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## Hispanic Families in Poverty: Diversity, Context, and Interpretation

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**ABSTRACT:** The author presents an overview of the settlement patterns of the major Hispanic groups in poverty as well as selected indicators of their poverty-related problems. Key competing explanations for these poverty-related problems are examined and policy directions are offered.

AS WE APPROACH the 21st century, few societal changes match the significance of the coined phrase "browning of America." By midway in the coming century "racial and ethnic groups in the U.S. will outnumber whites for the first time" (Henry, 1990, p. 28). Hispanics are a key population in this transition. Hispanics are the nation's fastest growing minority in absolute terms. Indeed, the best available evidence indicates that Hispanics (Latinos) will almost certainly surpass African Americans in numeric strength by 2020, if not sooner.<sup>1</sup> Whether this growing population will obtain its fair share of the American dream is far less certain.

Like black families, Hispanic families have not fared well in recent years. The poverty rate for African American families, for example, stood at approximately 3 of every 10 families in 1991. Only one time since the late 1960s, during the recession-racked early

1980s, have black families recorded a poverty rate higher than 30%. Latino families have followed a similar course. Their 1991 poverty rate of 26.5% was substantially higher than their record low rate of 19.8%, recorded in 1973, and it was also more than three times higher than the 8.8% figure registered by whites in 1991.<sup>2</sup> Moreover, the poverty rates for all persons in these groups (without regard to family status) have been higher still (U.S. Bureau of the Census, 1992b). Clearly associated with these indicators of deprivation, blacks and Hispanics have experienced rates of joblessness, welfare receipt, and female-headed households substantially in excess of

1. Typical examples of such projections are provided by Davis, Haub, and Willette (1983) and U.S. Bureau of the Census (1986). The population projections of Hispanics indicate that Hispanics will outnumber blacks by 2020. In 1990, the Hispanic population reached 22.4 million. Moreover, the broader population base in place in 1990 ensures continued rapid growth, even if immigration falters. However, most observers predict accelerated growth throughout the 1990s and beyond (Portes, 1992).

2. Data on individual groups that make up the Hispanic population have been published in the *Current Population Reports* series since 1971. However, the quality of the data was not very good before the 1975 report. Even in 1975, data were reported only for Puerto Ricans, Mexicans, and Cubans, and no historical data from the series are available. However, data for these groups are available from the public-use samples for the censuses of 1960, 1970, and 1980. Bean and Tienda (1987) provide a wealth of information on these groups covering these periods.

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the rates among whites (Tienda, 1989; Tienda & Jensen, 1988; Wacquant & Wilson, 1989; Wilson & Neckerman, 1986).

A large body of literature has long shown the importance of disaggregating social and economic indicators among the various Hispanic groups so that trends can be interpreted fruitfully (Aponte, 1991; Bean & Tienda, 1987; Portes & Truelove, 1987). The significance of this is readily apparent when one considers the wide variation in family poverty rates across these groups. For example, whereas Mexican families, the largest group, registered a poverty rate of one in four in 1990 (the latest year for which group-specific data are available), Puerto Rican families, the second largest category, showed a rate of 37.5%, highest among all racial or ethnic groups for whom data exist. In contrast, Cuban families, the third largest group among Hispanics and the only additional group for which we have individualized data, showed a 13.8% poverty rate for the year (U.S. Bureau of the Census, 1991).

Unfortunately, data on the various other Latino groups are difficult to obtain, primarily because of their lower aggregate numbers. However, lack of data does not mean that these groups' experiences have been trouble free. As was forcefully revealed in a recent report on Hispanics by a leading Washington think-tank, the minimal data available on these groups suggest that many Latinos are undergoing economic distress (Greenstein, Porter, Shapiro, Leonard, & Barancik, 1988). Moreover, Waldinger (1989) suggests that Hispanic immigration from countries other than Cuba, Mexico, or the island of Puerto Rico has rapidly increased in recent years. Hence, in the near future, the impact of smaller Hispanic populations is likely to be more systematically gauged.

Making sense of the available data is often no small task. The variation in poverty rates noted earlier, for example, defies commonsense notions. For instance, the standard "human capital" approach, by itself, cannot explain why Mexicans, who speak less English than do Puerto Ricans and are far less educated than are Puerto Ricans (Bean & Tienda, 1987; U.S. Bureau of the Census, 1991), have a substantially lower poverty rate. Alternatively, a "discrimination" perspective, by itself, falls short of

explaining why Puerto Ricans are poorer than blacks, even though they experience far less discrimination (Massey & Bitterman, 1985). Such facts suggest that, in addition to disaggregating indicators on these groups, researchers need carefully to interpret trends.

The argument advanced here is that an informed and carefully crafted overview of the circumstances surrounding poor Hispanic families provides ample support for a structural interpretation of their problems. More specifically, lack of opportunities, low and falling wages attached to existing work opportunities, and failure of our educational institutions are the fundamental causes of poverty among Hispanic families, not popular explanations such as the lure of welfare or the dissolution of the family. Although high rates of family dissolution and welfare use among some Hispanic groups cannot be denied, a critical analysis of implicated trends provides a compelling rationale for rejecting the interpretation that such trends are causes, rather than symptoms, of the joblessness and deprivation with which they are associated.

A secondary argument presented here is that assessment of Hispanic poverty not only requires that data be disaggregated, but that indicators be assessed within the context of the groups' distinct patterns of settlement. For example, attention should be focused on items such as the locus and timing of settlement, whether groups enter legally or illegally, as political or economic migrants, and as citizens or noncitizens. Such information is important because the rate and types of economic activities that have prevailed in the United States have varied considerably over time and across regions and urban areas, thereby providing differing opportunities for arriving groups. In addition, incoming groups may vary on such characteristics as their average human, social, or material capital stock, which could easily affect their subsequent levels of well-being.<sup>3</sup>

The following sections present an overview of the settlement patterns of the major Hispanic groups in poverty as well as se-

3. Portes and Borocz (1989) present an elaborate paradigm, called "mode of incorporation," for taking these kinds of factors into account.

lected indicators of their poverty-related problems. Such background material underscores the importance of disaggregating the trends and contextualizing the preliminary interpretations. In addition, some key competing explanations for the implicated poverty-related problems are examined and policy directions are offered.

### Diversity and Context

To speak of Hispanic poverty in the United States is to speak of the two largest groups—Mexicans and Puerto Ricans—who together account for roughly 75% of all Hispanics in the United States. These groups also have the highest rates of poverty. Together they accounted for nearly 80% of all Hispanic poor in 1990, whereas Cubans, the next largest group, accounted for only approximately 3% of the Hispanic poor that year and approximately 7% of all Hispanic families (U.S. Bureau of the Census, 1991). In turn, the remaining groups taken together account for only approximately 17% of poor Hispanics. Thus, this article focuses primarily on poverty among Mexicans and Puerto Ricans.

Before dismissing the Cubans, however, it is worth emphasizing how their situation underscores the utility of the approach presented here. The circumstances surrounding their entry into the United States relate strongly to their relatively superior levels of living in subsequent years. Indeed, the favorable background characteristics of their initial and major migratory waves, along with the positive reception accorded their arrival, provided Cubans with a far more advantageous base for advancement than that afforded other Latino groups. More specifically, the initial migrations of Cubans were composed almost entirely of well-to-do political refugees fleeing Fidel Castro's revolution. These Cubans were welcomed by the federal government. Their upper- and middle-class backgrounds provided the human-capital potential for success, and their favorable reception by the U.S. government (including nearly \$1 billion in expenditures on the "Cuban Refugee Fund") supported and facilitated their upward mobility (Pedraza-Bailey, 1985). These unique circumstances have not been shared by most

other incoming Latino groups, particularly Mexicans and Puerto Ricans.

The settlement processes of Mexicans and Puerto Ricans have various common features as well as important differences. Shared characteristics include language, economic or labor-migrant status, and relatively low levels of skill, command of English, and formal education. Moreover, these groups generally did not receive special government assistance.

Whereas the settlement of Puerto Ricans on the mainland occurred rapidly, was highly concentrated in a major northern city, and began largely after World War II, the settlement process for Mexicans spanned the entire century, was far less concentrated, and was limited largely to the Southwest. Indeed, Mexicans and Puerto Ricans maintain substantial co-residence in only a few midwestern cities. In addition, Puerto Ricans entered as citizens and were thereby entitled to certain rights that were available to only some Mexicans, in that many Mexicans entered the United States illegally. Finally, the Mexican group far outnumbers the Puerto Rican group.

The number of Puerto Ricans in the mainland United States increased from less than 100,000 at the end of World War II to more than 1 million by 1970 and nearly two million by 1980. Most reside in large metropolitan cities of the Northeast, particularly New York, a pattern maintained throughout the past four decades (Bean & Tienda, 1987; Moore & Pachon, 1985). In contrast, the highly urbanized character of Mexicans today represents the culmination of a shift that began in 1930, a time when Mexicans in the U.S. were at least half rural and were already approximately one million strong (Bean & Tienda, 1987). Moreover, whereas roughly 75% of all mainland Puerto Ricans resided in central cities in 1987 (latest available data), slightly less than 50% of Mexicans resided in central cities (U.S. Bureau of the Census, 1989). Finally, whereas rapid immigration by Puerto Ricans has long ceased, Mexican immigration continues at a rapid pace. Therefore, the numeric dominance of Mexicans over Puerto Ricans is likely to increase in the foreseeable future. Indeed, in 1990, approximately 14 million Mexicans lived in the United States

(approximately 63% of all Hispanics), compared with approximately 2.4 million Puerto Ricans (U.S. Bureau of the Census, 1991).

Thus, Puerto Ricans live predominantly in northern areas of the United States, continue to be more highly concentrated in central cities, and currently are augmented by few migrants. Mexicans, on the other hand, are less tied to central cities, tend to live in the Sunbelt, and continue to receive new immigrants, many of whom lack citizenship.

These settlement differences can affect social mobility in several ways. First, the economic well-being of Puerto Ricans hinges on economic conditions in the major northeastern cities, especially New York, and is particularly dependent on the opportunities for unskilled workers in those areas. Work conditions and opportunities have not been favorable in recent decades due to the widely documented decline in manufacturing, trade, and other forms of low-skilled employment in northern inner cities (Kasarda, 1983, 1985, 1990; Wacquant & Wilson, 1989). Moreover, such jobs have not returned to northern cities (e.g., New York, Boston) whose economies have sharply rebounded. The newer jobs in these areas tend to require more skills or credentials (Kasarda, 1983, 1990).

In contrast, the economic fate of Mexicans rests upon the opportunities available in a large array of southwestern cities and their suburbs. These areas have better job prospects for workers with fewer skills than do northern cities. These areas have generally experienced employment growth in low-skilled jobs throughout the entire postwar period (Kasarda, 1985, 1990; Wacquant & Wilson, 1989).

Social welfare provisions are a second major difference between these areas of settlement. Specifically, Puerto Ricans have settled in the relatively more "generous" states in the North, whereas Mexicans have settled in a band of states that traditionally offer low levels of public assistance. A notable exception to this is California—the state with the largest number of Mexicans. However, many Mexicans in California are ineligible for public assistance because they lack citizenship, and others may not apply because they fear discovery of undocumented persons who live with

their families or households. Thus, as a whole, Puerto Ricans receive more public assistance than do Mexicans.

Organization of labor is a third potentially relevant difference between the two areas of settlement. Puerto Ricans entered the more highly protected and unionized labor markets that prevailed in the North. Hence, wages and conditions were generally more favorable (even in nonunion jobs) than in the less organized southwestern states where Mexicans tended to settle. The resulting deficits in compensation endured by employed Mexicans were further compounded by the high number of noncitizens among them. Low wages accepted by illegal aliens tend to exert downward pressure on the wages of other Mexicans as well.

Given these differences in settlement patterns, the following results are likely. Mexicans might be expected to work more steadily but to earn less and be represented by the working poor as opposed to the dependent poor. Puerto Ricans might be expected to earn more but work less and to rely more upon public assistance, though perhaps at the cost of higher rates of family dissolution. In addition, they might be expected to sustain more poverty and to be more represented by the dependent poor as opposed to the working poor.

Statistical indicators on these groups are consistent with such expectations. For example, among men aged 20 years and older, Puerto Ricans had a labor-force participation rate (74.4%) more than 10 percentage points lower than that of Mexican men (85%) in 1992. In addition, the Mexican men's rate is substantially higher than that of either white (77.8%) or black (73.1%) men, whereas the Puerto Rican men's rate is lower than the rate of whites and only marginally higher than that of blacks (U.S. Bureau of Labor Statistics, 1993). Moreover, the 1992 gap separating the two Hispanic groups is 5% greater than the 1977 gap (Newman, 1978). Consistent with the indicators on participation, the Mexican men's 1992 unemployment rate (10.4%) was four percentage points lower than that of Puerto Rican men (14.4%). In addition, Mexican women have higher employment participation (53.6%) and lower unemployment (10.4%) than do Puerto Rican women (49.0% and

11.1%, respectively), although both groups show relatively low participation rates when compared with black or white women (U.S. Bureau of Labor Statistics, 1993).

Data on other indicators also conform to expectations. Puerto Ricans are substantially poorer than Mexicans. Likewise, the proportion of families headed by women among Puerto Ricans is much greater than that of Mexicans. Data reveal that approximately 43% of Puerto Rican families were headed by women without a spouse present in 1991, whereas only 19% of Mexican families were so structured. The comparable figure for blacks in 1991 was 46%, which parallels the high rate of Puerto Ricans. The 14% rate for whites is even lower than that of Mexicans (U.S. Bureau of the Census, 1991, 1992b).<sup>4</sup>

Data from the 1988 survey also reveal that poor Mexican families have more members in the work force than do poor Puerto Rican families, whereas a substantially higher proportion of Puerto Rican families receive government assistance. For example, in 1987, approximately 72% of all Mexican-origin families in poverty had at least one member in the work force, compared with approximately 24% of Puerto Rican families. In contrast, approximately 61% of poor white families and 51% of poor black families had at least one worker in the family. In addition, 1979 data from the 1980 decennial census (Bean & Tienda, 1987) and 1988 data from the 1989 Current Population Survey (Cresce, 1992) reveal that, as expected, Puerto Ricans employed full year and full time earn, on average, significantly more than do comparably employed Mexicans.

4. Several caveats are in order here. First, it must be noted that the reported proportions refer to all families. If consideration is limited to families with children younger than 18, the proportion of families headed by women rises for all groups. Likewise, if consideration is limited to poor families, the corresponding proportions also rise. However, the relative rankings remain unchanged in all these cases. A second caveat concerns the relatively low rate of female-headed families among whites. Those numbers can be misleading because a disproportionate number of intact white families (with children) are actually "reconstituted" families (Ellwood, 1988). Whites tend to form more single-parent families than indicated by cross-sectional tabulations. However, many of the single parents marry or remarry and thus are dropped from tabulations.

Whereas 72% of Puerto Rican families in poverty in 1988 received all of their income from some form of assistance or transfer, only approximately 25% of Mexican-origin families received such assistance (U.S. Bureau of the Census, 1989). Clearly, impoverished Mexicans epitomize the image of the "working poor," whereas Puerto Ricans in poverty appear to receive a disproportionate amount of welfare assistance. Despite the high levels of "assistance," however, not a single family was lifted over the poverty line and many were left with incomes well below the poverty line (Jencks & Edin, 1990; National Social Science and Law Center, 1987; U.S. Bureau of the Census, 1989).

To summarize, the settlement contexts of the major Latino groups provide important insights for interpreting these groups' varying rankings on indicators of economic well-being. In addition, various preliminary assessments have been outlined. In the following section, hypotheses regarding family poverty of Puerto Ricans and Mexicans are examined in an effort to determine the relative merits of explanations of poverty that emphasize three distinct factors: changes in family structure, the availability of welfare benefits, and deficiencies in the opportunity structure.

## Interpretations

Family poverty, especially poverty among minority families, is often blamed on welfare. A second and related explanation for poverty is that family dissolution and the rise of the single-female-headed family is a major cause of poverty today. These two explanations are highly interrelated, in that many believe that welfare supports family breakups or out-of-wedlock childbearing (in order to qualify for benefits) and thereby indirectly causes poverty. However, such explanations have almost no relevance to the poverty of Mexican families in that relatively few Mexican families are headed by women or receive assistance. Mexicans account for fully 60% of all poor Hispanic families; thus, the welfare-as-cause and feminization-of-poverty arguments are weakened when applied to Hispanic families. However, many Puerto Rican families receive welfare

and are headed by females. Thus, such arguments may apply to them.

Murray (1984) offers the most systematic elaboration of these views. In *Losing Ground*, Murray argued that the liberalization of welfare during the late 1960s and the hike in AFDC benefit levels at the same time were the fundamental causes of family poverty. Changes in the "rules of the game" made work less beneficial than welfare and encouraged low-income people to avoid both work and marriage in order to reap the benefits of welfare. According to Murray, these factors supported increases in female-headed households, joblessness, and poverty.

Murray's arguments rest on the fact that poverty began to increase, after a long decline, at roughly the same time that social spending (particularly benefit levels) began to increase, the proportion of female-headed households began to rise, and joblessness among blacks shot upward (for Murray, African Americans served as proxies for the poor). In essence, Murray believes that welfare benefits have risen to the point where the disposable income provided by AFDC significantly outweighs that of low-wage work. Consistent with the "rational actor" model of behavior, whereby behavior is determined in large part by costs-benefits calculations on the part of the "actor," lucrative provisions induced low-income parents to forgo or dissolve marriages and to avoid employment so they could collect benefits. Marriage was avoided to ensure eligibility, and work was avoided to maximize gains.

This theory, however, begs the question of why, if welfare payments were so lucrative, did the poor, who jammed the case loads, fail to escape poverty. Murray does not address this issue. Nevertheless, the strength of his argument is that it simultaneously explains rising joblessness, female-headed families, increased use of welfare, and, indirectly, poverty itself.

Numerous studies on the effects of welfare availability or generosity on family structure, however, have failed to support this theory. For example, the incidence of female-headed households across states has not been found to correlate with the corresponding state variations in benefit levels. Indeed, states with benefits set at the lowest levels often produced the

highest number of children in female-headed families (Ellwood, 1988). Moreover, as the incidence of female-headed families soared during the 1970s and early 1980s, the number of children in the case loads actually decreased, a damning result for the welfare-based theory (Ellwood, 1988; Greenstein, 1985).

The overall consensus in the literature is that the effects of welfare on family dissolution are relatively weak (Wilson & Neckerman, 1986; U.S. General Accounting Office, 1987). Recent work on this issue indicates that welfare's major impact on family structure is in facilitating the formation of independent households by single mothers, who, in lower-benefit areas, tend to live within other households (Ellwood & Bane, 1985). Furthermore, it has been noted repeatedly that real welfare benefits (as opposed to government spending) plummeted across the board after the early 1970s, yet joblessness and the formation of female-headed households among blacks continued to rise sharply, contrary to the implications of Murray's arguments (Danziger & Gottschalk, 1985; Greenstein, 1985; Wilson, 1987).

In 1969 and 1970, when AFDC benefits were roughly at their peak levels in real dollars and the basic benefit provided approximately 97% of the poverty-line income in New York (where Puerto Ricans are heavily concentrated), less than a quarter of Puerto Rican families were headed by females. By 1987, when the average benefit level had declined approximately 38% (nearly 40% in New York), the proportion of Puerto Rican female-headed families had increased to 44% and both joblessness and poverty had increased (National Social Science and Law Center, 1987; Tobier, 1984; U.S. Bureau of the Census, 1973, 1989). Clearly, something other than lucrative welfare benefits must underlie increases in female-headed families among Puerto Ricans.

Although the welfare system may not fuel Puerto Ricans' changing family structure, it underlies much of the group's relative deprivation. In fact, it may be viewed as a major cause of Latino poverty in general, insofar as so many legally entitled and impoverished Hispanic families are left destitute by miserly benefit levels and other equally needy families are denied benefits altogether.

A structural explanation provides a more comprehensive view of the poverty problem. This view holds that the fundamental cause of poverty is the economy's inability to generate enough jobs at high-enough wages. Once again, there is little need to make a case for Mexicans. It has already been shown that Mexicans are vastly overrepresented among the working poor. One might ask, however, why Puerto Ricans are underrepresented in the work force. A tentative yet viable explanation is offered by the so-called *mismatch hypothesis*. This hypothesis (Kasarda, 1983, 1985, 1990) applies to large, northern cities where Puerto Ricans are concentrated, suggesting that urban poverty is rooted in the movement of manufacturing and other blue-collar employment away from large cities in the Snowbelt. As blue-collar industry moved out of the cities, central-city job growth occurred primarily in white-collar jobs, for which the less-educated minority residents often did not qualify. For example, Kasarda (1990) shows that from 1953 to 1986, New York, Boston, Baltimore, and Philadelphia lost 1.35 million jobs in manufacturing and wholesale/retail trades. Over that same period, the southern and western cities of Atlanta, Houston, Denver, and San Francisco gained nearly 420,000 such jobs. Moreover, in the northern cities, total employment declined after 1970, except in Boston, whereas Sunbelt cities continued to gain jobs, although manufacturing declined slightly in Atlanta, Denver, and San Francisco after 1970.

Although this explanation has received mixed reviews in the abundant literature it has spawned (see Holzer, 1991), the well-documented declines in central-city manufacturing and other blue-collar jobs are not at issue. Nor are the correspondingly high rates of joblessness among central-city black workers (virtually the sole focus of these studies up to now). Rather, the arguments against *mismatch*, broadly put, tend to be based on analyses that produce insufficient evidence to link joblessness among African Americans with employment mobility. Generally, these studies suggest that discrimination is a more important cause of joblessness among blacks. However, whereas studies based on data for 1970 or earlier have

generally tended to disconfirm the hypothesis, analysis based on more recent periods has tended to support the hypothesis (Holzer, 1991). The appropriateness of applying this hypothesis to Puerto Ricans is supported by the fact that Puerto Ricans are more tied to northern cities than are blacks, experience virtually the same high levels of joblessness, and experience an even higher poverty rate despite experiencing less discrimination.<sup>5</sup>

The increase in female-headed households among Puerto Ricans is perhaps not so easily explained. However, the rise in female-headed families is hardly a trend limited to minorities or the poor. For various reasons, but particularly increases in female earnings and changing gender roles, marriages are less stable throughout society (Ellwood, 1988; Weitzman, 1985). Hence, the question that must be asked is not why such families are forming among Puerto Ricans, but why so many Puerto Rican families (and black families) are at peril in relation to others (e.g., white and Mexican families).

A viable hypothesis, which follows directly from the structural arguments noted above, may be termed the "male marriageable pool index" (MMPI) explanation. Developed by Wilson and Neckerman (1986), this hypothesis suggests that the phenomenal increase in female-headed black families (nearly 50%) has been caused by the dramatic increases in joblessness among black men. The joblessness factor, in concert with high rates of incarceration and premature mortality among black men, has depleted the supply of marriageable (i.e., employed) men, thereby fueling the growth in female-headed families. In fact, data indicate that the increase in female-headed families among blacks parallels employment decreases among black men.

Jencks (1988) argued that the highly aggregated MMPI figures exaggerate the relationship between female-headed households and decreasing employment opportunities, be-

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5. The employment-population ratio for Puerto Rican men aged 20 years and older in 1992 was 63.7%, virtually identical to the 63.3% figure registered by comparably aged black men that year. The corresponding figures among whites and Mexicans (72.9% and 76.1%, respectively) were substantially higher.

cause such data work best at younger ages (e.g., younger than 24 years), when men are not likely to marry, whether employed or not. However, a recent analysis examining the argument in the context of specific urban areas found strong support for the hypothesis, even though it focused on black and white women at least 20 years of age (Lichter, LeClare, & McLaughlin, 1991). Furthermore, the hypothesis received additional support from a large, multigroup sample. Testa, Astone, Krogh, and Neckerman (1989) showed that black, white, Mexican, and Puerto Rican men in the poverty areas of Chicago were more likely to marry the mother of their first child if they were employed at the time of conception. These findings are especially important because they show that the hypothesized relationship between marriage and employment holds for groups other than blacks.

Application of this hypothesis to Puerto Ricans, therefore, seems amply justified. Puerto Rican families' high rates of poverty and female-headed households closely parallel the rates among black families. In addition, joblessness among male Puerto Ricans registered at virtually the same rate as among black males in 1992, and both groups have experienced correspondingly long-term declines in employment during the past two decades (Tienda, 1989; U.S. Bureau of Labor Statistics, 1993; Wilson & Neckerman, 1986). Therefore, the unemployment-marriage stability relationship should be considered a viable hypothesis for explaining the prevalence of female-headed households among Puerto Rican families.

Once formed, such families are extremely vulnerable to poverty for obvious reasons. Unless the single parent has an exceptionally high earnings potential, it is virtually impossible to fulfill adequately the dual roles of provider and caretaker, given the high costs of living and child care and the paucity of benefits attached to low-wage work (Ellwood, 1988; Jencks & Edin, 1990). This is one reason that the most frequent route out of AFDC appears to be marriage or remarriage rather than increased earnings. In turn, the fact that welfare termination is connected to marital status might also explain why minority single

mothers are more prevalent than are white single mothers and why minority single mothers tend to remain on welfare longer: after these women become the head of the family (or begin to rely on welfare), their marriage prospects are likely to be lower than those of white women (Ellwood, 1988).

A final issue concerns human-capital attainment. Although human-capital credentials do not always provide access to secure employment, their importance should not be undervalued. Not only have unemployment rates been higher for the less educated than for the more educated, but the gap has widened considerably in recent years (Jencks, 1991; Kasarda, 1990). Of equal importance, the work that is available for unskilled workers is characterized increasingly by low wages. For example, a recent government report found that since 1979 the number of full-time, full-year workers earning poverty-level wages has been increasing steadily (U.S. Bureau of the Census, 1992a).

Accordingly, approximately 23% of the heads of poor Hispanic families worked full-time full-year in 1991 (disaggregated data not available). The proportion might have been higher if the recession had not occurred; the economic downturn may have pushed other low-wage heads of households into unemployment. Moreover, the 23% figure represents a sharp increase from the group's 1979 figure of 17% (U.S. Bureau of the Census, 1981, 1992b). Thus, a key factor linking Hispanic families to poverty, whether through unemployment or wage insufficiencies, is the human-capital handicaps of their workers.<sup>6</sup>

But the basis for these deficiencies should not be pinned on the shoulders of poor Hispanics alone. The failures of public policy loom large on this score. The *miseducation* of

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6. The most recent data on the educational attainment of Hispanics were published in 1991. Data are disaggregated by groups but not by sex. Data show that among Mexicans aged 25 or older, nearly 44% had high school diplomas, whereas the comparable figure for Puerto Ricans was 58% (U.S. Bureau of the Census, 1992b). Comparable data for blacks and whites in 1992 show much higher educational attainment; approximately 81% of whites and 68% of blacks held high school diplomas at that time (U.S. Bureau of the Census, 1991).

Hispanics (and blacks) is the direct result of such features of the nation's schools as the high levels of segregation by race and class that result in warehousing poor minority students in districts with abysmally low per-capita spending, high dropout rates, chronic shortages in materials, less-qualified teachers, low achievement test scores, and so forth (Breslin & Stier, 1987; Designs for Change, 1985; Griffin & Bagnato, 1987; Hess, 1986; Institute for Educational Leadership, 1986; Kozol, 1991; Spratling & Christoff, 1988). In short, the systems' iron-clad jurisdictional boundaries, in combination with school districts' heavy dependence on locally raised revenues, ensure that those with the most needs receive the fewest resources, and vice versa. Small wonder that noted education specialist Jonathan Kozol (1991) titled his most recent book on this topic *Savage Inequalities*.

### Implications

The data and interpretations presented here, although far from providing a definitive analysis of Hispanic poverty, nevertheless support various generalizations about the problems and potential solutions. Decreased employment opportunities for the less skilled or educated, severely depressed wages among the employed, restrictive and scanty social benefits, and inequalities in public education are the key proximate causes of poverty among Hispanics. Expanding employment, increasing wages, providing adequate support for those unable to work, and promoting higher levels of human capital attainment for all are major public policy imperatives.

Massive investments are sorely needed in at least three areas. First, employment and wage strategies are needed to ensure an adequate living for all persons who are willing and able to work. This goal can be achieved by hikes in the minimum wage, wage subsidies (e.g., increasing the earned income tax credit), and public employment. Given the decay of much of the nation's infrastructure

(West, 1990), public employment projects need not amount to meaningless "make-work" endeavors. Second, real educational reform must be implemented. The gross inequities of the nation's educational system must be confronted. Either the poorer schools must be integrated with more elite schools, massive investments made in poor schools, or some combination of both strategies should be pursued. Finally, those persons who are unable to provide for themselves or their families need public support. The widely held beliefs about lucrative welfare benefits and their dependency-producing powers are patently false. Moreover, the miserly levels at which benefits are actually allotted have been shown to be extremely detrimental to recipients (Jencks & Edin, 1990).

Helping poor children achieve at school requires more than improving the school systems. Rather, school achievement demands that children be well fed, provided with ample space and materials, and provided with encouragement to work and to succeed. This, in turn, requires that parents have the basic supports that will allow them to nourish and encourage their children. However, the minimal standard of living necessary to ensure such support is exactly what the current mix of programs *deny!*

Child-care provision and adult education and vocational training must be expanded. Among poor and nonpoor alike, family structures are changing, and single-parent families are a reality. These families need both direct and indirect support. Most important, tax policies must be overhauled, the progressive tax structure of the pre-Reagan years restored, and loopholes and other subsidies to the wealthy curtailed (McIntyre, 1991; Phillips, 1991) so that social investments can be financed without further burdening the working and middle classes. Indeed, as history demonstrates, the vagaries of the market will inevitably provide more for some and less for others. Without adequate compensatory mechanisms in place, poverty will persist and worsen into the 21st century and beyond.

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