



LATINO POLICY & ISSUES BRIEF

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MEXICAN AMERICANS AND ECONOMIC PROGRESS

by
Edward E. Telles and Vilma Ortiz

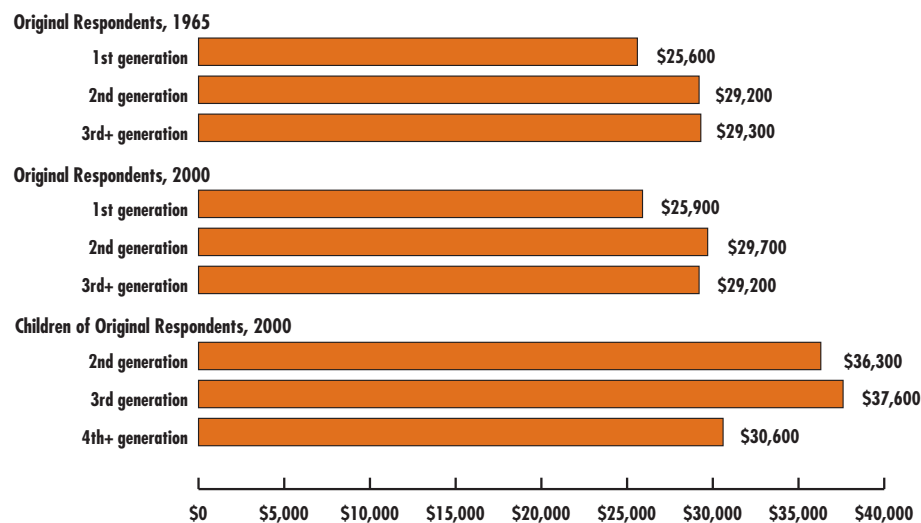
A report drawn from *Generations of Exclusion: Mexican Americans, Assimilation, and Race* (2008), an update of the classic *The Mexican American People* (1970), a longitudinal and intergenerational study on the extent of assimilation among Mexican Americans over four generations.

The descendants of immigrants who came to the United States from Europe enjoyed successive improvements in occupation, income, and wealth during the last century, promoting their assimilation into U.S. society (Alba and Nee 2003). This is not the case with Mexican Americans, whose socioeconomic status remains comparatively low. Our study reveals that occupations, earnings, home ownership, and overall wealth have not increased for later generations. Furthermore, the retreat of economic progress among those in the fourth generation is the direct result of their significant educational disadvantage.¹

OCCUPATIONS

The biggest changes in occupation for Mexican Americans have been at the bottom of the employment ladder. Original respondents were less likely in 2000 to hold blue collar jobs, particularly in manufacturing. In the 1960s Los Angeles had a significant manufacturing industry—about half of Los Angeles’s Mexican Americans worked in this sector—and San Antonio had a robust public sector that centered on several area military bases. Since then, most of Los Angeles’s manufacturing jobs have gone elsewhere, and at least one of San Antonio’s military bases has closed (Telles and Ortiz 2008).

The greatest occupational gains occurred between first-generation original respondents and their second-generation children. Only 18 percent of the first generation held white collar jobs in 1965. By 2000, 66 percent of second-generation children were working in professional, technical, and administrative positions. Fewer fourth-generation children—59 percent—had similar jobs.

Figure 1. Personal Earnings (in 2000 Dollars)

Source: Telles and Ortiz 2008.

Note: Third- and fourth-generation respondents include subsequent generations.

In 2000, employment in service occupations accounted for a substantial proportion—about 50 percent in Los Angeles and 60 percent in San Antonio—of the jobs held by the children of original respondents. Service jobs are primarily cleaning and maintenance, personal care, health care, and law enforcement occupations; moreover today's employees often lack the security and benefits—and the high wages offered in unionized industries—that earlier generations experienced.

EARNINGS

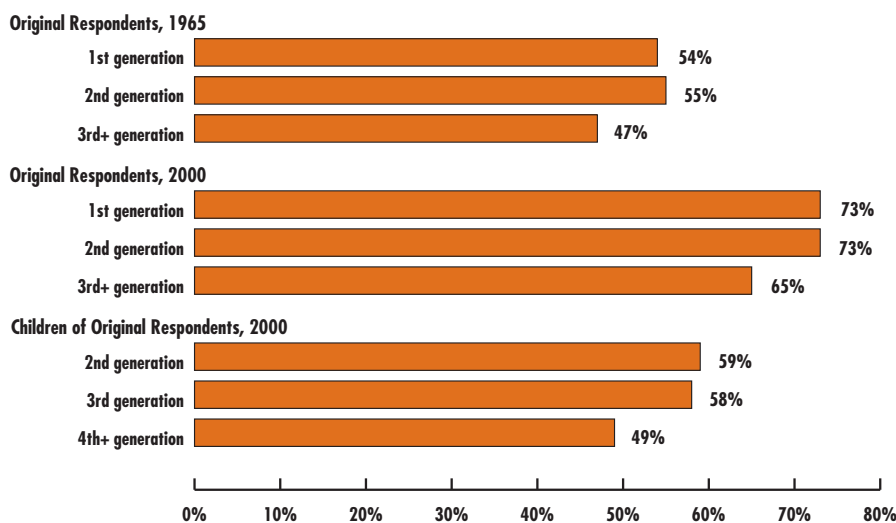
Mexican Americans earn significantly less than other racial/ethnic groups historically (Grebler, Moore, and Guzman 1970) as well as today. As Figure 1 shows, personal earnings (adjusted for inflation) for all original respondents

were under \$30,000 in 1965 and in 2000. In fact, 35 percent of original respondents were living in poverty in 2000, compared to 22 percent in 1965. This was due in part to the retirement of many original respondents between surveys. Although individual incomes were higher for children than for original respondents, they did not rise steadily in successive generations. Third-generation children earned \$37,600, but fourth-generation children earned only \$30,600. We did find a notable increase in family income (pooled earnings of husbands and wives), from about \$30,000 for parents in 2000 to around \$50,000 for their children, a rise largely attributable to the fact that the number of families in which both spouses worked was greater among children than among original respondents.

HOME OWNERSHIP

For most Mexican Americans, owning a home is the largest component of their financial assets and an indicator of middle-class status. A little more than half of first- and second-generation original respondents owned a home in 1965. Home ownership increased among all original respondents between 1965 and 2000, although it was lower for the third generation, as Figure 2 shows. Ownership rates were similar for original respondents in 1965 and for their children, who in 2000 were approximately the same age that their parents were in 1965. The generational differences among the children were similar to those of their parents—the second and third generations had higher rates of owning a home than the fourth generation did.

Original respondents reported a net worth (home equity plus other assets, minus debt) of around \$130,000 in 2000. Total assets for second- and third-generation children averaged around \$50,000. Fourth-generation children, however, reported an average net worth of only \$43,500. The lower socioeconomic status of fourth-generation respondents corresponds to their lower level of education.² We found that for every additional year of education, earnings increased by \$4,000, income by \$6,000, and net worth by more than \$9,000.

Figure 2. Percentage That Are Homeowners

Source: Telles and Ortiz 2008.

Note: Third- and fourth-generation respondents include subsequent generations.

CONCLUSION

Our findings suggest that the retreat of economic progress among fourth-generation Mexican Americans can be attributed to their sharp educational disadvantage. They also have been negatively impacted in part by the decreasing number of manufacturing jobs in Los Angeles and military jobs in San Antonio. These jobs have been replaced by employment opportunities

in the service sector, which typically offers lower wages, fewer benefits, and less security.

NOTES

1. The immigration of Mexicans to the United States is the largest and longest migration from a single country in our nation's history. Scholars disagree considerably on how extensively Mexican Americans are assimilating into U.S. society. Results reported in *Generations of Exclusion* reveal that Mexican Americans are

not assimilating as consistently or as rapidly as predicted.

These results are drawn from a longitudinal and intergenerational research study based at the UCLA Chicano Studies Research Center. In 1965–66, Mexican Americans living in Los Angeles and San Antonio were interviewed (referred to as the 1965 survey). Of these original respondents, 684 were re-interviewed in 1998–2002 (referred to as the 2000 survey), plus 758 of their adult children (up to two per family). The two surveys provide data for a systematic analysis of assimilation over four generations. Key measures of assimilation—including education, socioeconomic status, language, religion, family values, intermarriage, residential segregation, ethnic identity, and political preference—are explored in CSRC Policy and Issues Briefs Nos. 17–21.

2. See *Mexican Americans and Education*, CSRC Latino Policy and Issues Brief no. 19.

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AUTHORS Edward E. Telles is professor of sociology at UCLA and Vilma Ortiz is associate professor of sociology at UCLA.

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A longitudinal and intergenerational study on Mexican American assimilation reveals that occupations, earnings, home ownership, and overall wealth have not increased for later generations of Mexican Americans.

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FOR MORE INFORMATION, CONTACT:

UCLA Chicano Studies Research Center
193 Haines Hall
Los Angeles, CA 90095-1544
Phone: 310-825-2642
Fax: 310-206-1784
E-Mail: press@chicano.ucla.edu
Web: www.chicano.ucla.edu

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UCLA CHICANO STUDIES RESEARCH CENTER
193 HAINES HALL
LOS ANGELES, CA 90095-1544