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# Supported Work: End of the era of social experiments

Sometimes termed "the last of the great social experiments," it does appear to mark the close of an era, for it is unlikely that we will soon again see efforts directed in this fashion toward the severely disadvantaged. The National Supported Work Demonstration,<sup>1</sup> which provided supervised work and support for groups of the disadvantaged. culminated a series of social policy demonstrations and yet stands apart from most of them in two respects: it focused on hard-core problem groups, and it followed a more rigorous research plan. The results of that research are now available in a Final Report series (see p. 7), which gives a rounded view of the demonstration. Here we present a selected view, highlighting a few of the studies prepared by affiliates of the Institute for Research on Poverty. To set the scene, we begin with an overview of the era of social experiments, a number of which have closely involved the Institute.

#### A decade of experiments

Soon after the federal government began a concerted effort during the 1960s to finance programs to better the lives of the poor, it undertook a series of trials to gauge relative costs and effects. Tests were designed to reveal the ways in which different policy choices—cash transfers, job training subsidies, housing allowances—affect family stability, schooling achievement, housing choices, and job performance.

The New Jersey Income Maintenance Experiment, the first social experiment, was designed and implemented by the Institute. It lasted from 1968 to 1972. (A detailed description and the results are given in the three-volume study in the Institute's Monograph Series; see Related reading.) It was a large-scale evaluation of a negative income tax, and it was an *experiment*—the behavior of a treatment group, whose members received cash income supplements of varying amounts, was compared with the behavior of a control group, intended to be similar to the first group in every way except that its members did not receive the supplements. A *demonstration*, as opposed to an experiment, may also use controls, but the particular form of treatment is less well specified and less uniformly applied, as was the case among the dispersed and varied sites of Supported Work.

Both the New Jersey experiment and the subsequent (1969-73) Rural Income Maintenance Experiment, also conducted by the Institute, were intended to find out whether the poor will work less if given cash benefits, and if so, how much less. The central findings from New Jersey were that men heading households worked slightly less when they received cash transfers; wives worked less to a greater degree, but the overall work effort of wives in both groups was low; and youths in experimental families had substantially higher school enrollment. The rural experiment yielded less straightforward results but generally showed some work reduction. Next came the Gary, Indiana, experiment; and then the Seattle-Denver Income Maintenance Experiments (SIME/DIME; 1971-78), whose results, particularly the reported increase in breakups among married couples receiving income maintenance, are the subject of current debate.

Income maintenance was not the only policy option tested by experimentation. The SIME/DIME experiments contained components to test the effect of training subsidies and subsidized jobs, in line with earlier government efforts to determine what results could be gained from employment training programs. Other experiments involved housing—whether different types of cash subsidies could be used to increase use of better housing by low-income families—and the effects of varying types of administrative structures in welfare.

A product of the period of generous public spending to improve the fortunes of the economically handicapped, the experiments and demonstrations have come to an end. Their findings are still being argued, but their large budgetary cost is a fact not disputed.

What have we learned? The scorecard on Supported Work is now being filled in.

# Goal of Supported Work: To employ the unemployable

Supported Work was directed toward the seriously disadvantaged—termed by some the hard core, by others the underclass, by still others the "tail of the tail"; all are terms whose definitions depend on the view of the beholder. The program intended to build a bridge across which its participants could travel toward jobs and ultimate success in finding a permanent place in the labor market. Its designers hoped that long-term recipients of welfare (AFDC) could go off the rolls, that ex-addicts could regain membership in society, that ex-offenders could find legitimate means of support, and that delinquent youth could be turned to a straighter path. The overriding goal was to find ways to redistribute income through gainful work rather than government transfer.

The demonstration covered four different target groups and took place from 1975 to 1980 at fifteen different sites across the country. The first group (they are listed here in terms of the relative success of the program) contained women who had received Aid to Families with Dependent Children for most of the preceding three years and whose youngest children were of school age. The ex-addict group consisted of men and women over 18 who had enrolled in a drug treatment program within the past six months. The ex-offenders were also over 18 and had been imprisoned within the last six months. The problem youths were aged 17 to 20, lacked a high school degree, had not been in school in the last six months, and had a record of delinquency. All of the participants were unemployed at time of enrollment; all had had little or no recent work experience.

As well as work, the program provided support. The work consisted of jobs requiring skills that were within reach of the participants—service activities such as building maintenance or day care, construction work, manufacturing. The support had two components. First, work groups operated under supervisors who in theory acted as teachers, helpers, and role models. Second, workers operated under conditions of "graduated stress," meaning that standards for work performance started out low and were gradually increased over the 12 months (sometimes 18) of the subsidized job. Each participant was guaranteed employment under the program for a year and would then, it was hoped, continue working outside the program framework.

The program was operated nationally by Manpower Demonstration Research Corporation, a nonprofit management organization funded by several government departments (Labor, HEW, Justice, HUD, Commerce) and the Ford Foundation. MDRC contracted with a nonprofit local corporation at each site to implement the demonstration. Some of the corporations were formed for this special purpose; others were organizations already in existence, such as an Urban League chapter or a public housing agency.

Ten sites were utilized for the evaluative research, which was conducted by the Institute and by Mathematica Policy Research, Inc. In addition to tracking the experience of program participants, the research followed a group of controls who had also applied voluntarily but who were not given work or support. Applicants were randomly assigned to either the experimental or the control group, an important element in the research design to ensure unbiased results. Of the study sample of 6616 individuals, half were participants and half were controls. Interviews were conducted at regular intervals for up to three years.

The purpose of the evaluation was to assess the demonstration's effect on employment, earnings, welfare dependency, drug use, and criminal behavior. An additional, and important, part of the research was a benefit-cost analysis, using the detailed financial and other data that were collected. This analysis focused primarily on four types of costs and benefits: (1) postprogram earnings of participants and the correlative reduction in transfers to them, and increase in income taxes paid by them; (2) reduced criminal activity; (3) project costs (for operating the work sites) and project output (the value of goods and services produced by the supported workers); and (4) the overhead cost, covering all aspects of starting up projects, enrolling and supporting workers, and managing the program. The budgetary cost of the experiment as a whole, supported by public, philanthropic, and private agencies, was \$82.4 million. What results did this investment produce?

#### Outcomes

A bare-bones summary of some of the results is presented in Table 1. The program was most effective among the AFDC women: they had significantly higher postprogram employment and earnings rates than their control group. Next came the ex-addicts, who had higher earnings and a lower arrest rate than their controls. The ex-offenders did

#### Table 1

Comparison of Supported Work Experimental and Control Groups over Time,
Using Employment and Other Measures

	Experimental	l Control			Experimental	Control	
Measure	Group	Group	Difference	Measure	Group	Group	Difference
AFDC Target Group				Ex-Offender Target Group			
Percent employed	•			Percent employed			
Months 1-9	96.3	36.5	59.8**	Months 1-9	95.9	58.7	37.2**
10-18	76.5	39.4	37.1**	10-18	66.0	59.2	6.8**
19-27	49.1	40.6	8.5**	19-27	56.5	53.3	3.2
				28-36	59.0	57.8	1.2
Average monthly earnings (\$)				Average monthly earnings (\$)			
Months 1-9	400.44	78.28	322.16**	Months 1-9	378.74	178.38	200.36**
10-18	274.06	131.08	142.98**	10-18	285.99	260.83	25.16
19-27	242.89	165.88	77.01	19-27	269.17	254.18	14.99
				28-36	366.80	304.20	62.60
Percent receiving cash welfare				Percent using any drug (other			
payments <sup>a</sup>				than marijuana or alcohol)			
Months 1-9	93.8	97.7	-3.9**	Months 1-9	30.0	34.2	-4.2*
10-18	82.4	90.1	-7.7**	10-18	26.0	29.0	-3.0
19-27	71.4	85.1	-13.7**	19-27	22.8	24.1	-1.3
				28-36	17.0	28.2	-11.2**
Ex-Addia	t Target Group			Percent arrested			
Percent employed	i Turgei Group			Months 1-18	47.2	46.2	1.0
Months 1-9	95.0	50.2	44.8**	1-36	56.8	64.8	-8.0
10-18	63.9	53.1	10.8**	Youth T	arget Group		
19-27	56.5	53.0	3.5	Percent employed	8- <i>i</i>		
28-36	64.0	53.9	10.1*	Months 1-9	98.1	52.5	45.6**
28-30	04.0	55.7	10.1	10-18	68.9	62.7	6.2*
Average monthly earnings (\$)				19-27	62.6	62.6	0.0
Months 1-9	361.23	159.79	201.44**	28-36	74.9	66.2	8.7
10-18	259.62	220.42	39.20*	Average monthly earnings (\$)			
19-27	277.75	261.33	16.42	Months 1-9	350.68	123.95	226.73**
28-36	326.09	224.36	101.73**	10-18	235.96	205.25	30.71
				19-27	268.28	248.98	19.30
Percent using any drug (other				28-36	301.05	342.58	-41.53
than marijuana or alcohol)				Percent using any drug (other			
Months 1-9	36,1	38.2	-2.1	than marijuana or alcohol)			
10-18	34.1	32.7	1.4	Months 1-9	11.3	14.2	-2.9
19-27	28.0	27.5	0.5	10-18	10.5	10.2	0.3
28-36	23.4	20.7	2.7	19-27	11.0	10.6	0.4
				28-36	16.8	11.0	5.8
Percent arrested				Percent arrested			
Months 1-18	25.3	33.5	-8.2**	Months 1-18	26.7	27.0	-0.3
1-36	35.0	53.1	-18.1**	1-27	30.5	39.3	-8.8*

Source: Manpower Demonstration Research Corporation, Summary and Findings of the National Supported Work Demonstration (Cambridge, Mass.: Ballinger, 1980), Tables 9-1 to 9-4 (pp. 153, 155, 158, 160).

<sup>a</sup> Includes AFDC, General Assistance, Supplemental Security Income, and other unspecified cash welfare.

\* Statistically significant at the 10 percent level.

\*\* Statistically significant at the 5 percent level.

not reduce their criminal activities overall, but had slightly better earnings than their controls. Finally, problem youths evidenced little overall positive effect.

The benefit-cost analysis is too detailed to be adequately summarized here, but a few salient findings deserve to be mentioned: long-term benefits exceeded costs by an estimated \$8000 per AFDC recipient (measured primarily in increased earnings) and \$4000 per ex-addict participant (measured by earnings plus reduced criminal activity); on the other hand, costs exceeded benefits for youths. The cost-benefit results for the ex-offenders varied too widely, depending on the assumptions used, to permit a clear conclusion.

These simple highlights do not sufficiently illuminate the deeper, subtler, more varied influences that the program seems to have exerted on particular persons and subgroups. The reports of Institute affiliates (see pp. 6–7) have revealed effects of varying dimensions on participants' lives. We describe here a few—by no means all—of the studies.

#### The findings of Masters and Maynard

To be eligible to participate in Supported Work as a member of the AFDC group, a woman had to be on AFDC for 30 of the previous 36 months, have no children under 6, and be currently unemployed with only limited recent work experience. Among those selected, less than one-third were high school graduates, 14 percent had never worked, and an additional 61 percent had not held a full-time job during the last two years; their earnings during the past year had averaged \$240, and their stay on welfare averaged over 8.5 years. On the face of it a not very promising crew. Yet it was among this group, 95 percent of whom were black or Hispanic, that Stanley Masters and Rebecca Maynard found the most significant results. The experimentals not only worked more than the controls, both during the study and afterwards, but they also worked more hours and at higher wages than those among the controls who got jobs, thus suggesting that Supported Work helped participants to find jobs of a higher quality. In months 25-27, long after the period during which the experimentals held guaranteed jobs, the employment rate of experimentals was 20 percent above that of controls, hours worked were 35 percent higher, and earnings were almost 50 percent higher.

A further study by Masters and Thomas McDonald, based on an additional year of follow-up data, showed that the increase in postprogram employment and earnings did not diminish over time.<sup>2</sup>

Masters and Maynard found as well that the impact of Supported Work was particularly large for older women (between 36 and 44 years old when the program started) and for women who had never worked before. FOCUS is a Newsletter put out three times a year by the

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Written by Jan Blakeslee and Elizabeth Evanson; edited by E. Uhr.

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The results of the program are especially striking when it is remembered that AFDC mothers who work are faced with financial disincentives. Because they lose not only AFDC payments but food stamps and Medicaid, it is estimated that only 50 percent of what they earn is an increase in real income. It would appear that female heads of households will work—when given the opportunity—in preference to receiving support from the government.

#### The findings of Piliavin and Masters

Irving Piliavin and Masters analyzed the data on three target groups: ex-offenders, ex-addicts, and problem youth. Their overall findings are discouraging. During the first nine months the contrast between employment of experimentals and of controls of course tilted in favor of the former—since the experimentals were guaranteed jobs. Yet even though they could continue to work for up to a year, ex-addicts and youths dropped out on average after seven months, ex-offenders after six. Differences among the controls and experimentals soon faded: by months 16 to 18, comparative employment showed little or no benefit from the program for any of the three target groups, although some favorable effects did appear later for the exaddicts and ex-offenders.

In terms of arrests, no reliable experimental-control differences showed up among the ex-offenders—not even in the early stages of program participation, when a halo effect (the positive response that often accompanies a new endeavor) might be expected to appear. More encouraging is the finding that ex-addicts did have fewer arrests than controls, over time. Among youths, a reduction in the arrest rate showed up about two years after program entry: 9 percent more in the experimental group remained arrest-free.

Discouraging, on the whole? Not entirely, for Piliavin and Masters have found that these gross figures mask some important differences among participants. Within the youth group, experimentals with no history of arrests before they joined Supported Work were much more likely relative to controls to remain arrest-free afterward. Among ex-offenders participating in the program, those who at the beginning reported that they were regular heroin users later had fewer arrests and more employment hours than the controls. And, most important, among both addicts and offenders there were significant age effects parallel to those found among the AFDC mothers. Those ex-offenders who were over 35 consistently had a larger arrest-free rate than their controls. Surprisingly, this difference was observed even though the employment records of the two groups did not differ from one another after 18 months. Arrest rates for ex-addicts were similarly mediated by age.

A plausible conclusion from these results is that employment programs like Supported Work may find a more receptive audience among older rather than younger people. This inference stands in sharp contrast with assumptions traditionally underlying job-training programs. These programs have devoted the major share of their attention to young people with a longer working life ahead of them on the premise that an investment in (young) human capital would reap rewards for the nation when youth was guided into the labor force and society's mainstream. The Piliavin-Masters analysis points policy in another direction—to those of middle age who may be ready to change.

# Danziger's qualitative study: Conversations with participants

Supported Work was a large-scale quantitative study that took over five years and collected masses of data which are still in the process of being analyzed. Yet it does not tell us how the people in the program looked, felt, and acted, how individual lives were touched and altered. Sandra Danziger, an Institute affiliate, in her interviews with AFDC women at the two demonstration sites of Oakland and Newark, reveals the human perspective.

In openly structured interviews lasting one to two hours, Danziger and Martha Ritter talked individually with 34 women who had completed the Supported Work program one to two years earlier. With few exceptions the women talked freely of the changes made in their lives by the experiment—in employment, in family finances, in feelings of satisfaction and accomplishment as well as disappointment. The sample included women who had moved on to other jobs afterward and those who had stayed the full program term but had not subsequently found jobs. To half of this sample (who are not statistically representative of the total AFDC target group), the experience brought not only economic but also psychological strength.

In analyzing the interview results, Danziger found that the sample divided into four groups. The first one contained the eleven women who had gained economic independence and a strong sense of self-pride through better jobs than they had ever held before. They were determined to maintain that level of employment, which had brought stability to their lives:

They helped me to develop work habits . . . . I built up confidence in myself and I knew what being a crew chief meant to the rest of the crew. So I had to be almost perfect to make them want the same thing. I feel now that I can go any place and work.<sup>3</sup>

In the second group were seven women who had experienced difficulties in their job, such as racial prejudice or a disabling accident, but had surmounted their problems one by finding another job, another by resolving to return to work when cured—in a way indicating that they would continue to pursue economic independence. They saw themselves as able to overcome barriers that had seemed insurmountable prior to their Supported Work experience.

The other two groups did not fare so well. The ten women in group three lacked self-confidence and were critical of the program. They all had a previous history of shortterm jobs, had a low tolerance for work stress, and viewed themselves as perpetual victims of circumstance. After Supported Work, they returned to low-paying jobs supplemented by welfare. Group four faced prospects as bleak after the program experience as before. Unable to cope with everyday working life, they returned to total welfare dependence, even though they found that it made their lives tedious, empty, often lonely. They viewed themselves as victimized—before the program, by their surroundings; during the program, by Supported Work itself: "Just starting you out working, and then they cut you off in a year."<sup>4</sup>

Whether the program's "failures" were victims of forces outside of themselves or were fated to self-defeat because of personal incapacities is an issue that runs like a repeated theme in the literature on Supported Work. Danziger writes:

Some women appeared to discriminate rather finely between the societal and personal calamities in their lives, acknowledging both their own liability and their victimization. In other words, they claimed some responsibility and credit for what happened to them and they also saw their lot in life cast in part by their race, sex, age, physical health, family status, upbringing, neighborhood.<sup>5</sup>

Did the success or failure (however those terms are defined) of Supported Work depend upon the personal balance of these external and internal forces? Those who benefited had not only to be *offered* an opportunity, but also to *seize* the opportunity. What made some do so? As mentioned earlier, analysis of the AFDC group shows that older women were more likely to benefit. Thus it again seems that success depended in part on age, the older being perhaps more capable of self-realization, willing to strike out in a new direction.

#### Report on ex-offenders by Piliavin and Gartner

Just as Danziger's work focuses on one particular target group, the AFDC recipients, so Irving Piliavin and Rosemary Gartner, also affiliated with the Institute, have analyzed the overall effect of the program on the ex-offenders. They are the authors of a volume in the final report series published by MDRC.

Their negative findings concern employment, arrest rates, and drug use. Employment was not ultimately increased by Supported Work: after twelve months, those in the experimental sample were neither employed more nor, naturally, did they earn more than the controls. And even in the early participation period, when most of the experimentals were employed, they were no more likely than controls to be arrest-free. Apparently, simply being employed was not effective in reducing involvement in criminal activity. Finally, the offender group did not exhibit sustained and general reduction in drug use.

Nevertheless, the burnout effect was there: the older experimentals—those over 35—were consistently more likely than controls to remain arrest- and drug-free throughout a three-year observation period. This pattern of consistency also held in relation to the older controls, who were themselves more likely than younger controls to be free of arrests and drugs. Older experimentals were not, however, employed more than the older controls, and older controls worked less than younger controls. Perhaps employers are reluctant to hire this class of job applicants, the older ex-offender, regardless of how much he wants to work.

Piliavin and Gartner conclude on a note of pessimism tinged with regret for what might, but probably will not, be done for this segment of our society:

The payoffs of Supported Work may not have been enough to wean [ex-offenders] away from engaging in crime. But then what is enough? We do not have sufficient knowledge to answer this question. However, we suggest that the answer may not be merely the increase of wages above those supplied by Supported Work. Perhaps what is required as well is the opportunity for secure and better employment, in effect an opportunity to participate in what is called the primary labor market. This may require longer job guarantees, more formal training, as well as better wages than were supplied by Supported Work. It may, in fact, require a price that the American public may not be willing to pay.<sup>6</sup>

What is that price? In dollars, a very large sum. In human lives and social benefit, it is not so easy to measure. If lives can be changed for the better—if at least some members of the underclass can be brought out from under—and society's health can be improved by reducing antisocial behavior, an investment may bring considerable rewards. Research indicates that the AFDC rolls can be reduced through a program like Supported Work and that older ex-offenders and addicts are receptive to help. But a program of this nature *does* require investment. What agency, public or private, is willing in the present economic climate to put forth the capital? The question is perhaps more likely to be begged than answered.

<sup>5</sup>Ibid., p. 12.

#### **Institute publications**

- Irving Piliavin and Stanley Masters, "The Impact of Employment Programs on Offenders, Addicts, and Problem Youth: Implications for Supported Work." Institute for Research on Poverty Discussion Paper no. 665-81.
- Sandra K. Danziger, "Postprogram Changes in the Lives of AFDC Supported Work Participants: A Qualitative Assessment." Institute for Research on Poverty Reprint no. 445.
- Sheldon Danziger and George Jakubson, "The Distributional Impact of Targeted Public Employment Programs." Institute for Research on Poverty Discussion Paper no. 628-80.

<sup>&#</sup>x27;This program sparked renewed interest after a series of articles appeared last fall in the *New Yorker* (Nov. 16, Nov. 23, Nov. 30, 1981). <sup>2</sup>Stanley Masters, "The Effects of Supported Work on the Earnings and Transfer Payments of its AFDC Target Group," *Journal of Human Resources, 16* (Fall 1981), 600-636.

<sup>&</sup>lt;sup>3</sup>M. Ritter and S. K. Danziger, "Life After Supported Work for Welfare Mothers: AFDC Follow-up Interviews," report prepared for Manpower Demonstration Research Corporation, New York, Sept. 1981, mimeo. 'S. K. Danziger, "From Welfare to Work: Women's Experiences in a Public Job Program," Institute for Research on Poverty Discussion Paper no. 612-80, p. 35.

<sup>&</sup>lt;sup>6</sup>I. Piliavin and R. Gartner, *The Impact of Supported Work on Ex-Offenders*, Final Report on the Supported Work Demonstration, Vol. 2 (New York: Manpower Demonstration Research Corporation, Jan. 1981), p. 138.

#### **Related reading**

Final Report Series, Manpower Research Demonstration Corporation (New York):

- Vol. 1: The Impact of Supported Work on Young School Dropouts, by Rebecca A. Maynard. 1980.
- Vol. 2: The Impact of Supported Work on Ex-Offenders, by Irving Piliavin and Rosemary Gartner. 1981.
- Vol. 3: The Impact of Supported Work on Long-Term Recipients of AFDC Benefits, by Stanley H. Masters and Rebecca A. Maynard. 1981.
- Vol. 4: The Impact of Supported Work on Ex-Addicts, by Katherine Dickinson and Rebecca A. Maynard. 1981.
- Vol. 5: The Supported Work Evaluation: Final Benefit-Cost Analysis, by Peter Kemper, David A. Long, and Craig Thornton. 1981.
- Manpower Demonstration Research Corporation, Summary and Findings of the Supported Work Demonstration. Cambridge, Mass.: Ballinger, 1980.
- The New Jersey Income-Maintenance Experiment. Vol. I: Operations, Surveys, and Administration, ed. David Kershaw and Jerilyn Fair, 1976. Vol. II: Labor-Supply Responses, ed. Harold W. Watts and Albert Rees, 1977. Vol. III: Expenditures, Health, and Social Behavior; and the Quality of Evidence, ed. Harold W. Watts and Albert Rees, 1977. New York: Academic Press.

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### Hispanic labor conference

Social scientists have in the past paid scant attention to the experience of Hispanic workers in the United States. That situation will be altered if the goals of a newly formed research group, the Hispanic Labor Research Network, are met.<sup>1</sup> This network, which has ties to the Institute for Research on Poverty, plans to provide analytic studies of Hispanics in the U.S. labor market and to translate their basic findings into policy recommendations for what has come to be a sizable minority of the U.S. population.

In 1976 the Hispanic population was 11 million. By 1980 it was estimated to have grown to 14.6 million: 6.4 percent of the nation's citizens. At current rates of growth it could reach 16.5 million by 1986. Many in this large population are disadvantaged. In 1979, 20 percent of Spanish-origin people fell below the poverty line, compared with a national percentage of about 11 percent. The mean 1978 household income for Hispanics was \$14,000, in contrast to \$18,400 for non-Hispanic whites. Unemployment is a growing problem for Hispanics. In 1979 the unemployment rate for non-Hispanic white men was 4.4 percent, compared to 6.9 percent for Hispanic men; by 1980 the comparative figures were 6.1 and 9.7 percent.<sup>2</sup>

Despite these telling statistics, and despite the fact that other disadvantaged groups—principally blacks and women—have been the subject of intensive study by social scientists, Hispanics have not ranked high on the scholarly research agenda. To begin to remedy this neglect, Marta Tienda, a sociologist and Institute research affiliate—as well as a founder of the Hispanic Labor Research Network— and George Borjas, an economist at the University of California, Santa Barbara, co-directed a conference that brought together scholars specializing in Hispanic problems and those whose field is labor market problems. The conference, sponsored by the National Commission for Employment Policy and the Institute for Research on Poverty, was held at Santa Barbara on February 4–5, 1982.

#### Session 1: Wages

Employment, Wages, and Earnings of Hispanics in the Federal and Non-Federal Sectors: Methodological Issues and Their Empirical Consequences, by John Abowd, University of Chicago, and Mark Killingsworth, Rutgers-The State University.

Relative Earnings of Hispanic Youth in the U.S. Labor Market, by Steven Myers and Randall King, The University of Akron.

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# **Discussion Papers and Reprints**

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#### **Discussion Papers**

Donald S. Shepard and Richard J. Zeckhauser, "Life-Cycle Consumption and Willingness to Pay for Increased Survival." DP 676-81.

Sheldon Danziger and Robert Plotnick, "The Receipt and Antipoverty Effectiveness of Cash Income Maintenance Transfers: Differences among White, Nonwhite, and Hispanic Households." DP 683–81.

Martin David and Paul Menchik, "Modelling Household Bequests." DP 684-82.

Emile Allie, "Labor Supply under an Income Maintenance Program." DP 685-82.

Robert M. Hauser, Shu-Ling Tsai, and William Sewell, "A Model of Stratification with Response Error in Social and Psychological Variables." DP 686–82.

Thomas McDonald and Irving Piliavin, "Attribution of Responsibility for Error in AFDC Payment Decisions." DP 687-82.

Erik Olin Wright, Cynthia Costello, David Hachen, and Joey Sprague, "The American Class Structure." DP 688-82.

Robert Lampman and Timothy Smeeding, "Interfamily Transfers as Alternatives to Governmental Transfers to Persons." DP 689-82.

Jacques van der Gaag and Barbara Wolfe, "Estimating Demand for Medical Care: Health as a Critical Factor for Adults and Children." DP 690–82.

Burton Weisbrod, "Economic Approaches to Evaluating a New Medical Technology: The Drug Cimetidine." DP 691-82.

Sheldon Danziger, "The Distribution of Income: An Account of Past Trends and a Projection of the Impacts of the Reagan Economic Program." DP 692-82.

Michael Sosin, "Do Private Agencies Fill Gaps in Public Welfare Programs? A Research Note." DP 693-82.

Doris Slesinger and Maxine Thompson, "The Effects of Family Changes on Mothercraft Skills in a Low-Income Population." DP 694-82.

Sheldon Danziger, Jacques van der Gaag, Eugene Smolensky, and Michael Taussig, "Income Transfers and the Economic Status of the Elderly." DP 695–82.

Franklin Wilson, "Cohort Size Effects and Migration." DP 696-82.

Sheldon Danziger, Jacques van der Gaag, Eugene Smolensky, and Michael Taussig, "The Life-Cycle Hypothesis and the Consumption Behavior of the Elderly." DP 697-82.

Martin Dooley and Peter Gottschalk, "The Increasing Proportion of Men with Low Earnings: Some Demographic Explanations." DP 698-82.

#### Reprints

Burton Weisbrod, Benefit-Cost Analysis of a Controlled Experiment: Treating the Mentally Ill. Reprint 444.

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## Schooling and success

Long considered a laggard in guaranteeing an adequate level of social welfare, the United States has nevertheless been a leader in providing its citizens with open access to higher education. The median number of grades completed in this country has risen from 8.6 for those born in the first five years of the century to 12.8 for persons born at mid-century (Robert Mare, Focus, 3:2). And around 1960, the chance of an upper-stratum youth studying in an American university was 5 times greater than that of a lower-stratum youth; in the United Kingdom, Sweden, and Germany, the comparable chances were 8, 26, and 58 times, respectively. These striking differences lend force to the argument that the United States has in effect substituted educational opportunity for social welfare programs; by contrast, European countries have more heavily relied upon social insurance to compensate for the effects of inequality.1

In America, high school and college education have long been regarded as prominent routes to improved social status and greater economic success. Shortly after the turn of the century, secondary schools became a significant channel of upward mobility for the children of the poor. In the post-World War I period, a college degree began to assume its importance for mobility prospects, as witness the higher rate of college completion-though not of college entrance-among freshmen from poorly educated families in comparison with those from well-educated families.<sup>2</sup> In the 1960s and 1970s, the intensity of the attack mounted by blacks and women upon the barriers that hindered their access to career tracks in law, medicine, or engineering and to occupational apprenticeships or training programs demonstrates the value still placed upon open access to education. Similarly, when seeking ways to end poverty in the United States, the Johnson administration placed special emphasis on improving the opportunities for education and training for children and adults in poor families.

Thus the American educational system has traveled with a heavy freight of expectations. Continually expanding, it has carried more and more people farther along a road that was presumed to lead to higher levels of living. From a social perspective, the rationale for this expansion has been twofold: first, the more highly educated a population is, the more productive it is; second, expansion of education is the most logical route to greater equality of opportunity, a goal reached when criteria of personal merit replace the advantages of one's family or origin.

The system is, however, now under heavy attack from different quarters. The dissatisfaction of some critics reflects a sense that a system which still has the potential for effectiveness is now failing to keep abreast of the demands imposed upon it by demographic and technological change; this certainly is the view of many educators. Or criticism may arise from a sense that today's educational system no longer mirrors the morality and values of the critic. For many others, the issue is secular and economic: despite massive expansion of the educational system, relative inequality persists and may even be increasing in American society.

Perhaps the view that expanded education inevitably generates greater equality is a fundamental misconception, and was never justified in the United States. It is easy to see that persistent inequality might lead people to blame the schools, from which so much is expected, for not teaching children the information and skills necessary for adult success. But it is equally possible that the effectiveness of the educational system in generating greater equality of opportunity, higher social status, and economic success in adult life is indeed diminishing.

Understanding these issues is no simple matter, and the complexity of the task is reflected in the competing theories about the function of schooling in the passage to adult life in the United States. Institute sociologists have long been concerned with more precise characterization of the relationships between education and socioeconomic attainment. Recently Michael Olneck, Associate Professor of Educational Policy Studies and Sociology and an Institute affiliate, looked at two of the more prominent competing views. He asked:

1. Is education in the United States the linchpin of an "IQ meritocracy," in which intelligence and ability, as measured by ability testing and as certified through school achievement, determine material rewards and status in later life?

2. Rather than certifying ability, does the school system function primarily to develop differential characteristics in workers that are necessary to maintain a hierarchic labor force—in Marxist terms, to maintain the social relations of production in a capitalist world?

Determining whether either theory has validity holds some importance for the future course of American educational and social welfare policy. For if the first hypothesis does not hold—if family still conveys very great advantages in adult life—and if the second does hold—if education restricts and channels opportunity rather than opening it up—then American society must make a choice. It must either recognize that there are real limits to the ability of even an expanding educational system to generate greater equality, or it must determine how to alter the situation. Choosing the second course will require even more accurate understanding of the way the educational system works. For instance, what levels of schooling are the most critical when rewards are allotted? How important is it to complete high school, or to go to college? Olneck has some preliminary answers to these questions; they will briefly be considered in the conclusion of this article.

#### The IQ meritocracy

In both educational practice and research, the formal manifestation of the meritocracy in the United States in the twentieth century fairly rapidly became the intelligence or aptitude test-IQ tests, college entrance tests. By the 1960s testing had become a focus of educational controversy, but it is still widely used in the civil service, the military, and private industry, and it is itself big business. In the discussion that follows, the term "cognitive ability" will be used to describe the qualities that these tests measure. This should not be equated with "intelligence," a term loaded with moral and political overtones. Rather, it refers to the abilities to manipulate words and numbers, to assimilate information, and to make logical inferences—all skills that schools purport to teach. Such abilities constitute varieties of intelligent behavior, but are by no means the whole of it.<sup>3</sup>

Olneck and a colleague, James Crouse, set out to evaluate the claims that in the United States merit, as certified by educational achievement, has become the dominant force for social and economic advancement. Making empirical tests of propositions concerning the relationships among family background, IQ test scores, educational attainment, occupational status, and earnings, they were able to exploit two recent data sets that are richer than earlier ones: the Project Talent follow-up survey, and the Kalamazoo Brothers data.

**Project Talent.** In 1960, questionnaries and aptitude tests covering academic and nonacademic subjects and skill areas were administered to ninth through twelfth grade students in a sample of 1600 schools across the nation. About 90,000 of the students were juniors; in 1972 a follow-up questionnaire was mailed to most of them. Nearly 25 percent responded, and to make the sample more representative a random sample of nonrespondents was followed up. Olneck and Crouse analyzed data from all the initial nonrespondent sample, and from a random sample of the respondents.

The Kalamazoo Brothers Sample. Between 1928 and 1950, the Kalamazoo public school system annually administered aptitude tests to sixth graders and preserved the records. In 1973-1974 Olneck identified a sample of 2782 brothers drawn from 1224 families, then traced and

interviewed 1243 of them about a broad range of family and occupational issues. This unique assemblage of sibling data makes it possible to correlate family background, aptitudes, and achievement over a much longer span of time than any previous source.

#### Is family background less important?

If society's premium upon greater cognitive ability ("high IQ") is increasing, we would expect to find that the traditional bases of social and economic standing influences often subsumed under the term "family background"—are eroding.

Some aspects of family background can be quantified, among them father's occupation and education, and family size. As a man over 25 grows older, the effects of these variables upon his occupational status rarely change significantly. Nor does it seem likely that the effects of cognitive ability upon that status would change much once a man's career stabilizes. Thus by examining older and younger cohorts of men in the Kalamazoo and Project Talent samples, it should be possible to determine if the influences of family background and ability on adult success have changed significantly over the last few decades.

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In the United States, the direct influence of family background upon adult success has indeed declined. The occupation that a man's father held no longer alone confers so large an advantage as it did previously, nor is it important, compared with other factors, in determining the status of the son's first job. The effect of family size on attainment in school (children from larger families tend to perform more poorly) has also diminished, but not so markedly.

These indications that the United States is tending toward a more meritocratic society are, however, countered by the growing importance of a father's education for his son's schooling. Men with better-educated fathers receive more schooling that those whose fathers are more poorly educated, even when their performance on ability tests is no better. That relationship is becoming more pronounced, and as we will see later, more schooling is, up to a point, strongly related to occupational and economic success.

Even when father's occupation and education, and other measurable socioeconomic circumstances, are similar among families, elements of pure chance, such as different family values or genetic endowments, can affect an individual's adult success. When the effects of these unmeasured family influences are taken into account in a model that already incorporates socioeconomic and ability measures, the proportion of adult success that can be explained is increased by one-third to one-half. Clearly family background, broadly considered, remains very important.

#### Does school achievement signal ability?

In a meritocratic society, high achievement in school should be a clear signal of intelligence and ability. Does this hold true for American society? The answer that Olneck and Crouse uncovered is, like the evidence for family background, quite mixed.

On the one hand, high-IO individuals seem to have no corner on more schooling. Other factors, in particular family background, are more important in determining how far a youth will go in school. There is, besides, a large overlap in test scores between men who completed college and men who only completed high school; men with high tested ability are found in both groups. Can we argue, then, that the marked preference of employers for men with college degrees simply implies a belief that educational attainment and ability are more closely linked than they actually are? No doubt, there is some truth in this speculation. But when we look at the problem from another perspective, it becomes clear that if employers are anxious primarily to screen out men with low tested ability, rather than precisely to match men with particular jobs, college completion is a useful criterion. Far more college graduates than high school graduates show especially high levels of ability, and few college graduates have especially low test scores. In the Project Talent sample, 58 percent of college graduates have IQ test scores over 110, and only 3 percent have scores below 90. Among high school graduates, in contrast, only 12 percent have scores over 110, and 35 percent have scores below 90. The process, it appears, is less one of selecting men with higher ability than it is one of avoiding men with lower abilityperhaps not quite what advocates of the meritocratic society had in mind, but nonetheless tending to the same effect.

#### Is ability consistently linked with adult success?

In a meritocratic society, men with greater ability should consistently achieve higher levels in school and work, and should earn more.

For achievement in school, this cannot be demonstrated. Olneck's Kalamazoo data suggest that only about 10 percent of the variation in educational attainment observed among individuals can be attributed to the causal effects of IQ. Men with higher scores are typically somewhat more successful: they acquire more schooling, and work in higher-status occupations. But when brothers are examined, almost half of the apparent advantages conferred by higher test scores evaporate; they appear, rather, to be the product of family background.

Once again, however, it proves impossible to draw definitive conclusions, for when the links between earnings and IQ are examined, results contrast markedly with those for schooling or occupation. The men with the higher sixthgrade test scores tend to earn more as adults. This is true even for brothers, whose backgrounds are surely very similar, even though not identical. Even when brothers have the same amount of schooling, and work in similar occupations, a 15-point difference in test scores in school will be reflected later in an 11 to 17 percent difference in earnings.

In an IQ meritocracy, schooling differences not associated with ability differences should be of minimal consequence. But in the data examined by Olneck and Crouse, more schooling was frequently associated with higherstatus occupations and greater earnings. In the Project Talent sample, for instance, men who completed four vears of college held occupations of much higher status and, despite their relative youth, earned on average 21 percent more than men whose ability was ranked at the same level, but who did not go to college. Furthermore, men who have different test scores but the same amount of schooling do not appear to differ in terms of early occupational advantages. Clearly, schooling does not merely reflect and channel IQ, but has an independent association with success. "The vast preponderance of inequality in schooling, occupational status, and earnings," the authors conclude, "has no relationship to differences in measured cognitive ability. A significant fraction of the apparent effect of cognitive ability on educational attainment is spurious."

The model of an IQ meritocracy can be applied to the United States only with many qualifications. Family still conveys substantial advantages in life, although these are increasingly channeled through ability and education rather than being directly exerted. The large results for educational attainment that have been observed do not support the assumption that the American educational system has failed to prepare its graduates for success in the adult world. But it may well be true that education is less a channel for ability than it is for family advantages, and that it works to reinforce those advantages almost as much as it compensates for their absence, contrary to the hopes for an expanding educational system.

#### The correspondence theory of education

The competing theory of schooling that Olneck and his colleagues have examined is generally known as the "correspondence theory," from its central argument that there are important correspondences between the world of school and the world of work. Education, from this perspective, is a crucial agent in the development of a work force appropriately "schooled" to the acceptance of different, but in important ways fixed, roles in a stratified technological society. Under these assumptions, the widespread dissatisfaction with the American educational system seems to be misplaced—the root of the problem really lies with a social system that restricts opportunity in ways that are incompatible with the egalitarian ideologies that have bulked so large in American history and rhetoric. But the accuracy of the correspondence hypothesis itself is so far unproven.

In Schooling in Capitalist America, two prominent advocates of the correspondence theory, Samuel Bowles and Herbert Gintis, rejected cognitive ability as the primary source of the links between success in school and adult success. The links, they argued, have very little to do with cognitive characteristics at all, and a great deal to do with the way a child's experience in school is organized along different curriculum tracks, at different grade levels, often in schools of differing socioeconomic composition. These differences, they argue, combine to produce a labor force within which differences in personality or attitude are not simply random individual variations, but run roughly parallel to family background, educational credentials, and authority requirements of job levels. The relationships of authority and control within the schools replicate those of the work force; the same types of behavior are similarly rewarded at school and at work, and teachers socialize or reward students in accordance with their perceptions of the students' future roles.

Michael Olneck and David Bills took issue with these hypotheses in a recently published article. Expressing some reservations about the data on which Bowles and Gintis base their conclusions, they tested those conclusions against a different data base, the Kalamazoo Brothers set. Their analysis suggests only a loose overlap between the kinds of personal characteristics rewarded by schools and those associated with high income or high-status occupations. Nor do controls for personality characteristics significantly reduce the influence of schooling per se upon later economic success. But the evidence that Olneck and Bills found does suggest that the characteristics rewarded in middle-class or white-collar students may differ somewhat from those rewarded in blue-collar pupils, in ways that are consistent with the correspondence theory.

When Kalamazoo Central High School homeroom teachers rated students as "above average" or "below average" in such characteristics as industriousness, cooperativeness, executive ability, and appearance, were they foreshadowing the occupational tracks along which their students would eventually move?

Olneck and Bills tested these ratings of personality against measures of school performance (sophomore English grades, test scores, highest grade completed) and adult success (the first full-time job, the job held in 1973–1974, and earnings in 1973–1974). These various measures make no claim to tap the full influence of personality differences on adult achievement, but they are clearly adequate to frame some of the central personality characteristics and status symbols that are popularly seen as marks of success.

#### Personality and school achievement

Grades. When Olneck and Bills correlated grades with measures of personality, intelligence, and family background, they did indeed turn up some significant relationships. Hard work (industriousness), for instance, was the characteristic most highly rewarded along the whole range of students, but had a particularly pronounced effect among children of blue-collar families. There are plausible explanations for this. Blue-collar children may have been in classes where rote learning, as in spelling tests, was more common than the kind of independent and flexible study program represented, say, by creative writing assignments. Or perhaps teachers held significantly lower expectations about the ability of blue-collar children to master scholastic material, while maintaining more rigorous standards for white-collar children. In either case, blue-collar children would be more likely to appreciate the rewards of appearing diligent and sticking closely to the routine of assignments, a consequence that is consistent with the correspondence theory.

Length of schooling. Once again the authors found that men from more advantaged backgrounds will acquire more schooling, all other things being equal. Personality traits evaluated in school go no further toward explaining these results than they do toward explaining grades; indeed, they do not go so far, when one remembers the strong effect of hard work on school performance.

The differences between the factors that determine grades and those governing length of schooling suggest that the correspondence theory is, at the least, in need of revision. When employers select men on the basis of greater schooling, they are not necessarily selecting them on the same grounds that have impelled students to perform well in school. Socioeconomic background, for instance, does not directly influence grades; it does influence how much schooling a man is likely to acquire. Teachers reward cooperative behavior, but boys in the Kalamazoo school district who were judged "uncooperative" nevertheless could and did persist in school.

#### Personality and occupational status

In examining the links between school and personality, the authors found results that at best entail modifications of the correspondence theory. When they attempted to link personality and work, the few unambiguous or pronounced effects they did find stood in direct contradiction to that theory. Neither a man's first job nor his later career appears to be significantly advanced by his earlier personality ratings, once family background or ability are taken into account. Indeed, among men of white-collar origin, a rating of "highly cooperative" in school bore a significantly negative relationship to occupational status.

It is hard to accept that employers deliberately select disruptive employees, particularly when men considered "industrious" appear to gain a small advantage in their work. It is more likely that obedience to authority, and the ability to wait for directions and to complete work in predetermined sequences without introducing idiosyncratic variations, are at a premium in many classrooms, but a distinct disadvantage in advancement to higher-status positions, where employers may value the ability to work independently. This finding about the effects of "cooperativeness" is consistent with Bowles and Gintis's observation that self-direction is important in the upper reaches of the work hierarchy, but is does not mesh well with their assertion that the same behaviors are rewarded in school and at work.

Once again, the effects of personality measures are dwarfed by the influences subsumed under "academic achievement." Length of schooling, as always, had a large and robust influence on the first job; when men with the same personality ratings were compared, the effect was very nearly as great as the effect of years of schooling among men in general.

#### Personality and earnings

Earlier, it was noted that the determinants of occupational achievement and of earnings do not necessarily coincide. This finding also holds true for the effects of personality. The only personality measure of those tested that appears significantly to affect earnings is "executive ability." Men ranked "above average" on executive ability would be expected to earn over one-third more than men ranked "below average."

Because "executive ability" is unrelated to grades and only meagerly related to length of schooling, it does not appear to measure academic motivation. More puzzling, it shows no significant effects if only men categorized as "managers" are selected. Its largest effect was among men classified as "salesmen"-insurance, real estate, manufacturing representatives. Olneck and Bills conclude that their measure may be a proxy for "persuasiveness." This does not mean, of course, that executive ability is unimportant to managers. Rather, it suggests that what teachers recognize as "executive ability" or "leadership" is very different from what corporations recognize as "executive ability." For example, in the classroom context "executive ability" may measure the eagerness of pupils to please their teachers by assisting in tasks rather than measuring the capacity of some students to lead others. Once again, the correspondence theory does not hold. Olneck and Bills summarize their results: "Our evidence suggests that schools may well assign scholastic rewards in ways similar to those Bowles and Gintis outline. but that they are not linked to economic structures and rewards in the precise ways depicted in Schooling in Capitalist America."

#### Does finishing high school pay?

One conclusion from Olneck's work stands out: different levels of the schooling system bear differing relationships to the labor market and confer different benefits. Examining the components rather than the system as a whole has proved fruitful. Clearly, certain components are more closely linked to adult success than others. Particularly disturbing is the evidence that Olneck has presented in *Who Gets Ahead?* an exploration by Christopher Jencks and his colleagues of the determinants of economic success in America. There is, it appears, some but not a large financial payoff to high school completion alone.

Synthesizing results from a number of national and several special-purpose samples, Olneck concluded that men aged 25 to 64 who completed high school did get better first jobs than men who dropped out, but that this was largely because they came from more advantaged homes and scored higher on ability tests. Olneck concludes: "If the same results hold for young men today, discouraging male high school students from dropping out of school would not greatly improve their occupational prospects unless they also went to college" (p. 166).

Completing high school accomplishes even less in the job market for nonwhites than it does for whites. College education is more valuable to nonwhites than whites primarily because the gains of nonwhites from elementary and secondary education are meager—in 1973, nonwhites gained only half the later advantages that whites enjoyed from completing high school.

Earnings most graphically demonstrate the value of college attendance. Among men who are otherwise similar, completing high school raises earnings by 15 to 20 percent. Completing four years of college raises them by as much as 40 percent. One may be tempted to say "of course," but it is not axiomatic that higher and higher levels of education carry with them greater and greater economic and social success; that consequence is very much a phenomenon of a particular time-the twentieth century-and a particular place-the United States. And even here, these advantages may be eroding, as Richard Freeman has pointed out in The Overeducated American. When younger cohorts of men are examined, rather than the full spectrum of men 25-64, the returns to a college education appear to be dropping. Perhaps the public perception that "schools aren't working the way they used to" has some validity.

The relationships between schooling and success that have been described here—they by no means exhaust the possible linkages—are complex and rather contradictory. The American educational system is not necessarily a mechanism for socializing individuals into preestablished roles in a stratified social hierarchy that is governed by the imperatives of capitalist production. But it is not clear that ability, education, and success move smoothly together. Public expectations that expanding access to education is sufficient to achieve greater and greater equality of opportunity will, it appears, inevitably encounter frustration.■

#### Selected papers

- Michael R. Olneck and James Crouse, "The IQ Meritocracy Reconsidered." Institute for Research on Poverty Reprint no. 381.
- Michael R. Olneck and David B. Bills, "What Makes Sammy Run? An Empirical Assessment of the Bowles-Gintis Correspondence Theory." Institute for Research on Poverty Reprint no. 433.

#### **Related reading**

- Maureen Hallinan and Aage B. Sørensen, "The Dynamics of Learning: A Conceptual Model." Institute for Research on Poverty Discussion Paper no. 444-77.
- Robert Mare, "Correlates of Achievement." Institute for Research on Poverty Reprint no. 393.
- Robert Mare, "Social Background and School Continuation Decisions." Institute for Research on Poverty Reprint no. 408.
- Robert Mare, "Sources of Educational Growth in America." Focus, Vol. 3, No. 2, 1978–79.
- Michael R. Olneck, "The Effects of Education," in Christopher Jencks et al., Who Gets Ahead? The Determinants of Economic Success in America. New York: Basic Books, 1979.
- Aage B. Sørensen, "Education, the Process of Attainment, and the Structure of Inequality." Institute for Research on Poverty Reprint no. 327.

# Hispanic labor conference continued from p. 7

A Comparative Analysis of the Wages of Hispanic, Black and White American Men, by Cordelia Reimers, Princeton University.

#### **Session 2: Unemployment**

Ethnic Differentials in Unemployment among Hispanic Americans, by Gregory DeFreitas, Barnard College and Columbia University.

Labor Market Turnover and Joblessness for Hispanic American Youth, by Stanley Stephenson, Jr., Pennsylvania State University.

#### Session 3: Family and work

Fertility and Labor Supply among Hispanic American Women, by Frank Bean, Gray Swicegood, and Allan King, University of Texas at Austin.

Mexico-USA Indocumentado Migration as a Settlement Process and Its Implications for Work, by Harley Browning and Nestor Rodríguez, University of Texas at Austin.

#### **Session 4: Education**

Bilingual Education: Its Role and Effectiveness in the Education of Hispanic Americans, by Virgulino Durate, National Commission for Employment Policy.

The Causes of School Transitions for Hispanics, Whites, and Blacks, by Neil Fligstein, University of Arizona, and Roberto Fernandez, University of Chicago.

# Session 5: Policy implications of Hispanic labor market research

<sup>&#</sup>x27;See A.J. Heidenheimer, "Social Policy Development in Europe and America," in *Income-Tested Transfer Programs: The Case For and Against*, ed. Irwin Garfinkel (New York: Academic Press, 1982). Ratios for strata of youth in universities from Table 5.2.

<sup>&</sup>lt;sup>2</sup>Heidenheimer, quoting Christopher Jencks and David Riesman, *The Academic Revolution* (New York: Doubleday, 1968).

<sup>&</sup>lt;sup>3</sup>Christopher Jencks et al., Inequality: A Reassessment of the Effect of Family and Schooling in America (New York: Basic Books, 1972), pp. 52-57, has a good brief discussion of this issue.

<sup>&#</sup>x27;Members are Robert Bach, State University of New York at Binghamton; George Borjas, University of California, Santa Barbara; Barry Chiswick, University of Illinois at Chicago Circle; Ron Oaxaca, University of Arizona; Alejandro Portes, Johns Hopkins University; Marta Tienda, University of Wisconsin-Madison.

<sup>&</sup>lt;sup>2</sup>Poverty and income figures from *Statistical Abstract of the United States, 1980;* unemployment rates from unpublished figures of the Bureau of Labor Statistics as reported in the conference paper of Gregory DeFreitas.

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