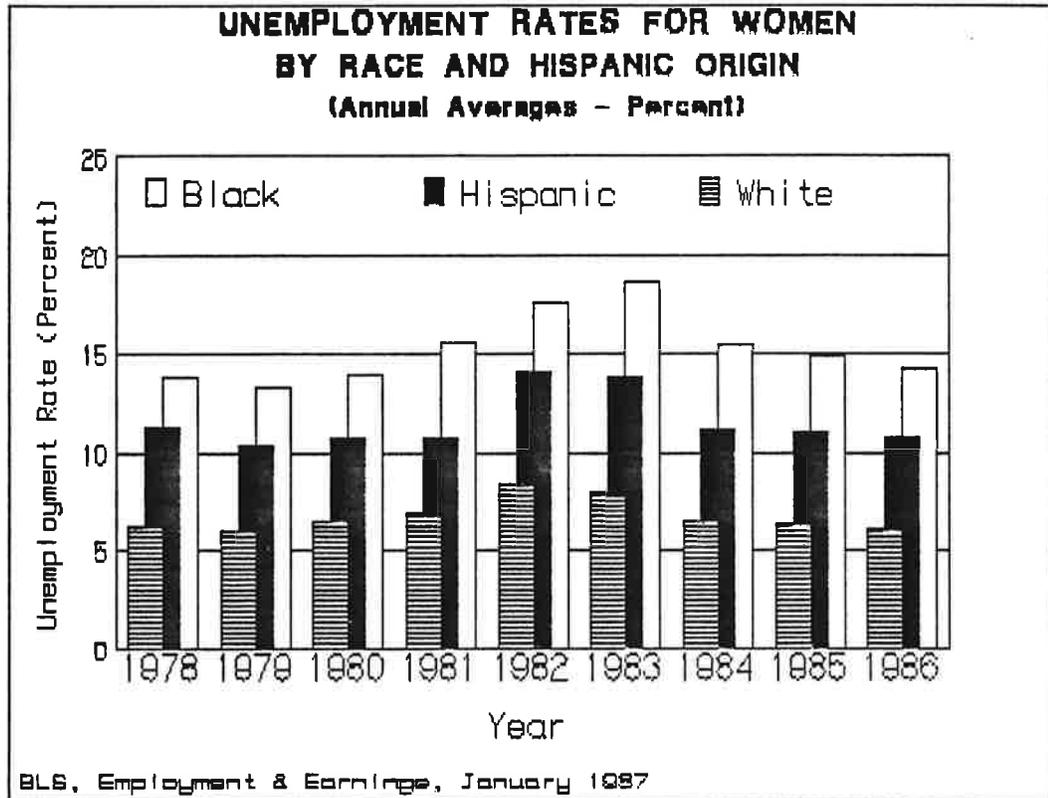
ethnicity, marital status, hours worked, occupation, employment sector (private versus public sector), and industry (which was divided into nine different categories). The results of the analysis indicate that even when all other variables are controlled -- thus assuming that Hispanics are equally educated, trained, work the same number of hours, etc. -- ethnicity alone appears to account for 14% of the wage differences between White and Hispanic males and 29% of the total difference in earning power between White males and Hispanic females.

#### 4. Unemployment

During both good and bad economic times, unemployment among Hispanics is usually 60% higher than that of White Americans. The unemployment pattern of Hispanic women is similar to that of Hispanic men -- their unemployment rate is higher than that of Whites, but lower than that of Blacks.

Figure 10, attached, shows that since 1978, both Hispanic and Black women have experienced double-digit unemployment rates. Among women of different Hispanic subgroups, as Figure 10 shows, Puerto Rican women have the highest unemployment rate -- in 1986, their unemployment rate was higher than that of Black women -- and Mexican American women have the second highest unemployment rate. Both these groups of Hispanic women have registered double-digit unemployment

FIGURE 10



rates since 1978. Cuban women, however, registered a double-digit unemployment rate only in 1982 and 1983, due to the severe 1982 recession. Otherwise, the unemployment rate of Cuban women has remained single-digit, and in 1986, it was slightly lower than the overall unemployment rate for women in the United States.

Unemployment among Hispanic subgroups reveals distinct patterns. Mexican American and Puerto Rican women experience unemployment levels similar to those of Black women. During the past decade, with the exception of the years 1982-83, Cuban women have experienced an unemployment level similar to that of White women, though White women have not experienced double-digit unemployment, not even at the height of the 1982-83 recession. Among the probable reasons for the severe joblessness of Mexican American and Puerto Rican women are their low educational attainment and their youth; younger populations tend to have higher rates of unemployment than those with a larger proportion of prime-age workers. Cuban women are better educated and older than Mexican American or Puerto Rican women; hence their unemployment rates are lower.

### C. Poverty

The low educational attainment rates of Hispanic women help to determine their occupational distribution, earnings levels, and incidence of unemployment. The low levels of achievement in these labor market variables have contributed to a high incidence of poverty among Hispanic women. The March 1987 Current Population Report found that 24.7% of Hispanic families were below the poverty level. Stark differences, however, are found among the Hispanic subgroups, as shown below; Puerto Rican families had a poverty rate 53% higher than the rate for Mexican American families and more than twice as high as Central and South American families. Cubans had a poverty rate only half as high as the rate for Mexican Americans, and only one-third as high as the rate for Puerto Ricans.

FIGURE 11

PERCENT OF FAMILIES BELOW  
THE POVERTY LEVEL, BY HISPANIC SUBGROUP  
(March 1987)

<u>GROUP</u>	<u>PERCENT</u>
All Hispanics	24.7
Mexican American	24.9
Puerto Rican	38.1
Cuban	13.3
Central and South American	18.7

SOURCE: Bureau of the Census, Current Population Reports, Series P-20, No. 416, August 1987.

A key variable which affects the incidence of poverty is the number of families headed by women. Minority families with female heads of household are especially vulnerable to poverty. In 1986, 23.4% of Hispanic-origin families (1,030,000 families) were maintained by women, compared to 16.2% of all U.S. families. More than half (51.2%) of these families had incomes in 1986 which placed them below the U.S. poverty level, compared to 34.6% of all families main-

tained by women. The March 1987 Current Population Report showed the following incidence of families maintained by women among the Hispanic subgroups; the poverty rate was highest among Puerto Ricans and lowest among Cuban families headed by women.

FIGURE 12

PERCENT OF FAMILIES  
MAINTAINED BY WOMEN  
(March 1987)

<u>GROUP</u>	<u>PERCENT</u>
Total Population	16.2
Total Hispanic	23.4
Mexican American	19.2
Puerto Rican	43.3
Cuban	17.7
Central and South American	25.5

SOURCE: Bureau of the Census, Current Population Reports, Series P-20, No. 416, August, 1987.

The poverty experienced by Hispanic families maintained by women has had a severe impact on children. In 1986, 66.7% of Hispanic children in female-headed families were poor, compared to 67.1% of Black children, and 46.3% of White children from female-headed families. The Hispanic children most affected were Puerto Ricans, who were more than twice as likely to be poor as Cubans and 45% more likely to be poor than Mexican Americans (53.4% versus 16.3% and 36.7%, respectively). Figure 13 shows that while Puerto Rican children accounted for only 13% of all Hispanic children in 1986, they represented nearly 19% of the poor Hispanic children.

Due to higher unemployment, fewer hours worked and lower wages earned, households headed by women have lower median incomes than male-headed households. In 1986, Black female-headed households had the lowest median income of any major population, followed closely by Hispanic women, as shown in Figure 14.

D. Conclusions

Low educational attainment rates, occupational segregation in the least-skilled jobs, low wages, and high levels of unemployment and poverty characterize the peripheral labor market status of Hispanic women. All these factors are interrelated; however, educational achievement exerts the dominant influence on the success or failure of individuals in the labor market. In this regard, Hispanic women workers have the lowest levels of education, and thus their labor market status is among the lowest of all workers.

A young, growing, but untrained and unemployed or underemployed segment of the labor force has serious national implications. These include the increased draining of public funds for income assistance and other human services to unemployed individuals, and a diminishing of the tax base necessary for the fiscal stability of many domestic programs such as Social Security, which relies on the withholding of funds of current workers for the support of current retirees. The

federal education and employment and training systems must be able to train the labor market supply to meet changing labor market demands. In the future, this will mean a need for improved and expanded education and training opportunities for Hispanic women, to develop better their human resource potential.

FIGURE 13

COMPOSITION OF TOTAL AND POOR HISPANIC CHILDREN  
BY HISPANIC ORIGIN SUBGROUP, MARCH 1987  
(Numbers in Thousands)

HISPANIC ORIGIN SUBGROUP	POOR CHILDREN	ALL CHILDREN	POVERTY RATE
Total Hispanic			
Number	2,466	6,592	
Percent	100.0	100.0	37.4
Mexican American			
Number	1,659	4,513	
Percent	67.3	68.5	36.7
Puerto Rican			
Number	460	861	
Percent	18.7	13.1	53.4
Cuban			
Number	32	196	
Percent	1.3	3.0	16.3

SOURCE: U.S. Census Bureau, Current Population Survey, March 1987, unpublished data.

FIGURE 14

MEDIAN FAMILY INCOME BY TYPE OF HOUSEHOLD HEAD  
(1986)

GROUP	ALL HOUSEHOLDS	HOUSEHOLDS HEADED BY FEMALES
All Races	\$24,897	\$14,337
White	26,175	16,607
Black	15,080	9,713
Hispanic	18,352	9,909

SOURCE: U.S. Bureau of the Census, Current Population Survey March 1987, unpublished data.

#### IV. THE FEDERAL RESPONSE

##### A. Introduction

Federal employment and training policies should effectively address the needs of severely disadvantaged workers. As just described, Hispanic women score low marks on labor market indicators. They have the lowest labor force participation rates, the lowest employment-to-population ratios, and the lowest median weekly earnings of any major subpopulation. Furthermore, Hispanic women are segregated in occupations which are low-skilled, poorly-paid, and vulnerable to extremely high rates of unemployment. Thus they are in special need of services to improve their employment status.

A key factor which influences the success or failure of individuals in the labor force is education, and many Hispanic women have not completed high school. Consequently, basic education and job preparation are training activities of great benefit to Hispanic women. Under the Comprehensive Employment and Training Act (CETA), basic classroom training, courses in English as a Second Language and courses toward the completion of the General Educational Development (GED) certificate were available and widely implemented. Its successor legislation, the Job Training Partnership Act (JTPA), which has minimal funding and is performance-driven, de-emphasizes such longer-term classroom training, which has traditionally enrolled twice as many women as men.

The training programs offered by CETA, which lasted a decade and was the first major attempt at a coordinated federal employment and training policy, provide a useful focus for analysis of past federal program responses to the needs of Hispanic women.

##### B. Participation of Women in CETA Training Programs

Participation rates in CETA can be analyzed to determine the "training track" of all women, especially Hispanic women. This analysis provides information on the types of training services received by Hispanic women, which are determined to a great extent by the enrollees' occupational preferences. Women enrollees make occupational preferences that are not necessarily in their best financial long-term interest. The data from CETA Fiscal Years 1976-79 show that Hispanic women, like all women, were overrepresented in classroom training and work experience.

Over one-third of all CETA enrollees entered Title I, which was one of the largest CETA titles and offered a varied selection of services such as classroom training, on-the-job training (OJT), work experience, and small components of summer youth programs and public service employment (PSE). A study by the National Commission for Employment Policy found that, under CETA, both male and female Hispanics were substantially more likely than Blacks or Whites to enter basic education, job training, and work experience activities (Title I); less likely than Whites to get a public service employment (PSE) assignment (Titles II and VI); and somewhat less likely than Blacks to get a summer youth program assignment (Title III). Female Title I participants were overwhelmingly concentrated in two training activities -- classroom training and work experience. Compared to Black or White women, a slightly higher percentage of Hispanic women were enrolled in these two training activities, as shown in Figure 15.

FIGURE 15

TITLE I PARTICIPANTS BY CETA ACTIVITY,  
SEX, RACE, AND HISPANIC ORIGIN  
Fiscal Years 1976-79  
(Percent)

ACTIVITY	TOTAL PARTICIPANTS	TOTAL MEN	TOTAL WOMEN	WHITE WOMEN	BLACK WOMEN	HISPANIC WOMEN
Classroom Training	35.2	29.9	40.7	38.9	41.9	45.3
On-the-job Training	15.3	19.7	10.8	13.5	7.5	8.8
Work Experience	40.4	39.4	41.5	40.5	42.4	43.1
Summer Youth Program	6.5	8.0	5.0	4.6	6.7	2.0
Public Service Employment	2.5	3.0	2.0	2.6	1.6	0.8
Total	99.9	100.0	100.0	100.1	100.1	99.9

SOURCE: "Hispanics and CETA: Issues of Access, Distribution, and Equity," National Commission for Employment Policy, WD-1410-NCEP, April 1982.

With regard to types of services received, over 80% of all Title I female participants were enrolled in classroom training and work experience, compared to 69.3% of all male Title I participants. Classroom training and work experience were two training components which did not result in immediate job placement, whereas on-the-job training (OJT), the summer youth program (SYEP), and public service employment (PSE) did. Nearly one-third (30.7%) of all Title I male participants were enrolled in OJT, SYE, and PSE, compared to about one-sixth (17.8%) of all Title I female participants. Hispanic women had the lowest enrollment rates in Title I job placement activities -- 11.6%, compared to 15.8% for Black women and 20.7% for White women.

One reason women were concentrated in CETA classroom training to a greater degree than men is that their occupational preferences were easily taught in a classroom setting. Some research studies suggest that women who want job training end up in classrooms more often than men, probably because women heavily prefer and get assigned to occupations (such as clerical) that are usually taught in the classroom. Higher-paid, traditionally male occupations have made greater use of apprenticeships and OJT than the lower-paid traditionally female occupations.

Occupational opportunities under CETA were divided into high-wage and low-wage occupations; nearly three-fourths of CETA's occupational opportunities were concentrated in the low-wage occupations, and just one-fourth in the high-wage occupations. Work experience was the training activity with the highest percentage of low-wage occupational openings. One low-wage occupational category is clerical work. The Continuous Longitudinal Manpower Survey (CLMS) shows that during Fiscal Years 1976-79, a majority of women participants in CETA (53.9%) preferred clerical training. Data on enrollees' occupational preferences come from questions on the CLMS about the respondent's preferred CETA service. The survey findings show that 64.6% of Hispanic women preferred clerical occupations, compared to 50.7% of Black women and 53.9% of White women.

While it is not surprising that women make these traditional occupational selections for which they have an abundance of role models, these choices are not necessarily in their best financial interest. About 80% of female CETA participant preferences fell into the low-wage categories. Though CETA women were apt to prefer economically less secure occupations than CETA men, they were also apt to prefer occupations with a noticeably higher social status. Consequently, although CETA women overwhelmingly preferred clerical jobs, which are low-level, low-paid, white-collar occupations, CETA women considered these occupations "nice" jobs (with respect to cleanliness and safety of the work environment) and therefore of some social status.<sup>11</sup>

C. Participation of Women in the Job Training Partnership Act

1. Distribution of Women as Enrollees in Classroom Training and Work Experience

The Job Training Partnership Act (JTPA) replaced CETA in 1983 as the nation's major employment and training legislation. JTPA reflects the "New Federalism" approach -- it has diminished the federal role, and increased the state's role in the delivery of federal employment and training services. However, JTPA has also brought about other major changes, most notably (1) an emphasis on training and quick placement rather than income maintenance; (2) a performance-driven system; (3) minimal funding -- JTPA is funded at one-third the level of CETA; (4) restrictions on support services; (5) prohibition of stipends and public service employment; and (6) an increased policy role for the private sector.

The restrictions imposed by JTPA have resulted in changes in the length and types of employment programs offered. A 1985 General Accounting Office (GAO) report states that both service delivery area (SDA) administrators and Private Industry Council (PIC) representatives felt that they must offer training programs that were shorter than they should be because of JTPA's participant support limitations. Many SDA administrators reported that they had reduced the length of classroom training from six to three months because many participants could not afford to attend for the longer period.<sup>12</sup>

The GAO report also found that under JTPA, participation in on-the-job training (OJT) had increased, whereas participation in work experience had decreased. The most common reason cited for using more OJT was that this type of training is more likely to result in employment. The GAO study notes that between CETA Fiscal Year 1982 and JTPA Transitional Year 1984, occupational classroom training experienced a 16% decrease, other classroom training experienced a 64% decrease, work experience experienced a 66% decrease, and OJT experienced a 214% increase.<sup>13</sup>

The distribution of women CETA enrollees among the classroom training and work experience training components has been continued under JTPA. JTPA's emphasis on quick placement in unsubsidized employment has encouraged service delivery area (SDA) administrators and private industry council (PIC) representatives to offer more OJT, which is predominantly male, rather than classroom training and work experience, which is predominantly female.

Despite a decrease in work experience and classroom training, JTPA has not affected the traditional participation of women as the majority of work experience and classroom training enrollees, and men as the majority of on-the-job training enrollees, as Figure 16 illustrates.

FIGURE 16  
DISTRIBUTION OF JTPA TITLE II-A ENROLLEES  
June 1986 - March 1987  
(Percent)

ACTIVITY	MEN	WOMEN
Classroom Training	39	61
Work Experience	49	51
On-the-Job Training	55	45

SOURCE: Job Training Quarterly Survey,  
Department of Labor, Table C-1, April, 1987.

The emphasis on OJT could help explain the slightly greater overall male participation in JTPA. The April 1987 Job Training Quarterly Survey shows that males are somewhat overrepresented in JTPA relative to their numbers in the eligible population. According to the March 1986 Current Population Survey, 44% of the nation's male population and 56% of the nation's female population were eligible for JTPA services. However, during Program Year 1986, 47% of enrollees were male and 53% of enrollees were female.<sup>14</sup>

The concentration of women in classroom training and work experience programs has been reinforced by JTPA's elimination of stipends. Whereas OJT provides an immediate source of income for the period of training, classroom training does not. Adult recipients of Aid to Families with Dependent Children (AFDC), who are mostly women, have a supplementary source of income. Thus, SDA administrators enthusiastically recruit AFDC recipients because of this independent source of income and support services. Consequently, women are more likely to be willing to enroll in classroom training, which does not provide stipends, than men, who are less likely to have the income needed to allow them to invest 12-16 weeks in classroom training.

OJT is more likely than other training activities to result in unsubsidized employment at the end of the training period. Placement rates are traditionally higher for those trained on-the-job than in the classroom; under JTPA, OJT has had a 77% placement rate, compared to 54% for classroom training.<sup>15</sup> This is a strong inducement for SDA administrators and PIC representatives, who are pressured to meet placement and performance standards.

As discussed, women are predominantly enrolled in classroom training and work experience largely because training for traditional female occupations is readily provided by these programs. Men are concentrated in OJT because employers with traditionally male occupations have made greater use of OJT. Furthermore, some nontraditional occupational training has educational prerequisites imposed by some JTPA training plans, which require that applicants perform at the eighth-grade level. These requirements may prevent many

disadvantaged women with low educational achievement from participating in nontraditional training, which provides access to higher-paid occupations. Women also face another barrier to full participation in JTPA employment and training programs. The decreasing amount of support services, such as child care and transportation, has disproportionately affected disadvantaged women, especially those not on AFDC, who need these services in order to attend training sessions.

## 2. JTPA Limit on Support Services

An analysis of the JTPA legislation reveals dichotomous philosophies. On the one hand, there is the Congressionally stated intent of JTPA to serve the economically disadvantaged. On the other hand, this intent is undermined by the elimination of training stipends and by limited support services. Support services as defined by JTPA include "transportation, health care, special services and materials for the handicapped, child care, meals, temporary shelter, financial counseling, and other reasonable expenses required for participation in the training program" [See, JTPA, Sec. 4 (24)]. These support services are viewed as access mechanisms for the economically disadvantaged, especially women, because they are the most likely to require services such as child care and transportation costs in order to attend training sessions. Furthermore, certain counseling services are very important for displaced homemakers and other women with either a low self-esteem or little knowledge of the labor market. Since support services have been eliminated or financially restricted, it is now more difficult to serve the intended beneficiaries of JTPA.

Though the JTPA legislation allows 15% of funds to be expended on support services, independent studies have shown that sample SDAs are averaging less than the 15% allocation.<sup>16</sup> The fact that JTPA allows only a combined 30% of funds to be spent on administrative and support services has resulted in a disincentive to provide substantial levels of support services. SDAs surveyed in a 1985 study were averaging over 15% on administrative costs and less than 15% on support services costs.<sup>17</sup>

The 15% cap on support services may be waived if certain conditions are met and the waiver is requested from the state by the PIC. This assumes, however, that the PIC will be sensitive to the needs of the disadvantaged and will want to extend greater services to those who might benefit most from training, but who also can least afford the extra costs of child care or transportation. If a waiver is granted, the SDA must still meet national performance standards. SDAs may be denied waivers because of their inability to meet performance standards due to the characteristics of the specific population they intend to serve through additional support services.

A 1985 GAO study found that very few SDAs were requesting waivers of the support limitations -- 6% of the 544 SDAs surveyed requested a waiver for Program Year 1984. The study found that SDAs receiving waivers spent about 12% of their Title II-A budget on participant support in the transition year; those not requesting or receiving waivers averaged about 7%. About two-thirds of the SDAs that received waivers offered needs-based payments in the transition year; the typical weekly payment at these SDAs averaged about \$44. Of the SDAs that did not request or receive waivers, more than one-third offered needs-based payments,<sup>18</sup> and the typical weekly payment at these SDAs averaged about \$34.

#### D. Conclusion

The concentration of women in JTPA classroom training and work experience, and in training for traditional occupations such as clerical work and health care, is a continuation of the practices of previous federal employment and training programs. This "training track" has had an adverse impact on women's occupational distribution in the labor market -- including their overrepresentation in jobs which are vulnerable to high rates of unemployment.

Due to JTPA's minimal funding and quick placement emphasis, longer-duration programs such as classroom training and work experience have been sharply reduced. JTPA's minimal funding has also resulted in a significant decrease in support services, which are needed to provide the economically disadvantaged with access to employment and training services. As a result, JTPA as presently constituted offers limited hope for improving the long-term labor market status of Hispanic women.

### V. POLICY IMPLICATIONS

#### A. Overview

The composition of the U.S. work force has undergone various changes in the past decade, among the most important of which is the unprecedented number of women entering the labor market. However, working women often hold low-skilled, low-paying jobs. This occupational distribution is reinforced by the traditional occupational training received by women enrollees in federal employment and training programs. The lack of economic parity is a grave problem for all women; this problem, however, takes on critical dimensions for minority women, especially Hispanic women.

Hispanic women occupy a peripheral position in the labor market. Their low standing is partly due to low levels of achievement in variables which determine labor market success. Hispanic women are the least-educated workers in the labor force. Their labor force participation rate, though growing, is the lowest of all women; however, since Hispanic women are younger and have higher growth rates than other groups of women, it is very likely that their participation in the labor force will increase in future years.

Demographic realities and shifts in working patterns forecast further changes in the composition of the labor force. Minorities and women will form a sizeable proportion of the future labor force, and women already account for a large share of the labor force growth. Projections by the Institute for Educational Leadership indicate that by 1992 there will be only three workers to provide Social Security funds for each retiree, <sup>19</sup>compared to 17 in 1950; one of the three will be a member of a minority group.

Hispanic women form a potential pool of workers for the future. However, Hispanic women are hindered by serious deficiencies in education, employment, and economic resources. A large but untrained population segment will have negative national repercussions, while a well-trained labor force will result in dual societal benefits -- increased tax revenues and withholding to help support the Social Security system and other domestic programs and decreased expenditures

for public assistance and other entitlement programs, as well as positive effects on the individuals and their families.

#### B. Education

Education is the single variable which has the most impact on labor market success. Labor market regression-based studies show that equalizing educational disparities among various population groups will result in a sizeable contraction in gaps in earnings and employment levels. These studies show that education is a human capital characteristic to which the labor market favorably responds. This "human capital" theory hypothesizes that the lower occupational status of Hispanic-origin women reflects their smaller stock of the human resources, such as education, which ensure labor market success.

As the least-educated major subpopulation in the labor market, Hispanic women are vulnerable to restrictive federal policies in education and employment and training. For example, an attempt to eliminate bilingual education programs will negatively affect language-minority children, especially young Hispanic girls, who are more likely than White or Black girls to drop out of school at an early age. The minimal federal support that adult literacy programs currently receive also negatively affects Hispanic women, a significant minority of whom have completed less than five years of school. According to one national study, about 56% of adult Hispanics are functionally illiterate (compared to 44% of Black adults and 16% of White adults), which illustrates the need for increased and effective adult literacy programs, with particular emphasis on language-minority individuals.

In the past, the federal employment and training system helped remedy failures of the educational system by offering education programs such as basic classroom training, remedial education, courses in English as a Second Language, and courses toward completion of the General Educational Development (GED) certificate. These training activities, however, have been de-emphasized under JTPA for several reasons. JTPA's minimal funding discourages long-term training programs, which are expensive. Furthermore, the JTPA performance standards emphasize low-cost, short-term training programs, rather than long-term classroom training, which has traditionally enrolled twice as many women as men. OJT, which enrolls more men than women and results in immediate placement in unsubsidized employment, is far more attractive to SDA administrators and PIC representatives.

Independent studies of JTPA have noted the decrease in classroom training. In addition, because little JTPA funding is provided for remedial education, the opportunities for disadvantaged and low-skilled women to participate in training for higher-paying jobs are greatly reduced. Basic educational classroom training is crucial for developing long-term job skills, upgrading occupational credentials, and providing the basic foundation for long-term employability.

#### C. Occupational Segregation

Women of Hispanic origin are employed as operators, fabricators, and laborers and in service and precision, production, craft, and repair occupations to a greater extent than other women workers. Although Hispanic women are employed in clerical positions at about the same high frequency as all women, their large proportion in operative jobs -- in jobs such as dressmakers,

assemblers, and machine operators -- is strikingly dissimilar to the employment pattern of women workers as a group. Younger Hispanic women are narrowing the education gap and entering managerial and professional jobs. Still, the proportion of Hispanic women in high-skill, white-collar jobs is very low.

Training in nontraditional jobs is needed to break down this occupational segregation. The federal employment and training system should provide women, especially minority women, pre-enrollment counseling regarding nontraditional training opportunities and benefits. This is possible, however, only if strongly encouraged by the state and SDA and PIC representatives. Most nontraditional JTPA training is provided through on-the-job training (OJT). OJT, however, has traditionally enrolled more men than women because many of its apprenticeships are in male-dominated occupations, which are also highly-paid. Thus, women must be counseled as to occupational training options of greater financial benefit to them, and employers must be urged to recruit and accept them.

Another barrier to training in nontraditional careers is the educational prerequisites imposed by some JTPA training plans, which require that applicants be able to perform at the eighth-grade level. Most disadvantaged women perform at about the fifth or sixth-grade level. This problem should be remedied through increasing basic and remedial education available under JTPA, which requires changes in performance standards and other guidelines to encourage such services.

#### D. Earnings

On average, women earn less than two-thirds as much as men, and of all working women, Hispanic women earn the lowest wages. Among the reasons for the earnings differential are that women enter and leave the labor force more frequently than men, which results in their having less work experience; overall, women's educational attainment and skills training are not equal to men's; and women and men are concentrated in different occupations with different pay scales. Research studies have explored why the earnings difference persists even though the educational gap between men and women is shrinking and more women than ever are employed full-time and year-round. After all measurable variables have been included in equations on the earnings difference between men and women (variables such as education, experience, labor force interruptions, age, occupational sector), there remains a disparity that cannot readily be explained. This variance is attributed to unmeasured factors such as discrimination, personal attitudes, and quality of education. Using year-round, full-time workers as the basis for comparison, a woman at least 25 years old in 1983, with four or more years of college education, earned only 64% as much as a man in similar circumstances.

Since labor market studies attribute part of the earnings gap between men and women to discrimination, policy initiatives must be implemented to combat sex-based wage discrimination. The wage gap between men and women is one of the most persistent symptoms of sexual inequality in the United States. For certain groups of disadvantaged women, such as Hispanic women, the inequality is of grave proportions and contributes to high rates of poverty among children and families, with long-term negative societal impact. Policy initiatives such as pay equity and affirmative action are essential to address this problem. Affirmative action and civil rights enforcement are essential to eliminate unfair employment practices. Pay equity will attack the problem of sex-based wage discrimination by mandating that jobs characterized by similar levels of skill, effort, responsi-

bility, and working conditions be compensated at similar wage levels regardless of the sex or race of the workers holding the job. Only through such efforts, as well as improved educational, employment and training opportunities, can Hispanic women hope to achieve equal opportunity in employment and earnings. Such actions, moreover, are a necessary investment in human capital, since minority and especially Hispanic women are a growing segment of the nation's work force.

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