

ASPE RESEARCH BRIEF

OFFICE OF THE ASSISTANT SECRETARY FOR PLANNING AND EVALUATION
OFFICE OF HUMAN SERVICES POLICY - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Vulnerable Youth and the Transition to Adulthood



Second-Generation Latinos Connecting to School and Work

Immigrants are a large and growing segment of the United States population. In the past 25 years, the United States has witnessed a 150 percent increase in the foreign-born population, with over 35 million foreign-born people living in the United States in 2005 (Vericker, Kuehn, and Capps 2007). Latino immigrants make up the majority of this growth; 53 percent of the foreign-born emigrated from Latin America (Larson 2004). As a result of this increase in the foreign-born population, the share of all US-born children with at least one immigrant parent has more than tripled. Currently, about one-fifth of all children are growing up in immigrant families. The rapid expansion of this population has led many to question how well youth with immigrant parents fare in early adulthood. As second-generation Latino youth continue to make up a larger share of our population, their educational and labor market successes and failures will play a large role in shaping our country's economic future.

Using the National Longitudinal Survey of Youth, 1997 cohort, this brief examines young adult connections to school and employment (or connectedness) between the ages of 18 and 24 for children of Latino immigrants (second generation) compared with children of native-born Latinos (third generation), children of native-born non-Hispanic blacks (blacks), and children of native-born non-Hispanic whites and other race groups (whites).¹

Second-generation Latinos make a fairly smooth transition to young adulthood and make a better transition than black and third-generation Latino youth. Between the ages of 18 and 24, second-generation Latinos are more often consistently-connected (56 percent) than third-generation Latino youth (44 percent) and blacks (42 percent). In contrast, second-generation Latinos are less likely to be consistently-connected than white youth (65 percent). Yet, after accounting for various factors including characteristics of the youth, their families, and their neighborhoods, second-generation Latinos are as likely to be consistently-connected as white youth. In addition, second-generation Latino youth who are consistently-connected have similar

ABOUT THIS BRIEF

This brief was prepared by Tracy Vericker, Michael Pergamit, Jennifer Macomber, and Daniel Kuehn of the Urban Institute, under contract to ASPE, as part of a series on vulnerable youth and the transition to adulthood. The project examined the role of different aspects of youth vulnerability and risk-taking behaviors on several outcomes for young adults. The data come from the National Longitudinal Survey of Youth, 1997 cohort. This survey, funded by the U.S. Bureau of Labor Statistics, follows a sample of adolescents in 1997 into young adulthood with annual interviews that capture their education, employment, family formation, and other behaviors. The analyses in this series use the subset of youth born in 1980–81, who were 15–17 years old when first interviewed in 1997. Outcomes are obtained by using the annual data through 2005 when these young adults were 23–25 years old.

The authors acknowledge the comments of Robert Santos of the Urban Institute. Additional information regarding this study can be obtained from the Federal Project Officers: Flavio Menasce (202-260-0384, Flavio.Menasce@hhs.gov), Susan Hauan (202-690-8698, Susan.Hauan@hhs.gov), and Annette Rogers (202-690-7882, Annette.Rogers@hhs.gov).

This research was conducted with restricted access to Bureau of Labor Statistics (BLS) data. The views expressed here do not necessarily reflect the views of the BLS.

Office of the Assistant Secretary for Planning and Evaluation

Office of Human Services Policy

US Department of Health
and Human Services
Washington, DC 20201



annual earnings at age 23 as white, black, and third-generation Latino youth who consistently connect, suggesting earnings parity by generation and race among those who consistently connect.

While these results are encouraging, it is unclear what the future holds for second-generation Latinos. They are less likely than whites to attend postsecondary schools in young adulthood. Specifically, they are more likely to have a high school diploma as their highest degree and less likely to complete a four-year college degree than white youth; this disparity may create a large future earnings gap.

METHODS

The outcome of interest, connectedness, is a continuous measure of weekly school enrollment or employment between the ages of 18 and 24. We created this outcome measure by using trajectory analysis. This analysis tool describes patterns in longitudinal data by estimating the probability of an event occurring over a period of time (Nagin 1999). We identified four distinct patterns of young adult connection: consistently-connected youth, initially-connected youth, later-connected youth, and never-connected youth (Kuehn et al. 2009). Consistently-connected youth have a high probability of connection to school or employment between ages 18 and 24. Initially-connected youth have a high probability of being connected at age 18 that falls off in subsequent years. Later-connected youth have a low probability of being connected to school or work at age 18, yet are much more likely to be connected in subsequent years. Never-connected youth continuously have a low probability of connection to work or school between ages 18 and 24. For the trajectory analysis, we collapsed the three groups that are not consistently-connected into one group and used logistic regression to predict membership in the consistently-connected group. Youth who are consistently-connected are considered to make a successful transition to adulthood because they are building human capital through education or steady participation in the labor market. These activities will enhance the likelihood that these young adults will leave their parents' homes and start their own lives.

Of primary interest is how generation and race or ethnicity affect connectedness. Second-generation Latinos are youth with at least one Mexican or Latin American–born biological parent.² We compare these youth with three other groups: third-generation Latino youth who self-identify as Hispanic and have native-born parents; white youth who self-identify as non-Hispanic white and have native-born parents; and black youth who self-identify as non-Hispanic black and have native-born parents.³ Third-generation Latino youth include those whose families have been in the country for three generations as well as youth whose families have been in the country for more than three generations.

When looking at the role of generation and race in connectedness, we also account for engagement in risk behaviors (early substance abuse and sexual behavior, delinquent and criminal activities, and lack of a high school diploma); youth characteristics (gender, adolescent childbirth, mental health, ability, English proficiency, and adolescent employment); family characteristics (parental income, education, employment; family structure; household size; receipt of government benefits; and parenting style); and neighborhood characteristics (living in a distressed neighborhood, and percent foreign-born living in the neighborhood, region, and urbanicity).

Except where noted, we report differences significant at or above the 95 percent confidence level.

KEY FINDINGS

Connecting to School or the Labor Market in Early Adulthood

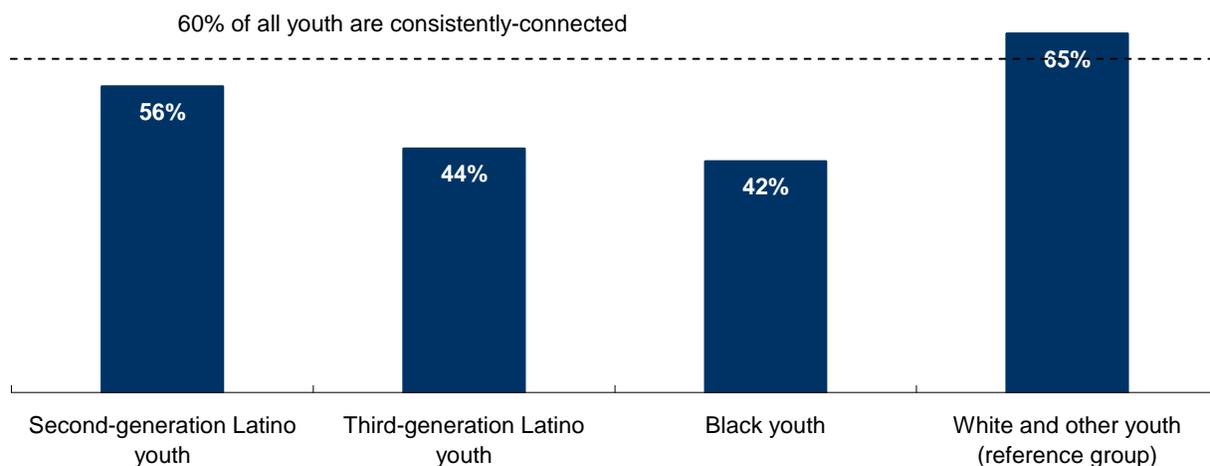
Sixty percent of all youth between ages 18 and 24 are consistently-connected to the labor market or school (see Figure 1). Stark differences appear when comparing second-generation Latino youth with third-generation Latino, white, and black youth. White youth are most often consistently-connected (65

percent) followed by second-generation Latinos (56 percent), third-generation Latinos (44 percent), and blacks (42 percent).

An important question raised but not answered by Figure 1 is, do these differences persist once factors such as youth, family, and neighborhood characteristics are accounted for? Regression analysis reveals much more positive results for second-generation Latinos once we account for these additional factors. Second-generation Latino youth are as likely as white youth to be consistently-connected to school or the labor market between ages 18 and 24, holding all else constant. They are more than twice as likely as third-generation Latino youth and nearly twice as likely as blacks to be consistently-connected.

One key determinant of young adult connectedness is high school completion. Youth who do not complete high school are 62 percent less likely than those who do complete high school to be consistently-connected to school or work between ages 18 and 24. Fewer second-generation Latino youth complete high school than white youth; however, once we account for characteristics of the youth, their families, and their neighborhoods, we find that second-generation Latino youth are no less likely to drop out of high school than white youth.

FIGURE 1. Percent of Youth Consistently-Connected between Ages 18 and 24



Source: Urban Institute estimates of the National Longitudinal Survey of Youth 1997.

Notes: Sample sizes: $n = 2,041$ (second-generation youth, $n = 149$; third-generation youth, $n = 202$; black youth, $n = 558$; white youth, $n = 1,062$). The total sample also includes 70 first-generation Latino youth, though they are not depicted in the figure owing to their small sample size). Blacks and third-generation Latinos are not statistically different; all other differences are significant at the 95% confidence level or above.

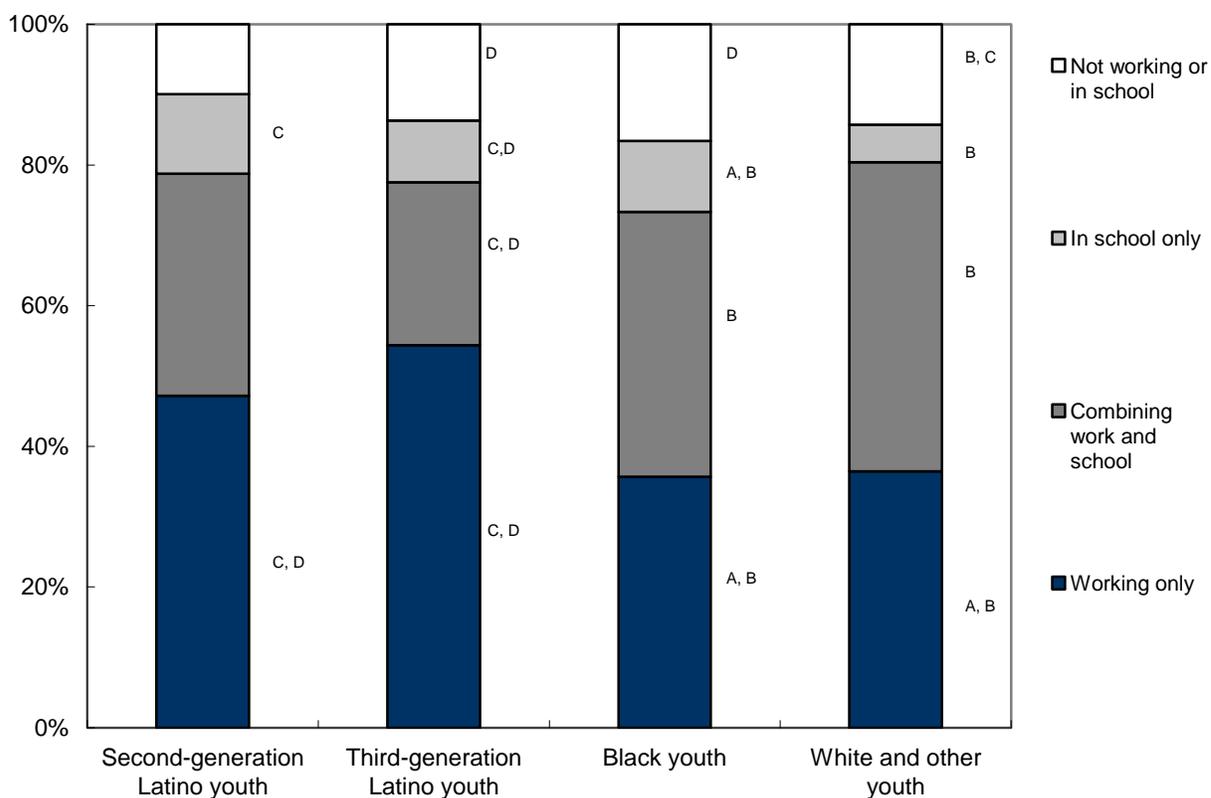
Annual earnings and time spent working or in school in early adulthood

These generally positive results for second-generation Latinos raise the questions, how do earnings of second-generation, consistently-connected Latino youth compare with other consistently-connected racial and ethnic groups, and in what combination of school and work activities are second-generation, consistently-connected Latinos engaging? We find no statistically significant differences in earnings between

second-generation Latino youth and white, black, and third-generation Latino youth. Median annual earnings for consistently-connected youth between the ages of 23 and 24 are nearly \$25,900.⁴ Not surprisingly, earnings for consistently-connected youth are much higher than for youth who are not consistently-connected. Median annual earnings between ages 23 and 24 for youth who are not consistently-connected are only \$15,900—a \$10,000 difference.⁵

Given that second-generation Latino youth are more likely to be consistently-connected than black and third generation Latino youth and no less likely to be consistently-connected than white youth, it is of interest to examine the amount of school and work activities they are engaging in during the year compared with other youth. As human capital formation begins in early adulthood, we first examine school and work involvement between the ages of 18 and 19. Results indicate differences in patterns of weeks spent engaging in work and school activities by generation and race (see Figure 2). Second-generation Latino youth spend a much higher percentage of weeks during the year working than either white or black youth. Second-generation Latino youth are employed and not in school about half of weeks between ages 18 and 19, while their white and black peers are employed and not in school only a third of weeks during the year. Further, second-generation Latino youth spend fewer weeks going to school than white youth. Less than half of second-generation Latinos are engaged in school activities, compared with more than 60 percent of white youth.

FIGURE 2. Consistently-Connected Youth between Ages 18 and 19: Weeks Spent Working, in School, Combining Work and School, and Not Connected (percent)



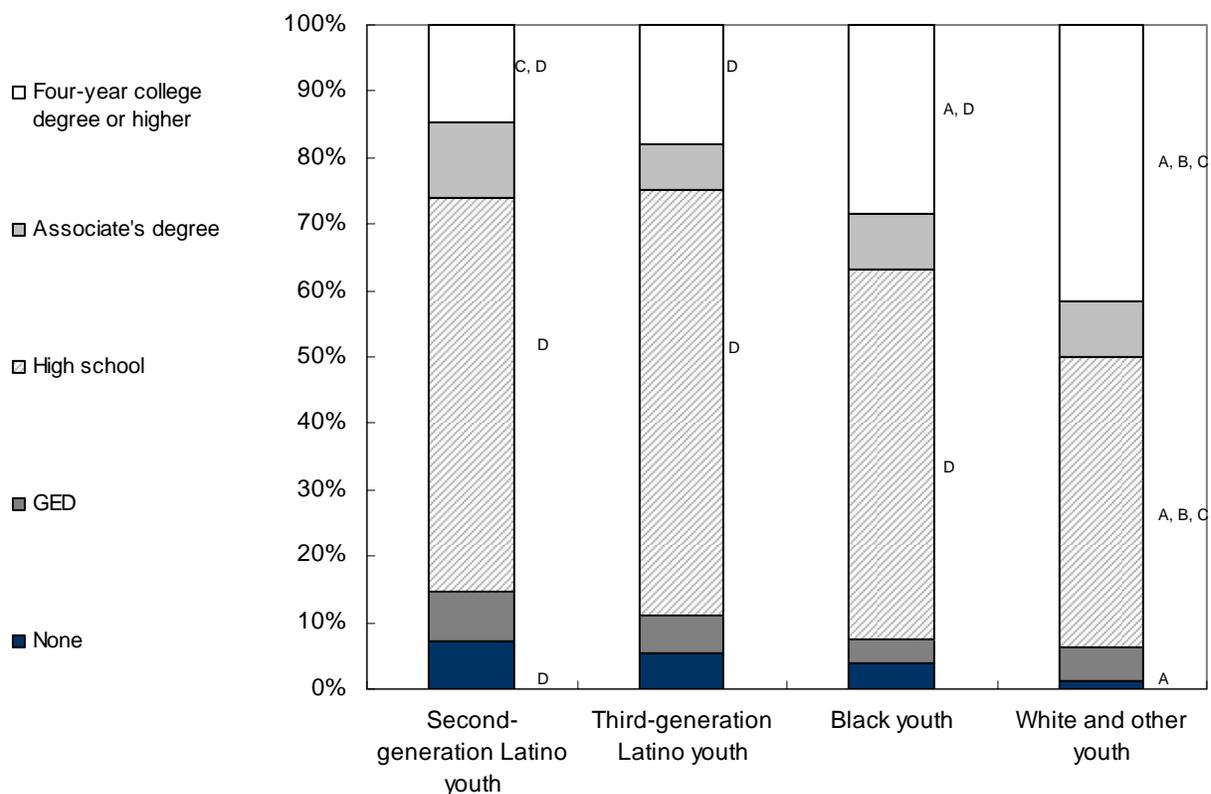
Source: Urban Institute estimates of the National Longitudinal Survey of Youth 1997.
Notes: Sample sizes: $n = 2,041$ (sample includes 70 first-generation Latino youth, though they are not depicted in the figure).
 A = significantly different from second-generation Latino youth at the 95% confidence level or above.
 B = significantly different from third-generation Latino youth at the 95% confidence level or above.
 C = significantly different from black youth at the 95% confidence level or above.
 D = significantly different from white youth at the 95% confidence level or above.

By the time consistently-connected youth reach ages 23 and 24, they are engaged in work alone 69 percent of weeks, combining work and school 11 percent of weeks, in school 6 percent of weeks, and not connected to work or school 13 percent of weeks during the year. This pattern is similar across different generation and race groups.

Highest degree completed

The effect of second-generation Latinos attaching to school less often than whites between ages 18 and 19 is evident by ages 23 and 24 when assessing the highest degree completed (see Figure 3). Second-generation Latino youth are more likely than white youth to have a high school diploma as a final degree. Further, they are far less likely than both white and black youth to complete a four-year degree program.

FIGURE 3. Highest Degree Completed by Consistently-Connected Youth by Age 24 (percent)



Source: Urban Institute estimates of the National Longitudinal Survey of Youth 1997.

Notes: Sample sizes: $n = 2,041$ (sample includes 70 first-generation Latino youth, though they are not depicted in the figure).

A = significantly different from second-generation Latino youth at the 95% confidence level or above.

B = significantly different from third-generation Latino youth at the 95% confidence level or above.

C = significantly different from black youth at the 95% confidence level or above.

D = significantly different from white youth at the 95% confidence level or above.

DISCUSSION

This study presents an encouraging picture of the transition to adulthood for second-generation Latino youth. These youth are no less likely to be consistently-connected to school or the labor market than white youth, once we account for characteristics of youth, their families, and their neighborhoods. Further,

second-generation consistently-connected Latino youth have similar earnings to other consistently-connected youth and earn more than youth who are not consistently-connected. In part, these positive results may be the result of protective factors such as living in a two-parent family outweighing risk factors such as growing up in low-income families.

While the results from this study are promising, the finding that second-generation youth are connected to school far less often and complete less schooling than white youth in early adulthood suggests that their upward mobility may be limited. Human capital formation is critical for labor market success, and whites are getting more education than second-generation Latinos. If we were able to follow these youth for another 10 years, we might find that second-generation youth begin to lag behind white youth in connectedness and earnings. The poor outcomes of third-generation Latino youth also suggest that the positive findings of second-generation Latino youth may diminish in their children.

Our findings are fairly consistent with findings from other studies. In some studies, Latin American immigrants have been shown to experience limited upward mobility across generations (Rumbaut 2005). Second-generation Latino children have been found to complete more years of schooling than first-generation youth, though third-generation youth do not appear to do better than second-generation youth (Zsembik and Llanes 1996). This finding is consistent for earnings as well, as second-generation men have been found to earn more than their first-generation counterparts, but progress stalls in the third generation (Trejo 2003). On the other hand, Livingston and Kahn (2002), looking at wages, find that after controlling for human capital factors, wages are actually highest for first-generation Mexican Americans and decline in subsequent generations.

Given the current and expected future growth in the Latin American immigrant population, attention should be paid to their labor market successes and failures. Research has consistently shown the importance of human capital formation. Clearly, more needs to be done to engage these youth in school and encourage them to complete training and technical programs or go on to college as ways to foster their long-term labor market success. For instance, most federal programs target all low-income youth up to age 21 and typically serve only U.S. citizens and legal residents (Job Corps serves people up to age 24). Thus, these programs do not continue to assist youth throughout the transition to adulthood. The Workforce Investment Act of 1998 (WIA) provides states with the opportunity to use 15 percent of WIA youth funding for any statewide youth activity or programming. States with high Latino populations could use these funds to create education and training programs that would serve Latino youth.

The rise of community colleges is another important source of postsecondary education and job training that could offer opportunities to second-generation Latino youth. Community colleges provide educational opportunities to low-income working individuals and some are beginning to offer more support services to help students manage the work-school-life balance. Encouraging community colleges to target second-generation Latino youth as students may help promote greater human capital formation in early adulthood.

KEY LIMITATIONS

There are several important limitations of this analysis. First, this study cannot distinguish between second-generation children with citizen parents and noncitizen parents and, further, between second-generation children with documented parents and undocumented parents. Second-generation youth with parents who are either United States citizens or legal permanent residents might have been more likely to respond to the survey than undocumented immigrants. Should this be the case, this study may not have a representative sample of second-generation Latino youth. This could mean that our findings overstate the positive transition to adulthood for second-generation Latino youth.

Additionally, data are not available to distinguish the countries of origin for all Latinos. Immigrants from different countries of origin can have very different immigrant experiences and cultural backgrounds, a heterogeneity not captured in this study. Most parent respondents are from Mexico, though the data do not allow us to tell from which region of Mexico they immigrated.

Finally, this study only captures the transition into adulthood through age 24. Given that fewer consistently-connected second- and third-generation youth engage in school activities than their black and white peers, these differences in human capital may affect future patterns of connection and earnings.

TABLE 1. Descriptive and Multivariate Results Comparing Second-Generation Latino Youth with Third-Generation Latino Youth, White and Other Youth, and Black Youth on Employment and Education Outcomes

	Second-generation Latino youth <i>n</i> = 149	Third-generation Latino youth <i>n</i> = 202	Black youth <i>n</i> = 558	White and other youth (reference group) <i>n</i> = 1,062	All youth ^a <i>n</i> = 2,041
Descriptive Analysis Results					
Percent consistently-connected to school or work	56%**	44%**	42%**	65%	60%
Percent of time between ages 18 and 19 consistently-connected youth are					
Employed only	47%**	54%**	33%	34%	35%
In school only	15%	14%**	24%	21%	21%
Combining work and school	31%*	23%**	35%**	41%	38%
Not employed or in school	7%	9%**	8%**	5%	6%
Percent of time between ages 23 and 24 consistently-connected youth are					
Employed only	63%	66%	64%**	71%	69%
In school only	11%*	9%	9%**	5%	6%
Combining work and school	16%	12%	11%	11%	11%
Not employed or in school	10%	14%	15%	13%	13%
Highest degree completed by consistently-connected youth by age 23-24					
None	7%**	6%*	4%**	1%	2%
GED	7%	6%	4%	5%	5%
High school diploma	60%**	64%**	56%**	44%	47%
Associate's degree	11%	7%	8%	9%	9%
Four-year college degree or higher	15%**	18%**	29%**	41%	38%
Median annual earnings of consistently-connected youth (among earners)	\$26,620	\$26,513	\$23,825	\$25,974	\$25,864
Median annual earnings of not consistently-connected youth (among earners)	\$17,170	\$19,100	\$15,511	\$15,820	\$15,943
Multivariate Analysis Results ^b					
Consistently-connected (odds ratios, white/other reference)	1.44	0.65**	0.82	1.00	
Completed high school (odds ratios, white/other reference)	1.24	1.35	1.50*	1.00	

Source: Urban Institute estimates of the National Longitudinal Survey of Youth 1997.

a. First-generation Latino immigrants are not depicted (*n* = 70).

b. Multivariate analysis results control for the following factors: engagement in risky behaviors (early substance abuse and sexual behavior, delinquent and criminal activities, and lack of high school completion); youth characteristics (gender, adolescent childbirth, mental health, ability, English proficiency, and adolescent employment); family characteristics (parental income, education, employment; family structure; household size; receipt of government benefits; and parenting style); and neighborhood characteristics (living in a distressed neighborhood, percent foreign-born living in the neighborhood, region, and urbanicity).

*significantly different from white and other youth at 90% confidence level; ** significantly different from white and other youth at 95% confidence level or higher.

¹ The third generation includes actual third-generation youth as well as youth whose families are Latino and have been in the country for more than three generations.

² Sample sizes did not permit us to further refine our immigrant populations by separating Latin Americans and Mexicans; however, our immigrant samples are composed primarily of those of Mexican origin.

³ First-generation Latinos, youth who are themselves immigrants from Latin America or Mexico, are also in the sample. Due to small sample sizes ($n = 70$), we do not report any results for them.

⁴ These estimates only include youth who have positive earnings.

⁵ These estimates only include youth who have positive earnings.

REFERENCES

Kuehn, Daniel, Michael Pergamit, Jennifer Macomber, and Tracy Vericker. 2009. "Multiple Pathways Connecting to School and Work." Washington, DC: The Urban Institute.

Larson, Luke. 2004. *The Foreign-Born Population in the United States: 2003*. Current Population Report. Washington, DC: U.S. Census Bureau. Downloaded September 15, 2008, from <http://www.census.gov/prod/2004pubs/p20-551.pdf>.

Livingston, Gretchen, and John R. Kahn. 2002. "An American Dream Unfulfilled: the Limited Mobility of Mexican Americans." *Social Science Quarterly* 83(4): 1003–12.

Nagin, Daniel. 1999. "Analyzing Developmental Trajectories: Semi-Parametric, Group-Based Approach." *Psychological Methods*, 4:39–177.

Rumbaut, Rubin G. 2005. "Turning Points in the Transition to Adulthood: Determinants of Educational Attainment, Incarceration, and Early Childbearing among Children of Immigrants." *Ethnic and Racial Studies* 28(6): 1041–86.

Trejo, Stephen J. 2003. "Intergenerational Progress of Mexican-Origin Workers in the U.S. Labor Market." *Journal of Human Resources* 38(3): 467–89.

United States Bureau of the Census. 2006. "March 2005 Current Population Survey." Downloaded January 11, 2007, from <http://www.bls.census.gov/cps ftp.html#cpsmarch>.

Urban Institute tabulations from 2005 US Current Population Survey, Annual Social and Economic Supplements; 2000 Census Integrated Public-Use Microdata Samples.

Vericker, Tracy, Daniel Kuehn, and Randolph Capps. 2007. "Latino Children of Immigrants in the Child Welfare System." *Protecting Children* 22(2): 20–40.

Zsembik, B. A., and D. Llanes. 1996. "Generational Differences in Educational Attainment among Mexican Americans." *Social Science Quarterly* 77(2): 363–74.

**DEPARTMENT OF HEALTH
& HUMAN SERVICES**

Office of the Secretary
Washington, DC

OFFICIAL BUSINESS
Penalty for Private Use \$300

