Discrimination and Its Effects on Hispanic Wage and Employment

There has been no lack of research on wage gaps between white Americans and various ethnic/racial groups in the United States. Of all minority groups, African Americans have always received the most attention, as the group has been historically discriminated against. The logical jump of blaming wage gaps between whites and other racial groups on discrimination is an easy one to make. However, doing so discounts many other explanations for differences in wages and employment. This paper will look at documents which question how much of the wage and employment gap between whites and Hispanics (primarily Mexican Americans) is related to human capital, or simply accounted to discrimination. The primary forms of human capital covered by the paper will be education and proficiency at English, which many documents account most of the difference to.

In 1976, the average hourly wage for white Americans was $5.97, with African Americans trailing at $4.65. Hispanics made a measly $4.31 an hour, approximately 72% of whites’ wages. (Reimers, 570) In 1980, total unemployment was at 6.5%, yet Hispanics had a rate of 8.6%. The labor force participation rates were more encouraging, with total rates at 73.3%, and Hispanics at 78.1%. (Figueroa, 13) While a respectable percentage of Mexican Americans were employed, they weren’t bringing in enough money. The poverty rates for 1980 paint a somewhat dismal picture. For that year, 11% of all Americans lived below the poverty line, with whites at 10%. Mexican Americans had twice the rate of all Americans, with 22% below the poverty
line. Their percentage was only topped by African Americans (27%), Native Americans (25%), and the Vietnamese (34%) (Farley, 238).

With their incredibly high poverty rates, and low average wage, Mexican Americans were among the poorest of all ethnic groups in America. The two primary reasons most papers agree on are their low education rates, and the effect of English inefficiency on wages. The relationship between education and wage is a commonly accepted one. Low levels of education place workers in low-level jobs, which in turn, pay less. Inability to speak English well impairs an individual’s ability to perform job tasks in any field requiring interaction with English-speaking customers. Both factors would severely limit a person’s attempts to obtain a job. Once they found a job, their value as a worker would be lessened due to their inability to communicate with many individuals.

A limited amount of statistics on the amount of the Hispanic labor force and the amount of English they spoke. However, in 1976, only 18% of the Mexican American labor force spoke English as their only language. (McManus, 818) An assumption can be made as to the varying degrees of English spoken by this population. The effect of poor English on wages is argued to be different from author to author. McManus’s paper states English speaking ability accounts for 30% of the wage differential between Hispanics and whites. Other literature argued different statistics, though all agreed on the drastic effect mastery levels of English have on wages. In his paper, Trejo argues English speaking ability accounts for 20-25% of the wage differential (Trejo, 1256).
McManus surveyed a number of workers, using a scale of English ability including Fluent, Very Well, Well, and Not Well. In his study, based on 1975 statistics, workers who spoke English “Very Well” earned 89.8% of fluent workers, “Well” earned 82.8% of fluent workers wages, and “Not Well” earned 68.2% of fluent workers’ wages. He also assigned monetary values to English speaking ability. Workers who spoke English “Very Well” would gain $20.23 in wages a week, or $1,016.50 by mastering English. Those who spoke “Well” would gain $31.04 per week, or $1,552 per year. Workers who spoke “Not Well” would gain $39.32 per week, and $1,966 per year. In 1979, the annual earnings for whites averaged at $23,400, with Mexican Americans trailing behind at $19,300. Assuming many of the workers didn’t speak English originally, they could greatly close that gap by mastering it.

The other major variable responsible for wage differences is education level. Of all the ethnic groups, Hispanics have nearly the lowest level of schooling. In a survey taken in 1980 by the Bureau of the Census, average years of college of all persons surveyed was 1.7 years. Whites had an average of one year, and Mexican Americans had an average of only 0.7 years (Farley, 238). The direct relationship between education and types of jobs was apparent here. Of all groups surveyed, 28% held management or professional positions. Whites held 18%, and Mexican Americans only 11%, showing a link between low education levels, and high paying jobs. The book “Issues and Policies” supported the theory, with the following job placement comparing whites and Mexican Americans in 1980 (Partial data) (Figueroa, 37):


<table>
<thead>
<tr>
<th></th>
<th>Agricultural</th>
<th>Manufacturing</th>
<th>High Services</th>
<th>Low Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>4.4%</td>
<td>25.3%</td>
<td>21.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Mexican American</td>
<td>7.3%</td>
<td>27%</td>
<td>15.9%</td>
<td>7.7%</td>
</tr>
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“Low services” refers to household work, and high services to service jobs, such as secretarial positions. Mexican Americans have the higher concentration in the lower paid, lower skilled jobs.

More examples of low education levels were available in other documents. The same book showed statistics for education in terms of highest level of education completed in 1980. 36% of whites had completed high school, 19% completed some college, and 22% completed college. Mexican Americans however, were lagging greatly. Only 26% had graduated high school, 12% had some college experience, and only 2% had completed college (Figueroa, 44). Almost all documents on the subject showed examples of low levels of Hispanic education.

While the sources occasionally disagreed on the specific impact of a variable on the wage and employment differences, all agreed that education level and English speaking ability were almost entirely responsible. Even Reimer’s piece “Labor Market Discrimination Against Hispanic and Black Men” conceded only 6% of the difference could be accounted to discrimination (Reimers, 578). Regardless of the document’s focus, or the author’s viewpoint, all arrived at virtually the same conclusion. The convergence
of conclusions from a variety of viewpoints lends credibility to the sources I used. No source could adequately prove discrimination was largely responsible for the wage group (though most admitted it played a small part).

Differences in wages are frequently written off to discrimination. In this case however, the lagging performance of Hispanics in the labor market is written off to the two primary inadequacies of low education level, and poor English speaking ability of many of the workers. My concern is that many of the documents statistics were extracted from are cross-referenced in their Bibliographies. This leaves the possibility that other opposing viewpoints exist which are unrepresented in this document. However, the large amount of papers sharing a conclusion even from different viewpoints suggests that an opposing viewpoint would be less credible.

Bibliography


